AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 13, 1998

REGISTRATION NOS. 333- AND 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

CORPORATE PROPERTY INVESTORS, INC.	CORPORATE REALTY CONSULTANTS, INC.
EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)	(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
THREE DAG HAMMARSKJOLD PLAZA	THREE DAG HAMMARSKJOLD PLAZA
305 EAST 47TH STREET	305 EAST 47TH STREET
NEW YORK NEW YORK 10017	NEW YORK NEW YORK 10017
(212) 421-8200	(212) 421-8200
(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)	(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)
DELAWARE	DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)
6798	6512
(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)
046268599	13-2838638
(I.R.S. EMPLOYER IDENTIFICATION NO.)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

HAROLD E. ROLFE, ESQ.
VICE PRESIDENT AND GENERAL COUNSEL
CORPORATE PROPERTY INVESTORS, INC.
THREE DAG HAMMARSKJOLD PLAZA
305 EAST 47TH STREET
NEW YORK, NEW YORK 10017
(212) 421-8200
(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

WITH COPIES TO
ROBERT ROSENMAN, ESQ.
CRAVATH, SWAINE & MOORE
WORLDWIDE PLAZA
825 EIGHTH AVENUE
NEW YORK, NEW YORK 10019
(212) 474-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective and upon consummation of the merger described herein.

If any of the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Common Stock, par value $.0001 per share of Corporate Property Investors, Inc. ("CPI") paired with 1/100th of a share of Common Stock, par value $.0001 per share, of Corporate Realty Consultants, Inc. ("CRC Common Stock").	111,766,862	$29.25	$3,269,180,713.50	
Class B Common Stock, par value $.0001 per share, of CPI paired with 1/100th of a share of CRC Common Stock.	3,200,000	$29.25	$ 93,600,000	
Class C Common Stock, par value $.0001 per share of CPI paired with 1/100th of a share of CRC Common Stock.	4,000	$29.25	$ 117,000	$269,097.83(2)

(1) Estimated solely for the purpose of calculating the registration fee

required by Section 6(b) of the Securities Act of 1933, as amended (the "Securities Act"), and computed pursuant to Rule 457(f)(1) under the Securities Act based on the average of the high and low sales price per share of common stock of Simon DeBartolo Group, Inc. on August 6, 1998 on the New York Stock Exchange.

(2) Representing the Registration Statement fee of $992,054.83, reduced by $722,957.00 which was previously paid by Simon DeBartolo Group, Inc. with respect to the transaction described herein pursuant to Section 14(g) of the Securities Exchange Act of 1934, as amended.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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[SIMON DEBARTOLO GROUP LOGO]

August 13, 1998

To the Stockholders of Simon DeBartolo Group, Inc.:

In February of this year, Simon DeBartolo Group, Inc. ("SDG") announced its intention to combine with Corporate Property Investors, Inc. ("CPI") and its "paired share" affiliate, Corporate Realty Consultants, Inc. ("CRC"), in order to solidify its position as the largest developer, owner and operator of super-regional and regional shopping centers in the country. This strategic combination will be accomplished by means of a reverse merger and the acquisition of beneficial interests in CRC for cash. The combined company will be renamed Simon Property Group, Inc. ("Simon Group") and substantially all the members of the current Board of Directors and senior management of SDG will become members of the new Board of Directors and senior management of Simon Group. All of SDG's practices and policies, including investment and financing policies, will continue as Simon Group's practices and policies. Based upon the current capitalization of SDG and CPI, the stockholders of SDG would own, in the aggregate, approximately 67% of the outstanding Simon Group common stock following the merger.

As an important step to consummating this strategic acquisition, you are cordially invited to attend a special meeting of stockholders of SDG which will be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana on September 23, 1998, at 10:00 a.m., Indianapolis time (the "SDG Special Meeting"). At the SDG Special Meeting, we will seek your approval of two proposals (the "SDG Proposals"): (i) the adoption of an amendment to the SDG Amended and Restated Articles of Incorporation (the "SDG Charter") which will provide for the granting of voting rights to the holders of outstanding preferred stock of SDG and (ii) the adoption of an Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), by and among SDG, CPI and CRC, pursuant to which a substantially wholly owned subsidiary of CPI will merge with and into SDG and the stockholders of SDG will become stockholders of CPI (which will be renamed Simon Property Group, Inc.). The affirmative vote of a majority of all the votes entitled to be cast by the holders of the outstanding SDG common stock is required to approve the amendment to the SDG Charter, and the affirmative vote of 66 2/3% of all the votes entitled to be cast by the holders of the outstanding SDG common stock is required to approve the Merger Agreement. As indicated in the Proxy Statement/Prospectus, as of March 31, 1998, the officers and directors of SDG beneficially own 51,403,696 shares of SDG common stock (including non-voting units of partnership interests convertible into SDG common stock), or approximately 32.7% of the total outstanding shares.

THE SDG BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER, THE MERGER AGREEMENT AND THE SDG CHARTER AMENDMENT, DETERMINED THAT THE MERGER AND THE SDG CHARTER AMENDMENT ARE IN THE BEST INTERESTS OF SDG AND ITS STOCKHOLDERS, AND RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL AND ADOPTION OF THE SDG PROPOSALS. The SDG Board of Directors has obtained an opinion from its independent financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, to the effect that, at the date of such opinion and based upon and subject to certain matters stated therein, the consideration to be received by the SDG stockholders in the merger was fair to SDG stockholders from a financial point of view.

You are also cordially invited to attend the 1998 annual meeting of stockholders of SDG (the "SDG Annual Meeting"), which will be held immediately following the SDG Special Meeting.

THE ACCOMPANYING NOTICE OF SPECIAL AND ANNUAL MEETINGS OF STOCKHOLDERS, PROXY STATEMENT/PROSPECTUS, AND THE ANNEXES THERETO, PROVIDE DETAILED INFORMATION CONCERNING MATTERS TO BE CONSIDERED AT THE SPECIAL AND ANNUAL MEETINGS, THE REASONS FOR YOUR BOARD OF DIRECTORS' RECOMMENDATION OF THE MERGER, THE MERGER AGREEMENT AND THE SDG CHARTER AMENDMENT AND CERTAIN ADDITIONAL INFORMATION, INCLUDING, WITHOUT LIMITATION, INFORMATION ON SDG, CPI AND CRC. YOU ARE URGED TO CAREFULLY CONSIDER ALL OF THE INFORMATION IN THE ACCOMPANYING MATERIAL.

We realize this transaction appears complex and requires that you review a substantial amount of proxy material. Even so, we believe our ability to complete this combination and preserve the existence of CPI's paired share affiliate, CRC, will ultimately inure to the benefit of SDG's stockholders, notwithstanding the enactment of recent legislation limiting the future use of paired share structures. We urge you to carefully consider the attached proxy materials and hope you will conclude, as we have, that the combination of SDG and CPI will improve and strengthen what is already the largest retail real estate company in the country.

It is important that your shares of SDG common stock be represented at the SDG Special Meeting and at the SDG Annual Meeting, regardless of the number of shares you hold. Therefore, please sign, date and return your proxy cards as soon as possible, whether or not you plan to attend the SDG Special Meeting or the SDG Annual Meeting. This will not prevent you from voting your shares in person if you subsequently choose to attend the SDG Special Meeting and/or the SDG Annual Meeting.

Very truly yours,

/s/ David Simon
David Simon
Chief Executive Officer

[SIMON DEBARTOLO GROUP LOGO]

NOTICE OF SPECIAL AND ANNUAL MEETINGS OF STOCKHOLDERS

To the Stockholders of Simon DeBartolo Group, Inc.:

PLEASE TAKE NOTICE that a Special Meeting (the "SDG Special Meeting") of stockholders of Simon DeBartolo Group, Inc. ("SDG") will be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana, on September 23, 1998, at 10:00 a.m., Indianapolis time.

At the SDG Special Meeting, you will be asked to consider and vote upon the following proposals (the "SDG Proposals"):

(1) The approval and adoption of an amendment (the "Voting Preferred Amendment") to SDG's Amended and Restated Articles of Incorporation (the "SDG Charter") to provide certain voting rights to the holders of SDG preferred stock. Approval of the Voting Preferred Amendment is a condition for the consideration of the Merger Proposal discussed below.

(2) The approval and adoption of an Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), by and among SDG, Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") (the "Merger Proposal"), pursuant to which, among other things, a substantially wholly owned subsidiary of CPI will merge with and into SDG (the "Merger") and the stockholders of SDG will become stockholders of CPI (which will be renamed Simon Property Group, Inc.).

(3) To transact such other business as may properly come before the SDG Special Meeting or any adjournment or postponement thereof.

The affirmative vote of a majority of all the votes entitled to be cast by the holders of the outstanding SDG common stock is required to approve the Voting Preferred Amendment, and the affirmative vote of 66 2/3% of all the votes entitled to be cast by the holders of the outstanding SDG common stock is required to approve the Merger Proposal. As indicated in the Proxy Statement/ Prospectus, as of March 31, 1998, the officers and directors of SDG beneficially own 51,403,696 shares of SDG common stock (including non-voting units of partnership interests convertible into SDG common stock), or approximately 32.7% of the total outstanding shares. Each of the Voting Preferred Amendment and the Merger Proposal is more completely described in the accompanying Proxy Statement/Prospectus, and a copy of the Merger Agreement is attached hereto as Annex A.

The 1998 Annual Meeting (the "SDG Annual Meeting" and, together with the SDG Special Meeting, the "SDG Meetings") of stockholders of SDG will be held immediately following the SDG Special Meeting, at the same location as the SDG Special Meeting, to consider and vote upon the following proposals:

(1) To elect eleven directors (five to be elected by the holders of the outstanding Common Stock, par value $0.0001 per share, of SDG ("SDG Common Stock"), Class B Common Stock, par value $0.0001 per share, of SDG ("SDG Class B Common Stock") and Class C Common Stock, par value $0.0001 per share, of SDG ("SDG Class C Common Stock" and together with SDG Common Stock and SDG Class B Common Stock, "SDG Equity Stock"), four to be elected by the holders of SDG Class B Common Stock and two to be elected by the holders of SDG Class C Common Stock), each to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

(2) To approve the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "1998 Stock Incentive Plan").

(3) To ratify the appointment of Arthur Andersen LLP as independent accountants for SDG for the fiscal year ending December 31, 1998.

(4) To transact such other business as may properly come before the SDG Annual Meeting or any adjournment or postponement thereof.

Only holders of SDG Equity Stock of record at the close of business on July 20, 1998 will be entitled to vote at the SDG Meetings or any adjournment or postponement thereof. In accordance with the Maryland General Corporation Law, this notice is being sent to all stockholders of SDG.

WE CORDIALLY INVITE YOU TO ATTEND THE SDG MEETINGS, BUT REGARDLESS OF WHETHER YOU PLAN TO BE PRESENT, PLEASE PROMPTLY DATE, MARK, SIGN AND MAIL THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO ADDITIONAL POSTAGE IF MAILED IN THE UNITED STATES. ANY STOCKHOLDER WHO EXECUTES AND DELIVERS A PROXY MAY REVOKE THE AUTHORITY GRANTED THEREUNDER AT ANY TIME PRIOR TO ITS USE BY GIVING WRITTEN NOTICE OF SUCH REVOCATION TO THE UNDERSIGNED AT 115 WEST WASHINGTON STREET, INDIANAPOLIS, INDIANA 46204, BY EXECUTING AND DELIVERING A PROXY BEARING A LATER DATE OR BY ATTENDING AND VOTING AT THE SDG MEETINGS. YOUR VOTE IS IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN.

Please do not send any stock certificates with your proxy card. If the Merger is approved and adopted by the stockholders and the Merger is consummated, you will receive a transmittal form and instructions for the surrender of the certificates previously representing your shares of SDG Equity Stock.

Dated: August 13, 1998.

By Order of the Board of Directors
of Simon DeBartolo Group, Inc.

/s/ James M. Barkley
James M. Barkley, Secretary

PROXY STATEMENT
for

SPECIAL AND ANNUAL MEETINGS OF STOCKHOLDERS OF
SIMON DEBARTOLO GROUP, INC.
Each To Be Held on September 23, 1998

PROSPECTUS
for

CORPORATE PROPERTY INVESTORS, INC.
(To Be Renamed Simon Property Group, Inc.)
and

CORPORATE REALTY CONSULTANTS, INC.
(To Be Renamed SPG Realty Consultants, Inc.)

This Proxy Statement/Prospectus relates to the proposed merger and related transactions contemplated by the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), by and among Simon DeBartolo Group, Inc., a Maryland corporation ("SDG"), Corporate Property Investors, Inc., a Delaware corporation and successor by merger to Corporate Property Investors, a Massachusetts business trust (such entities collectively, "CPI"), and Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"). CPI will be renamed Simon Property Group, Inc. ("Simon Group") upon consummation of the merger provided for in the Merger Agreement. As used in this Proxy Statement/Prospectus, the term "CPI" refers to CPI and, unless the context otherwise requires, CRC prior to the Merger and "Simon Group" shall refer to CPI and, unless the context otherwise requires, CRC from and after the effective time of the merger provided for in the Merger Agreement.

The Merger Agreement provides for (a) the merger of a substantially wholly owned subsidiary of CPI with and into SDG (the "Merger"), and (b) the conversion of each outstanding share of (x) Common Stock, par value $0.0001 per share, of SDG ("SDG Common Stock"), (y) Class B Common Stock, par value $0.0001 per share, of SDG ("SDG Class B Common Stock") and (z) Class C Common Stock, par value $0.0001 per share, of SDG ("SDG Class C Common Stock"), other than shares as to which dissenters' rights have been perfected, into the right to receive one share of (x) Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Common Stock"), (y) Class B Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Class B Common Stock") and (z) Class C Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Class C Common Stock"), respectively, all as more fully described in the Proxy Statement/Prospectus. With respect to CPI's stockholders, the Merger Agreement provides for, immediately prior to the consummation of the Merger, the declaration of a dividend for each outstanding share of Common Stock, par value $0.01 per share, of CPI ("CPI Common Stock," which from and after the effective time of the Merger shall be referred to as "Simon Group Common Stock"), consisting of: (a) $90.00 cash (subject to adjustment); (b) 1.0818 shares of CPI Common Stock; and (c) 0.19 shares of Series B Convertible Preferred Stock, par value $.01 per share, of CPI ("CPI Series B Preferred Stock," which from and after the effective time of the Merger shall be referred to as "Simon Group Series B Preferred Stock"), all as more fully described in this Proxy Statement/Prospectus. Each share of Simon Group Common Stock, Simon Group Class B Common Stock, and Simon Group Class C Common Stock (together, the "Simon Group Equity Stock") outstanding or issued in connection with the Merger will be paired with a beneficial interest in shares of Common Stock, par value $.0001 per share, of CRC ("CRC Common Stock" and together with each share of Simon Group Equity Stock, "Paired Shares") held by the CRC Trusts (as defined below).

This Proxy Statement/Prospectus is being furnished to the stockholders of SDG in connection with the solicitation of proxies by the Board of Directors of SDG from holders of outstanding shares of SDG Equity Stock for use at the special meeting ("SDG Special Meeting") and annual meeting of stockholders of SDG (the "SDG Annual Meeting" and, together with the SDG Special Meeting, the "SDG Meetings") and at any adjournments or postponements thereof. The SDG Special Meeting is scheduled to be held on September 23, 1998, at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana at 10:00 a.m., Indianapolis time, and the SDG Annual Meeting will be held at the same location immediately following the SDG Special Meeting.

CPI (to be renamed Simon Group) has filed a registration statement on Form S-4 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with the Securities and Exchange Commission (the "Commission") covering up to 114,970,862 shares of Simon Group Equity Stock to be issued in connection with the Merger. This represents the estimated maximum number of shares that could be issued in the Merger. The number will vary depending upon the number of shares of SDG Class B Common Stock and SDG Class C Common Stock as to which appraisal rights have been exercised by the holders thereof. This Proxy Statement/Prospectus constitutes the Prospectus of CPI filed as part of the Registration Statement with respect to the shares of Simon Group Equity Stock to be issued in connection with the Merger other than insofar as it relates to the SDG Annual Meeting. Shares of SDG Common Stock currently trade on the New York Stock Exchange ("NYSE"). Application will be made to the NYSE to have shares of Simon Group Common Stock issued in connection with the Merger trade on the NYSE from and after the effective time of the Merger.

SEE "RISK FACTORS" ON PAGE 24 FOR MATERIAL RISK FACTORS THAT SHOULD BE CONSIDERED RELATING TO THE MERGER.

This Proxy Statement/Prospectus, the accompanying form of proxy and the other enclosed documents are first being mailed to stockholders of SDG on or about August 13, 1998.

THE SECURITIES ISSUABLE IN THE MERGER HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Proxy Statement/Prospectus is August 13, 1998.

AVAILABLE INFORMATION

CPI (to be renamed Simon Property Group, Inc.) and CRC (to be renamed SPG Realty Consultants, Inc.) have filed with the Commission a Registration Statement (which term shall include all amendments, exhibits, annexes and schedules thereto) pursuant to the Securities Act, and the rules and regulations promulgated thereunder, covering the Simon Group Equity Stock to be issued by CPI in connection with the Merger. This Proxy Statement/Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement. Statements made in this Proxy Statement/Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement or incorporated by reference herein, reference is made to the exhibit for a more complete description of the matters involved, and each such statement shall be deemed qualified in its entirety by such reference. CPI and CRC intend to continue to furnish their stockholders with annual reports containing financial statements audited by their independent public accountants. The information in this Proxy Statement/Prospectus concerning SDG, CPI and CRC has been furnished by SDG, CPI and CRC, respectively, and all pro forma information has been prepared by SDG.

SDG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy and information statements and other information with the Commission. Such reports and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth St., N.W., Washington, D.C. 20549, and at the Regional Offices of the Commission at 7 World Trade Center, 13th Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained by mail from the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. The Commission maintains a Web site (http://www.sec.gov) that contains reports, proxy and information statements and other materials that are filed through the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. In addition, the SDG Common Stock is listed on the NYSE and SDG is required to file reports, proxy and information statements and other information with the NYSE. These documents can be inspected at the principal office of the NYSE, 11 Wall Street, New York, New York 10005.

FORWARD-LOOKING STATEMENTS

Certain statements under the captions "RISK FACTORS" and "THE PROPOSED MERGER AND RELATED MATTERS" and elsewhere in this Proxy Statement/Prospectus constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of SDG, Simon Group, CPI or CRC or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, but are not limited to, the following: general economic and business conditions, which will, without limitation, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and the availability of financing; adverse changes in the real estate markets including, without limitation, competition with other companies; risks of real estate development and acquisition; the continuing ability of SDG, Simon Group, CPI or CRC to qualify as real estate investment trusts; adverse changes in federal income tax law (including the enactment of certain proposals currently pending in Congress); risks relating to Year 2000 issues; governmental actions and initiatives; environmental/safety requirements; and other changes and factors referenced in this Proxy Statement/Prospectus. See "RISK FACTORS."

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

THIS PROXY STATEMENT/PROSPECTUS INCORPORATES CERTAIN SDG DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. DOCUMENTS OF SDG INCORPORATED HEREIN BY REFERENCE ARE AVAILABLE UPON REQUEST FROM JAMES M. BARKLEY, SECRETARY, SIMON DEBARTOLO GROUP, INC., 115 WEST WASHINGTON STREET, INDIANAPOLIS, INDIANA 46204, (317) 636-1600. IN ORDER TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS, ANY REQUESTS SHOULD BE MADE NO LATER THAN FIVE BUSINESS DAYS PRIOR TO THE DATE OF THE SDG MEETINGS.

The following documents of SDG filed with the Commission (File No. 1-12618) are incorporated herein by reference:

1. SDG's Annual Report on Form 10-K and Forms 10-K/A for the year ended December 31, 1997;

2. SDG's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998;

3. SDG's Current Reports on Form 8-K dated February 19, 1998, March 27, 1998, May 27, 1998, June 9, 1998 and August 12, 1998; and

4. SDG's Annual Report on Form 11-K for the year ended December 31, 1997.

In addition, all reports and other documents subsequently filed by SDG pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the date of the SDG Meetings shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such reports and documents. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Proxy Statement/Prospectus to the extent that a statement contained in this Proxy Statement/Prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Proxy Statement/ Prospectus except as so modified or superseded.

SDG WILL PROVIDE, WITHOUT CHARGE, TO EACH PERSON WHO RECEIVES THIS PROXY STATEMENT/PROSPECTUS, UPON THE WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF SUCH DOCUMENTS INCORPORATED HEREIN BY REFERENCE (NOT INCLUDING EXHIBITS TO SUCH INFORMATION UNLESS THE EXHIBITS THEMSELVES ARE SPECIFICALLY INCORPORATED BY REFERENCE). REQUESTS FOR DOCUMENTS SHOULD BE MADE AS SPECIFIED ABOVE.

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SUMMARY

The following is a summary of certain significant matters contained in this Proxy Statement/Prospectus and the Annexes hereto. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Proxy Statement/Prospectus, the Annexes hereto and the other documents referred to herein. Terms used but not defined in this Summary have the meanings ascribed to them elsewhere in this Proxy Statement/Prospectus. Cross references in this Summary are to the captions of sections of this Proxy Statement/Prospectus. Stockholders of SDG should read carefully this Proxy Statement/Prospectus and the Annexes hereto in their entirety.

PARTIES TO THE MERGER

SDG

SDG, a Maryland corporation, is a self-administered and self-managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Simon DeBartolo Group, L.P. (the "SDG Operating Partnership") is a majority owned subsidiary partnership of SDG. SDG, through the SDG Operating Partnership, is engaged primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers.

As of March 31, 1998, the SDG Operating Partnership owned or held an interest in 217 income-producing properties, which consisted of 133 regional malls, 74 community shopping centers, three specialty retail centers, four mixed-use properties and three value-oriented super-regional malls located in 34 states ("SDG Properties"). As of that same date, the SDG Operating Partnership also owned direct or indirect interests in one specialty retail center and two community centers under construction, an additional two community centers in the final stages of preconstruction development and seven parcels of land either in preconstruction development or held for future development (collectively, "SDG Development Properties," and together with the SDG Properties, "SDG Portfolio Properties"). The SDG Operating Partnership self-manages SDG Properties wholly owned, directly or indirectly, by the SDG Operating Partnership. The SDG Operating Partnership holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "SDG Management Company"), while substantially all of the voting stock of the SDG Management Company is held by Melvin Simon, Herbert Simon and David Simon. The SDG Management Company manages SDG Properties not wholly owned by the SDG Operating Partnership and certain other properties, and also engages in certain property development activities. The SDG Operating Partnership also holds substantially all of the economic interest in, and the SDG Management Company holds substantially all of the voting stock of, DeBartolo Properties Management, Inc. ("DPMI"), which provides architectural, design, construction and other services to substantially all of the SDG Portfolio Properties, as well as certain other regional malls and community shopping centers owned by third parties. At March 31, 1998 and December 31, 1997, SDG's ownership interest in the SDG Operating Partnership was 63.1% and 63.9%, respectively, and the Simons (constituting Melvin Simon, Herbert Simon, David Simon, certain of their affiliates and includes certain other Simon family members and estates, trusts and other entities established for their benefit) and certain third parties (collectively, "SDG Limited Partners") held the remaining interests in the SDG Operating Partnership not held directly or indirectly by SDG.

As a result of the Merger, SDG will become a subsidiary of Simon Group. Based upon the capitalization of SDG and CPI on the date hereof, SDG stockholders would own in the aggregate approximately 67% of the outstanding shares of Simon Group Equity Stock following the Merger. Even though SDG stockholders will receive in the Merger new shares of common stock of a new entity -- Simon Group -- substantially all the members of the current Board of Directors and senior management of SDG will become members of the new Board of Directors and senior management of Simon Group. All of SDG's practices and policies, including investment and financing policies, will continue as Simon Group's practices and policies. The SDG Charter will be amended and restated upon consummation of the Merger to change the name of SDG to "SPG Properties, Inc." The principal executive offices of SDG are located at National City Center, 115 West Washington Street, Suite 15 East, Indianapolis, Indiana 46204, telephone number (317) 636-1600.

CPI

CPI is a self-administered and self-managed, privately-held REIT that primarily owns interests in regional malls and also holds a portfolio of other commercial income-producing properties (collectively, the "CPI Portfolio Properties"). The 23 regional malls in which CPI owns interests contain an aggregate gross leasable area ("GLA") of approximately 27 million square feet. As used in this Proxy Statement/Prospectus and unless the context requires otherwise, "GLA" for a property includes area owned by third parties other than SDG or CPI at that property. The largest of such malls is Roosevelt Field in Hempstead, New York which contains approximately 2.36 million square feet of GLA. CPI was organized as a Massachusetts business trust in 1971 and was incorporated as a Delaware corporation on March 10, 1998 (the "CPI Reorganization"). As used in this Proxy Statement/Prospectus, the term "CPI Board" refers to the CPI Board of Trustees prior to the CPI Reorganization and the CPI Board of Directors after the CPI Reorganization. The CPI Certificate of Incorporation will be amended and restated immediately prior to or upon consummation of the Merger to, among other things, change the name of CPI to "Simon Property Group, Inc." and accommodate the capital structure of Simon Group contemplated by the Merger. As used in this Proxy Statement/Prospectus, "Simon Group" refers to CPI and unless the context otherwise requires, CRC from and after the Effective Time (as defined below) of the Merger. "Effective Time" refers to such date as the articles of merger or other appropriate documents, duly prepared and executed by SDG and a substantially wholly-owned subsidiary of CPI in accordance with Section 3-110 of the Maryland General Corporation Law ("MGCL"), are accepted for record by the State Department of Assessments and Taxation of Maryland ("Maryland State Department") as provided in Section 3-113 of the MGCL or at such other time as may be agreed upon by the parties and specified in the articles of merger in accordance with applicable law. The principal executive offices of CPI are currently located at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, telephone number (212) 421-8200. The principal executive offices of Simon Group will be located at National City Center, 115 West Washington Street, Suite 15 East, Indianapolis, Indiana 46204, telephone number (317) 636-1600.

CRC

CRC was formed in October 1975 for the purpose of engaging in real estate activities that might be problematic for CPI because of its qualification as a REIT for federal income tax purposes. CPI and CRC are parties to an agreement pursuant to which CRC may not engage in any activity that could be engaged in by CPI without jeopardizing its status as a REIT unless CPI shall have been given a right of first refusal to engage in such activity, and CPI may not refer to any person other than CRC any business opportunity that could not be engaged in by CPI without jeopardizing its status as a REIT unless CRC shall have been given the right of first refusal to take advantage of such opportunity. Since the holders of CPI Common Stock own a proportionate beneficial interest in one or more trusts which own all the outstanding shares of CRC Common Stock, CPI and CRC are treated as a "paired share REIT" for federal income tax purposes. Since the shares were paired prior to the effective date of the relevant Code provision that generally precludes such pairing, CPI and CRC are currently grandfathered from such provision with respect to assets acquired by either CPI or CRC prior to March 26, 1998. See "RISK FACTORS -- Certain Tax Risks -- REIT Classification; Legislation Limiting Benefits of Paired Share Status." CRC at the present time owns the office building in New York City where its principal executive offices are located and is developing approximately 144 acres of land surrounding CPI's Mall of Georgia project in Buford, Georgia. See "BUSINESS OF SDG, CPI AND CRC -- DEVELOPMENT -- Mall of Georgia." The CRC Certificate of Incorporation will be amended and restated immediately prior to, or upon consummation of, the Merger to, among other things, change the name of CRC to "SPG Realty Consultants, Inc." As used in this Proxy Statement/Prospectus, "Simon Group" refers to CPI and unless the context otherwise requires, CRC from and after the Effective Time of the Merger. The principal executive offices of CRC are currently located at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, telephone number (212) 421-8200. The principal executive offices of CRC from and after the Effective Time of the Merger will be located at National City Center, 115 West Washington Street, Suite 15 East, Indianapolis, Indiana 46204, telephone number (317) 636-1600.

BENEFITS AND DETRIMENTS OF THE MERGER

The Merger means that SDG stockholders will have a stake in the country's largest developer, owner and operator of super regional and regional shopping malls. The Merger will give Simon Group potentially greater access to the capital markets, expand the geographic diversification of SDG's ownership and operation of properties into Boston, Massachusetts and Atlanta, Georgia, and enhance SDG's operations in the New York metropolitan area, California and Florida. The combination of CPI's properties with SDG's properties could thus limit the impact that adverse economic or real estate conditions in a particular region might have on Simon Group as a whole. See "THE PROPOSED MERGER AND RELATED MATTERS -- Recommendation of the SDG Board of Directors; Reasons for the Merger."

Substantial management time and effort will be required to effectuate the Merger and integrate the businesses of SDG and CPI. The Merger will have a dilutive effect on the net income per share of Simon Group Common Stock on a pro forma basis of $0.10 for the three months ended March 31, 1998, after reducing pro forma net income for a gain totaling $44.3 million, or approximately $0.19 per share, related to a sale of real estate and may have a dilutive effect on net income per share in future periods. The Merger has a dilutive effect of $0.54 on the net income per share of Simon Group Common Stock on a pro forma basis for the year ended December 31, 1997 (after giving effect to the elimination of a $0.56 gain on sale of real estate) and may have a dilutive effect on net income per share in future periods. The Merger will increase the ratio of debt to market capitalization, excluding a pro rata share of joint venture indebtedness, of SDG from 45.8% as of March 31, 1998 to 46.4% for Simon Group as of March 31, 1998 on a pro forma basis. This increase in the ratio of debt to total market capitalization could adversely affect the ability of Simon Group to obtain debt financing for additional development and would subject Simon Group to the risks of higher leverage. See "RISK FACTORS -- Substantial Indebtedness of Simon Group."

STRUCTURE OF SIMON GROUP

As of March 31, 1998, SDG owned or held interests in the SDG Portfolio Properties through its 63.1% general partnership interest in the SDG Operating Partnership. As of March 31, 1998, the SDG Limited Partners held 64,059,705 units in the SDG Operating Partnership ("SDG Units"), representing the remaining 36.9% interest in the SDG Operating Partnership not held directly or indirectly by SDG. As of such date, the Simons beneficially owned 34,584,455 SDG Units, representing 19.9% of the outstanding SDG Units. The operations of SDG are carried out through the SDG Operating Partnership and the SDG Management Company. SDG Units held by SDG Limited Partners may be exchanged for shares of SDG Common Stock on a one-for-one basis or for cash at SDG's option (the "SDG Exchange Rights"). If all SDG Units held by SDG Limited Partners outstanding on March 31, 1998, including the Simons and the other SDG Limited Partners, were exchanged for SDG Common Stock, an aggregate 64,059,705 additional shares of SDG Common Stock would be issued.

CPI owns or holds interests in the CPI Portfolio Properties directly or indirectly through subsidiaries. At March 31, 1998, on a pro forma basis assuming the exercise of all CPI options and after giving effect to the per share dividends to be declared by CPI on the CPI Common Stock prior to the Effective Time pursuant to the Merger Agreement ("CPI Merger Dividends"), CPI would have had outstanding 54,412,100 shares of CPI Common Stock, 209,249 shares of 6.50% Convertible Preferred Stock of CPI ("CPI Series A Preferred Stock," which from and after the Effective Time shall be referred to as "Simon Group Series A Preferred Stock") and 4,966,038 shares of CPI Series B Preferred Stock. After giving effect to the Merger, the Simon Group Series A Preferred Stock will be convertible into approximately 7,950,492 shares of Simon Group Common Stock and the Simon Group Series B Preferred Stock will be convertible into approximately 12,842,426 shares of Simon Group Common Stock. See "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- PREFERRED STOCK -- Simon Group Convertible Preferred Stock -- Conversion Rights." Each outstanding share of Simon Group Equity Stock from and after the Effective Time will be paired with beneficial interests in one or more trusts (the "CRC Trusts") which own all of the outstanding shares of CRC Common Stock. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger" and "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK."

The Merger will result in the combination of the existing businesses and properties of SDG, CPI and CRC. The businesses will be conducted and substantially all of such properties will be held through the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership. The SDG Operating Partnership will be renamed Simon Property Group L.P. upon consummation of the Merger. In the Merger, a substantially wholly owned subsidiary of CPI will merge with and into SDG, with SDG being the surviving company and becoming a subsidiary of Simon Group (with Simon Group owning in excess of 99.9% of its outstanding common stock). In exchange for each of their shares of SDG Common Stock, SDG Class B Common Stock and SDG Class C Common Stock, the stockholders of SDG will receive one share of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock, respectively. Based upon the capitalization of SDG and CPI on March 31, 1998, the stockholders of SDG would own in the aggregate approximately 67% of the outstanding shares of Simon Group Equity Stock following the Merger.

The SDG Operating Partnership will continue in existence after the Merger under an amended and restated limited partnership agreement (the "Amended SPG Operating Partnership Agreement"). In accordance with the SDG Operating Partnership Agreement and the Amended SPG Operating Partnership Agreement, Simon Group is obligated to contribute substantially all of its assets and liabilities to the SDG Operating Partnership in exchange for additional partnership units. The partnership units may be exchanged for shares of Simon Group Common Stock on a one-for-one basis or for cash at Simon Group's option. At the Effective Time, Simon Group will transfer, or direct the transfer of, substantially all of its assets (i.e., all the assets other than assets valued at approximately $153.1 million, including Ocean County Mall valued at approximately $145.8 million) and liabilities (except that Simon Group will remain a co-obligor with the SDG Operating Partnership under a $1.4 billion senior unsecured term loan pursuant to a commitment letter with The Chase Manhattan Bank and Chase Securities, Inc.) to the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership in consideration for 49,858,940 limited partnership interests (which equals the number of shares of CPI Common Stock outstanding after the CPI Merger Dividends, less the number of shares equal to the value of the former CPI assets and liabilities retained by Simon Group) and 5,175,287 preferred partnership interests (which equals the number of shares of CPI Series A Preferred Stock and CPI Series B Preferred Stock outstanding after the CPI Merger Dividends). The value of the assets and liabilities retained by Simon Group or transferred to the SDG Operating Partnership is based on the consideration to be received or retained by the stockholders of CPI in connection with the Merger and on the reported closing trading price per share of SDG Common Stock of $33 5/8 on February 18, 1998, the last trading date preceding public announcement of the Merger. The fair market value of the former CPI assets less liabilities to be transferred by Simon Group to the SDG Operating Partnership and one or more of its subsidiaries is estimated at approximately $2.4 billion. See "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA -- Note 3. Analysis of Stockholders' Equity." Such transfer will result in a reduction of the SDG Limited Partners' interests, in the aggregate, in the SDG Operating Partnership from 36.9% to 28.6%, assuming the Merger had occurred on March 31, 1998. On March 31, 1998, Melvin and Herbert Simon, Simon Group's Co-Chairmen, and David Simon, Simon Group's Chief Executive Officer, beneficially held 9.9%, 5.8% and 1.3%, respectively, of the SDG Operating Partnership, and after such transfer beneficially will hold 7.7%, 4.5% and 1.0%, respectively, assuming such transfer had occurred on March 31, 1998. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- The Operating Partnerships After the Merger; Simon Group Contribution Agreement." See also "RISK FACTORS -- Potential Conflicts of Interests Related to Operations," "-- Limits on Change of Control" and "-- Dependence on Key Personnel." Each of SDG and SD Property Group, Inc. (of which SDG owns in excess of 99.9% of its outstanding common stock) will continue as a general partner of the SDG Operating Partnership. Simon Group, both directly and indirectly through its ownership of SDG, will own an approximate 71.4% interest in the SDG Operating Partnership assuming the Merger had occurred on March 31, 1998, and will be a general partner of the SDG Operating Partnership.

The businesses and the assets of CRC will be held by a newly formed operating partnership (the "SRC Operating Partnership"), of which CRC will be the sole general partner. In connection with the formation of the SRC Operating Partnership, SDG, as a general partner of the SDG Operating Partnership, Simon Group, CRC and the SDG Limited Partners will enter into a partnership agreement (the "SRC Operating Partnership Agreement"), pursuant to which, assuming the Merger had occurred on March 31, 1998, (i) CRC will contribute all of its assets and liabilities to the SRC Operating Partnership for an interest in the SRC Operating Partnership and (ii) the SDG Operating Partnership will contribute assets, including, without limitation, land held for future development, to the SRC Operating Partnership for units ("CRC Units") representing the remaining limited partnership interest in the SRC Operating Partnership. The SDG Operating Partnership will then distribute the CRC Units to the holders of SDG Units in proportion to their ownership interest in the SDG Operating Partnership, whereupon such holders also will become limited partners of the SRC Operating Partnership (the "CRC Limited Partners"); such that following such contributions and distribution, CRC will own a 71.4% interest and the SDG Limited Partners will own a 28.6% interest in the SRC Operating Partnership. Following the Merger, the CRC Units (together with the SDG Units, the "Units") will be paired with the SDG Units and may be exchanged (together with the SDG Units) for shares of Simon Group Equity Stock (together with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock) on a one-for-one basis or for cash at Simon Group's option. Following the Merger, the SDG Units and CRC Units may not be exchanged or transferred separately, but only as a single unit.

After giving effect to the Merger and to the foregoing transactions, holders of SDG Equity Stock will own shares of Simon Group Equity Stock which are paired with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock. Holders of SDG Units will own SDG Units which are paired with the CRC Units, and such paired Units will be exchangeable for shares of Simon Group Common Stock which are paired to beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock.

[DIAGRAM]

A DIAGRAM OF THE STRUCTURES (INCLUDING COMMON OWNERSHIP INTERESTS AND VOTING POWER, AS OF MARCH 31, 1998) OF THE PARTIES TO THE TRANSACTION PRIOR TO THE MERGER APPEARS HERE.

A DIAGRAM OF THE STRUCTURE (INCLUDING COMMON OWNERSHIP INTERESTS AND VOTING POWER, AS OF MARCH 31, 1998) OF THE PARTIES TO THE TRANSACTION PRIOR TO THE MERGER APPEARS HERE.

POTENTIAL CONFLICTS OF INTEREST RELATED TO THE MERGER AND OPERATIONS

The SDG Board of Directors and SDG management will not receive any consideration for their SDG Equity Stock different from consideration received by other holders of SDG Equity Stock in connection with the Merger. However, in considering the recommendation of the SDG Board of Directors with respect to the Merger, SDG stockholders should be aware that certain members of management and the SDG Board of Directors have certain interests as holders of SDG Units that are in addition to the interests of the SDG stockholders generally. At the Effective Time, Simon Group will transfer, or direct the transfer of, substantially all of its assets (i.e., all the assets other than assets valued at approximately $153.1 million, including Ocean County Mall valued at approximately $145.8 million) and liabilities (except that Simon Group will remain a co-obligor with the SDG Operating Partnership under a $1.4 billion senior unsecured term loan pursuant to a commitment letter with The Chase Manhattan Bank and Chase Securities, Inc.) to the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership in consideration for 49,858,940 limited partnership interests (which equals the number of shares of CPI Common Stock outstanding after the CPI Merger Dividends, less the number of shares equal to the value of the former CPI assets and liabilities retained by Simon Group) and 5,175,287 preferred partnership interests (which equals the number of shares of CPI Series A Preferred Stock and CPI Series B Preferred Stock outstanding after the CPI Merger Dividends). The value of the assets and liabilities retained by Simon Group or transferred to the SDG Operating Partnership is based on the consideration to be received or retained by the stockholders of CPI in connection with the Merger and on the reported closing trading price per share of SDG Common Stock of $33 5/8 on February 18, 1998, the last trading date preceding public announcement of the Merger. The fair market value of the former CPI assets less liabilities to be transferred by Simon Group to the SDG Operating Partnership and one or more of its subsidiaries is estimated at approximately $2.4 billion. Such transfer will result in a reduction of the SDG Limited Partners' interests, in the aggregate, in the SDG Operating Partnership from 36.9% to 28.6%, assuming the Merger had occurred on March 31, 1998. In accordance with the terms of the partnership the SDG Units may be exchanged for shares of Simon Group Common Stock on a one-for-one basis or for cash at Simon Group's option. Prior to the transfer of assets and liabilities, Melvin and Herbert Simon, Simon Group's Co-Chairmen, and David Simon, Simon Group's Chief Executive Officer, beneficially held 9.9%, 5.8% and 1.3%, respectively, of the SDG Operating Partnership and beneficially held 13.8%, 8.5% and 2.0%, respectively, of SDG (including SDG Common Stock issuable upon the conversion of SDG Units), and after such transfer beneficially will hold 7.7%, 4.5% and 1.0%, respectively, of the SDG Operating Partnership and beneficially will hold 9.6%, 5.8% and 1.4%, respectively of Simon Group (including Simon Group Common Stock issuable upon the conversion of SDG Units). See "RISK FACTORS -- Potential Conflicts of Interests Related to Operations" and "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger."

RISK FACTORS

The stockholders of SDG, in reaching a decision regarding the Merger Proposal, should consider carefully certain factors set forth herein under the heading "RISK FACTORS." Simon Group will be subject to substantial indebtedness and the risks associated with debt financing, including the risk that cash flow from operations will be insufficient to meet required payments of principal and interest, the risk that existing indebtedness will not be able to be refinanced or that terms of such refinancing will not be favorable. In connection with the Merger, Simon Group will incur a substantial amount of additional debt thereby increasing its exposure to the risks associated with debt financing. Assuming the Merger occurred on March 31, 1998 and excluding pro rata share of joint venture indebtedness, Simon Group would have an additional $2.405 billion of indebtedness, including the assumption of all of CPI and CRC's indebtedness of $858.8 million. SDG's obligations under the Merger Agreement are not conditioned on the obtaining of financing. Certain indentures governing notes of CPI require redemption of $575 million of the outstanding aggregate amount of $825 million of notes if substantially all of CPI's assets are transferred to a successor issuer that is not a REIT. As part of the Merger, SDG intends to transfer substantially all of CPI's assets to the SDG Operating Partnership, which is not a REIT. SDG intends to commence a consent solicitation to holders of the notes to, among other things, amend the indentures to permit the transfer to the SDG Operating Partnership. If the consent solicitation is not successfully completed prior to the Merger, substantially all of

the assets will be transferred to The Retail Property Trust ("RPT"), which transfer certain holders of notes believe may require waivers. SDG believes that the assignment of CPI's assets to RPT fully complies with the provisions of the CPI indentures. SDG and CPI are large enterprises with operations nationwide. There can be no assurance that costs or other factors associated with the integration of the two companies will not adversely affect the benefits of estimated cost savings and future combined results of operations. The Merger has a dilutive effect of $0.10 on the net income per share of Simon Group Common Stock on a pro forma basis for the three months ended March 31, 1998 (after giving effect to the elimination of a $0.19 per share gain on a sale of real estate) and a dilutive effect of $0.54 on the net income per share of Simon Group Common Stock on a pro forma basis for the year ended December 31, 1997 (after giving effect to the elimination of a $0.56 gain on sale of real estate), and may have a dilutive effect on net income per share in future periods.

Other factors to be considered include the following: (i) possible subordination of rights of current holders of Simon Group Equity Stock and SDG Units; (ii) federal income tax consequences; (iii) potential conflicts of interest related to operations; (iv) certain tax risks, including proposed tax legislation; (v) REIT classification; legislation limiting benefits of paired share status; (vi) real estate investment risks, including factors affecting revenues and economic value of shopping centers, illiquidity of real estate, dependence on anchors and tenants, renewal of leases and reletting of space and failure to manage expansion and development growth strategy; (vii) limited control with respect to certain properties partially owned or managed by third parties; (viii) competition; (ix) possible liability relating to environmental matters; (x) limits on change of control; (xi) comparison of stockholders' rights; (xii) dependence on key personnel; (xiii) risks relating to year 2000 issue; (xiv) impact of interest rate fluctuations and other factors on stock price and borrowing costs; (xv) risks related to interest rate hedging arrangements; and (xvi) possible adverse effects on stock prices arising from shares available for future sale. See "RISK FACTORS" for a complete discussion of such factors.

TIME, PLACE AND DATE OF SDG MEETINGS; RECORD DATE

The SDG Special Meeting will be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana, on September 23, 1998 at 10:00 a.m., Indianapolis time. The SDG Annual Meeting will be held immediately following the SDG Special Meeting at the same location as the SDG Special Meeting. Stockholders of record at the close of business on July 20, 1998 (the "Record Date") are entitled to one vote for each share of SDG Equity Stock held at the SDG Meetings or any adjournments or postponements thereof. As of the Record Date, 113,686,334 shares of SDG Equity Stock were issued and outstanding.

PURPOSE AND REQUIRED APPROVAL

The purpose of the SDG Special Meeting is to consider and vote on: (i) the approval and adoption of an amendment (the "Voting Preferred Amendment") to the SDG Charter to provide certain voting rights to holders of SDG's 8 3/4% Series B Cumulative Redeemable Preferred Stock ("SDG Series B Preferred Stock") and 7.89% Series C Cumulative Step-Up Premium Rate Preferred Stock ("SDG Series C Preferred Stock" and together with the SDG Series B Preferred Stock, the "SDG Preferred Stock"); (ii) the approval and adoption of the Merger Agreement and the transactions contemplated thereby (the "Merger Proposal"); and (iii) such other business as may properly come before the SDG Special Meeting or any adjournment or postponement thereof.

The affirmative vote of a majority of all the votes entitled to be cast by the holders of the outstanding SDG Equity Stock is required to approve the Voting Preferred Amendment. Consideration of the Merger Proposal is contingent upon approval of the Voting Preferred Amendment and, accordingly, effectiveness of the Merger Proposal is conditioned upon the approval of the Voting Preferred Amendment. The affirmative vote of 66 2/3% of all the votes entitled to be cast by the holders of the outstanding SDG Equity Stock is required to approve the Merger Proposal.

In the event that there are not a sufficient number of votes to approve the Voting Preferred Amendment or the Merger Proposal at the time of the SDG Special Meeting, the persons present or named as proxies by a stockholder may propose and vote for one or more adjournments of the SDG Special Meeting to permit

further solicitation of proxies. A proxy that withholds discretionary authority or that is voted against the Voting Preferred Amendment or the Merger Proposal will not be voted in favor of any adjournment or postponement of the SDG Special Meeting. The SDG Special Meeting may be adjourned by the affirmative vote of a majority of the votes present in person or by proxy.

The purpose of the SDG Annual Meeting is to consider and vote on: (i) the election of eleven directors (five to be elected by the holders of SDG Equity Stock, four to be elected by the holders of SDG Class B Common Stock and two to be elected by the holders of SDG Class C Common Stock); (ii) the approval of the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "1998 Stock Incentive Plan"); (iii) the ratification of the appointment of Arthur Andersen LLP as independent accountants; and (iv) such other business as may properly come before the SDG Annual Meeting. Directors will be elected by a plurality of the votes cast for the election of directors. The approval of the 1998 Stock Incentive Plan and the ratification of the appointment of the independent accountants each will require the affirmative vote of a majority of the votes cast on the matter.

TERMS OF MERGER; MERGER CONSIDERATION

The following description of the Merger Agreement summarizes the material terms of the Merger Agreement and does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached hereto as Annex A and incorporated herein by reference. Stockholders of SDG are urged to read the Merger Agreement in its entirety.

General. The Merger Agreement provides that upon the terms and subject to the conditions described below, at the Effective Time, a subsidiary of CPI shall be merged with and into SDG in accordance with the MGCL with SDG continuing as the surviving corporation in the Merger. As a result, SDG will become a subsidiary of Simon Group, with Simon Group owning in excess of 99.9% of its outstanding common stock. See "THE MERGER AGREEMENT AND RELATED MATTERS." The Board of Directors of Simon Group and CRC at the Effective Time will consist of 13 directors and will include 10 directors designated by SDG and three directors designated by CPI, which directors, in each case, will remain directors until their successors have been duly elected and qualified or until their earlier death, resignation or removal.

The Merger Consideration. The Merger Agreement provides that each outstanding share of SDG Common Stock, SDG Class B Common Stock, and SDG Class C Common Stock (other than shares held by SDG as treasury stock, shares owned by CPI, CRC, any wholly owned entity of CPI or CRC or shares as to which appraisal rights have been perfected) shall be converted into the right to receive one share of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock, respectively.

Total consideration to be received and retained by a holder of CPI Common Stock at the time of the execution of the Merger Agreement was equal to approximately $179 per share, consisting of $90 in cash, subject to the collar provisions described in "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger -- The Merger Consideration," approximately $70 in Simon Group Common Stock (based on the reported closing trading price of SDG Common Stock of $33 5/8 on February 18, 1998, the last trading date preceding the announcement of the Merger, and a fixed ratio of 1.0818 additional shares of CPI Common Stock for each share of CPI Common Stock held) and approximately $19 in Simon Group Series B Preferred Stock. The trading price of the Simon Group Common Stock at the Effective Time may be higher or lower than $33 5/8, and if so, the value of the Simon Group Common Stock to be received by CPI stockholders will be more or less than approximately $70 depending upon the direction of the price movement. Specifically, the Merger Agreement provides that prior to the Effective Time CPI shall declare the CPI Merger Dividends on the shares of CPI Common Stock consisting of (i) the Cash Amount (as defined below); (ii) 1.0818 shares of CPI Common Stock and (iii) 0.19 shares of CPI Series B Preferred Stock. The holders of shares of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock outstanding or issued in connection with the Merger will receive a beneficial interest in shares of CRC Common Stock held by the CRC Trusts. The "Cash Amount" shall be $90.00 per share of CPI Common Stock if the Market Price for SDG Common Stock is greater than or equal to $28.58 and less

than or equal to $38.67 and otherwise shall be adjusted as follows: (i) if the Market Price for the SDG Common Stock at the Effective Time exceeds $38.67, then the Cash Amount shall be reduced by an amount equal to such excess multiplied by 2.0818 and (ii) if the Market Price for SDG Common Stock at the Effective Time is less than $28.58, then the Cash Amount shall be increased by an amount equal to such deficiency multiplied by 2.0818. The "Market Price" shall be the average of the closing prices per share for the SDG Common Stock on the NYSE for the 20 consecutive trading days ending on the fifth trading day prior to the Effective Time.

The following table sets forth the differing Cash Amounts using various sample SDG Market Prices:

SDG MARKET PRICE	CASH AMOUNT
$27.00	$93.29
$28.58 - $38.67	$90.00
$40.00	$87.23

If the Effective Time were August 12, 1998, the Market Price would be equal to $32.08 and the Cash Amount would be $90.00 per share of CPI Common Stock. The Cash Amount is set based upon the Market Price pursuant to the collar provisions described above, which only can be determined after the SDG Meetings and on the fifth trading day prior to the Effective Time. The Effective Time is anticipated to be on September 24, 1998. Interested parties may call MacKenzie Partners, Inc. at (800) 322-2885 to obtain the current anticipated Effective Time and a current example of the Cash Amount to be issued on a per share basis. Prior to the Merger, each of SDG and CPI shall declare a Special Distribution (as defined below) to their respective stockholders, the record date for which shall be the close of business on the last business day prior to the Effective Time. "Special Distribution" means the distribution to be made by each of SDG and CPI to their respective stockholders in amounts proportional to dividends paid to SDG's or CPI's (as the case may be) stockholders for the last full quarter preceding the Effective Time, prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time.

The consideration to be received by each of the SDG stockholders and each of the CPI stockholders was determined based on an arm's length negotiation of the Merger Agreement and the desired structure for the transaction.

Conditions to Consummation of the Merger. In addition to the adoption of the Voting Preferred Amendment, the consummation of the Merger is subject to certain conditions, including, among others: (i) the approval and adoption of the Merger Agreement by the requisite vote of the SDG stockholders; (ii) the approval of the issuance of shares and related beneficial interests by the requisite vote of the CPI and CRC stockholders (which approval will be given pursuant to the substantially similar stockholder voting agreements already entered into by certain CPI stockholders representing more than a majority of CPI Common Stock and more than two-thirds of the CPI Series A Preferred Stock, with SDG (the "Stockholder Voting Agreements") in which such stockholders agreed to vote in favor of the Merger and related transactions and which assure that the transactions contemplated by the Merger Agreement, other than the adoption of the Simon Group Charter which requires the vote of 80% of the voting power of the outstanding voting stock and is a condition to the Merger, will be approved by CPI and CRC stockholders at a vote on the matter); (iii) the Registration Statement having become effective in accordance with the Securities Act, no stop order suspending such effectiveness having been issued and remaining in effect and no proceeding seeking such an order being pending or threatened; (iv) the receipt of all state securities or "blue sky" permits and other authorizations necessary to issue securities pursuant to the Merger Agreement, including under the CPI Option Plan and the SDG Option Plans (collectively, the "Option Plans") after the Merger, and securities upon conversion of the Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock; (v) the Simon Group Common Stock issued pursuant to the Merger Agreement and the CPI Common Stock (which from and after the Effective Time shall be referred to as "Simon Group Common Stock") previously outstanding and issuable under the Option Plans or upon conversion of the Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock after the Merger having been authorized for listing on the NYSE; (vi) no court of competent jurisdiction or other competent governmental or regulatory authority

having enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making illegal or otherwise restricting, preventing or prohibiting consummation of the Merger or the other transactions contemplated by the Merger Agreement; and (vii) each party shall have received a satisfactory opinion of its special counsel as to certain tax matters. All of the foregoing conditions to the consummation of the Merger are subject to the waiver by the parties to the Merger Agreement. Neither SDG nor CPI intends to waive any material condition to the consummation of the Merger, including the condition requiring the delivery of an opinion of their respective special tax counsel. In the event that a material condition is waived by either SDG or CPI, SDG and CPI intend to amend and recirculate the Proxy Statement/Prospectus.

Termination. The Merger Agreement may be terminated, and transactions contemplated thereby may be abandoned, at any time prior to the Effective Time, whether prior to or after the approvals required by the SDG, CPI and CRC stockholders: (a) by mutual written agreement of the parties duly authorized by action taken by or on behalf of their respective boards of directors; or (b) by either SDG or CPI upon notification to the nonterminating party by the terminating party: (i) at any time after November 30, 1998, if the Merger shall not have been consummated on or prior to such date and such failure to consummate the Merger is not caused by a breach of the Merger Agreement by the terminating party or any of its affiliates; (ii) if the requisite approval of the stockholders of SDG, CPI or CRC shall not be obtained by reason of the failure to obtain the requisite vote upon a vote held at a meeting of such stockholders, or any adjournment thereof, called therefor; (iii) if there has been a material breach of any representation, warranty, covenant or agreement on the part of the nonterminating party set forth in the Merger Agreement, which breach is not curable or, if curable, has not been cured within 30 days following receipt by the nonterminating party of notice of such breach from the terminating party; or (iv) if any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order making illegal or otherwise restricting, preventing or prohibiting the Merger and such order shall have become final and nonappealable. Any reference to any event, change or effect being "material" or "materially adverse" or having a "material adverse effect" on or with respect to an entity means such event, change or effect is material or materially adverse, as the case may be, to the business, properties, assets, liabilities, condition (financial or otherwise) or results of operations of such entity.

Termination Fees. In the event that the Merger Agreement is terminated by CPI due to a willful breach by SDG pursuant to clause (b)(iii) of the preceding paragraph, or as a result of the requisite SDG stockholder approval not being obtained at any time prior to November 30, 1998 pursuant to clause (b)(ii) of the preceding paragraph, SDG will be required to pay CPI a termination fee of $50 million, payable in annual installments over a two year period (subject to a limitation intended to prevent a violation of certain requirements for qualifying as a REIT under sections 856 through 860 of the Code and Applicable Treasury Regulations ("REIT Requirements")). In the event that the Merger Agreement is terminated by SDG due to a willful breach by CPI pursuant to clause (b)(iii) of the preceding paragraph, CPI will be required to pay SDG a termination fee of $50 million, payable in annual installments over a two year period (subject to a limitation intended to prevent a violation of certain REIT Requirements). Any portion of either termination fee that is not paid by the end of the second year due to limitations of the REIT Requirements shall be forfeited.

RECOMMENDATIONS OF THE BOARDS OF DIRECTORS

SDG. On February 19, 1998, the SDG Board of Directors unanimously approved the Merger Agreement and the transactions contemplated thereby and determined that the Merger and the transactions contemplated thereby are fair to and in the best interests of SDG and its stockholders. The SDG Board of Directors recommends that the SDG stockholders VOTE FOR approval and adoption of the Merger Agreement. See "THE PROPOSED MERGER AND RELATED MATTERS -- Recommendation of the SDG Board of Directors; Reasons for the Merger."

CPI and CRC. On February 18, 1998, the CPI Board and CRC Board of Directors unanimously approved the Merger Agreement and the transactions contemplated thereby and determined that the Merger and the transactions contemplated thereby are fair to and in the best interests of CPI and CRC and their

stockholders. See "THE PROPOSED MERGER AND RELATED MATTERS -- Recommendation of the CPI Board and the CRC Board of Directors; CPI's and CRC's Reasons for the Merger."

OPINIONS OF FINANCIAL ADVISORS

Opinion of Merrill Lynch. On February 19, 1998, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") delivered its oral opinion (which was subsequently confirmed in writing) to the SDG Board of Directors to the effect that, as of February 19, 1998, the consideration to be received by the holders of SDG Equity Stock in the Merger was fair to such stockholders from a financial point of view. A copy of the written opinion of Merrill Lynch dated February 19, 1998, which sets forth the assumptions made, matters considered and limits of its review, is attached to this Proxy Statement/Prospectus as Annex B. SDG has agreed to pay Merrill Lynch a fee equal to approximately $7 million in connection with the Merger, which fee is payable only upon consummation of the Merger. See "THE PROPOSED MERGER AND RELATED MATTERS -- Opinion of Financial Advisor to SDG."

Opinions of Lazard Freres and J.P. Morgan. On February 18, 1998, Lazard Freres & Co. LLC ("Lazard Freres") and J.P. Morgan Securities Inc. ("J.P. Morgan") (collectively, the "CPI Financial Advisors") delivered their oral opinions (which were subsequently confirmed in writing) to the CPI Board to the effect that, as of February 18, 1998, the consideration to be received or retained by the holders of CPI Common Stock pursuant to the Merger Agreement was fair from a financial point of view to such holders. A copy of the written opinion of Lazard Freres dated February 18, 1998, which sets forth the assumptions made, matters considered and limits of its review, is attached to this Proxy Statement/Prospectus as Annex C. A copy of the written opinion of J.P. Morgan dated February 18, 1998, which sets forth the assumptions made, matters considered and limits of its review, is attached to this Proxy Statement/Prospectus as Annex D. CPI has agreed to pay each of the CPI Financial Advisors approximately $10 million in connection with the Merger, which fees are payable only upon consummation of the Merger. See "THE PROPOSED MERGER AND RELATED MATTERS -- Opinions of Financial Advisors to CPI."

CERTAIN TRANSACTIONS AND AGREEMENTS RELATING TO THE MERGER

In connection with the Merger Agreement and the Merger, certain additional agreements have been or will be entered into on or prior to the Effective Time.

CPI Stockholder Voting Agreements. At the time SDG and CPI entered into the Merger Agreement, certain stockholders of CPI, representing 15,811,456 shares (approximately 62.4%) of CPI Common Stock and 153,450 shares (approximately 73.3%) of the CPI Series A Preferred Stock, entered into the Stockholder Voting Agreements. Stockholder Voting Agreements were entered into by each of Stichting Pensioenfonds Voor De Gezondheid Geestelijke En Maatschappelijke Belangen ("PGGM"), the Kuwait Fund for Arab Economic Development, the Arab Fund for Economic and Social Development, the Kuwait Investment Authority, as Agent for the Government of Kuwait, and State Street Bank and Trust Company, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust (collectively, the "Stockholders"). The Stockholder Voting Agreements are applicable to all CPI Common Stock, CPI Series A Preferred Stock and the related beneficial interests in shares of CRC Common Stock owned by each of the stockholders who have entered into the Stockholder Voting Agreements (collectively, the "Owned Shares"). Until the expiration of the "Voting Period" (the earliest of (x) the Effective Time, (y) the termination of the Merger Agreement in accordance with its terms or (z) November 30, 1998), each of the stockholders has agreed to vote its Owned Shares in favor of the Merger and the approval and adoption of the Merger Agreement and each of the transactions contemplated by the Merger Agreement. The Stockholder Voting Agreements assure that the transactions contemplated by the Merger Agreement, other than the adoption of the Simon Group Charter which requires the vote of 80% of the voting power of the outstanding voting stock and is a condition to the Merger, will be approved by CPI and CRC stockholders at a vote on the matter.

The Operating Partnerships After the Merger; Simon Group Contribution Agreement. Pursuant to an agreement to be entered into between Simon Group and SDG, as the general partner of the SDG Operating

Partnership (the "Contribution Agreement"), at the Effective Time Simon Group will transfer, or direct the transfer of, substantially all of its assets and liabilities to the SDG Operating Partnership and one or more subsidiaries in consideration for limited partnership interests in the SDG Operating Partnership, as more fully described below under "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- The Operating Partnerships After the Merger; Simon Group Contribution Agreement" and "-- Structure of Simon Group."

Following the Merger and assuming the exercise of all CPI options and the contribution of assets and liabilities of Simon Group to the SDG Operating Partnership, Simon Group, directly and through its ownership of SDG, will own an approximate 71.4% interest in the SDG Operating Partnership and will be a general partner of the SDG Operating Partnership. The SDG Limited Partners will own beneficially, in the aggregate, a 28.6% limited partnership interest in the SDG Operating Partnership.

In connection with the Merger, CRC will contribute all of its assets and liabilities to the newly-formed SRC Operating Partnership, will own a 71.4% interest in the SRC Operating Partnership and will be the sole general partner of the SRC Operating Partnership. The SDG Limited Partners also will become limited partners of the SRC Operating Partnership and will own beneficially, in the aggregate, the remaining 28.6% limited partnership interest in the SRC Operating Partnership. The Amended SDG Operating Partnership Agreement will provide for the pairing of SDG Units with CRC Units. The limited partnership agreement of the SDG Operating Partnership (the "SDG Operating Partnership Agreement") currently provides that the net proceeds of all offerings of shares of capital stock by SDG will be contributed to the SDG Operating Partnership in consideration for the issuance to SDG of additional interests in the SDG Operating Partnership. Following the Merger, the Amended SDG Operating Partnership Agreement and the SRC Operating Partnership Agreement will each provide that the net proceeds of all offerings of shares of capital stock by Simon Group, which shares (to the extent they consist of shares of Simon Group Equity Stock or convertible Simon Group Preferred Stock) will be paired with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock, will be contributed to the operating partnerships. Upon such contribution, the SDG Operating Partnership will issue to Simon Group, and the SRC Operating Partnership will issue to CRC, an additional number of paired Units in such operating partnerships equal to the number of such shares and beneficial trust interests issued by Simon Group and CRC, respectively. The Amended SDG Operating Partnership Agreement and the SRC Operating Partnership Agreement also will provide that the net proceeds of all incurrences of indebtedness by Simon Group (or its subsidiaries) or CRC will be loaned to the SDG Operating Partnership or the SRC Operating Partnership, as the case may be. The SDG Operating Partnership Agreement currently provides that holders of SDG Units have the right to exchange all or any portion of their SDG Units for SDG Common Stock on a one-for-one basis or, at SDG's option, cash equal to the then market value of such shares, as determined by SDG. Following the Merger, each SDG Unit together with the paired CRC Unit will be exchangeable for cash or for a share of Simon Group Common Stock and a beneficial interest in CRC Common Stock, as determined by Simon Group and CRC.

Under the provisions of SDG's existing registration rights agreements, holders of SDG Units who receive shares of SDG Common Stock in exchange for such SDG Units have the right, under certain circumstances and subject to certain conditions, to require that SDG register such shares for public distribution. As described below, New Registration Rights Agreements will be executed to provide that the holders of the SDG Units who receive shares of Simon Group Common Stock will have the right, under such circumstances and subject to such conditions, to require that Simon Group register such shares of Simon Group Common Stock for public distribution.

Simon Group Issuance Agreement. In connection with the Merger, Simon Group and CRC will enter into an issuance agreement (the "Issuance Agreement"), the purpose of which is to ensure that a portion of the consideration paid for any newly issued Simon Group Equity Stock is transferred to CRC as consideration for the beneficial interests in the CRC Trusts paired with such newly issued stock. Pursuant to the Issuance Agreement, whenever Simon Group issues shares of Simon Group Equity Stock or Simon Group Preferred Stock convertible into shares of Simon Group Common Stock (but only to the extent such preferred stock is designated as "Special Preferred Stock"), CRC shall issue to the CRC Trusts a number of shares of CRC Common Stock such that, immediately after such issuance of CRC Common Stock, the CRC Proportionate

Interest of each CRC Trust shall equal the Simon Group Proportionate Interest of the series of capital stock of Simon Group related to such CRC Trust. For purposes of the foregoing, the "CRC Proportionate Interest" for any CRC Trust at any date shall mean a fraction, the numerator of which shall be the number of shares of CRC Common Stock held in such CRC Trust and the denominator of which shall be the number of shares of CRC Common Stock outstanding, and the "Simon Group Proportionate Interest" shall mean (i) with respect to the Simon Group Equity Stock at any date, a fraction, the numerator of which shall be the number of shares of Simon Group Equity Stock outstanding at such date and the denominator of which shall be the sum of the number of shares of Simon Group Equity Stock outstanding and the aggregate number of shares of Simon Group Equity Stock issuable upon conversion of all outstanding shares of all series of Simon Group Special Preferred Stock, and (ii) with respect to any series of Simon Group Special Preferred Stock, a fraction, the numerator of which shall be the number of shares of Simon Group Equity Stock issuable upon conversion of such series of Special Preferred Stock and the denominator of which shall be the sum of the number of shares of Simon Group Equity Stock outstanding and the aggregate number of shares of Simon Group Equity Stock issuable upon conversion of all outstanding shares of all series of Simon Group Special Preferred Stock. Pursuant to the Issuance Agreement, whenever CRC shall issue shares of CRC Common Stock, Simon Group shall simultaneously pay to CRC an amount equal to the greater of (i) the aggregate par value of the shares of CRC Common Stock issued and (ii) the amount determined in good faith by the Board of Directors of CRC to represent the fair market net asset value of the shares of CRC Common Stock issued (less the aggregate consideration paid to CRC by parties other than Simon Group in connection with such issuance of CRC Common Stock). See "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK."

Issuance of Interests in CRC and SRC Operating Partnership. In accordance with the Issuance Agreement, the SDG Operating Partnership will arrange for cash to be contributed at the Effective Time on behalf of SDG's stockholders to CRC as payment (the "CRC Payment") for the beneficial interests in the CRC Trusts (which will be paired with the shares of Simon Group Equity Stock to be issued to SDG stockholders in the Merger). The SDG Operating Partnership will also simultaneously arrange for cash to be contributed at the Effective Time on behalf of the limited partners of the SDG Operating Partnership to the SRC Operating Partnership as payment (the "Operating Partnership Payment") for CRC Units which will, in turn, be received by the limited partners of the SDG Operating Partnership. This is intended to ensure that the limited partners of the SDG Operating Partnership have the same proportionate interest in the SRC Operating Partnership as they will have in the SDG Operating Partnership. The CRC Payment reflects the amount of cash required to be paid to CRC such that, following such contribution, SDG stockholders will hold the same proportionate interest in CRC as they will hold in Simon Group upon consummation of the Merger, without diluting the value of beneficial interests in the CRC Trusts paired with the previously outstanding shares of CPI Common Stock. Based upon a preliminary estimate of the value of CRC's net assets as determined by SDG's management, the amount of the CRC Payment is estimated to be approximately $14 million and the Operating Partnership Payment is estimated to be approximately $8 million. At the Effective Time, the Board of Directors of CRC will make a determination of the fair market value of CRC's net assets based upon information then available. SDG's management does not expect that the final amount will differ materially from the preliminary estimates. The CRC Payment will be contributed by CRC to the SRC Operating Partnership and all amounts will be used for working capital and general purposes, subject to restrictions described in the SRC Operating Partnership Agreement. See "CERTAIN PROVISIONS OF THE SDG OPERATING PARTNERSHIP AGREEMENT, THE SRC OPERATING PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW."

To implement the CRC Payment, the following actions will be taken by the SDG Operating Partnership and its general partners. Immediately prior to the Effective Time, the SDG Operating Partnership will distribute the CRC Payment to its general partners, SD Property Group, Inc. and SDG. SD Property Group, Inc. will, in turn, dividend the cash it receives from the SDG Operating Partnership to SDG and its other stockholders who own, in the aggregate, less than .01% of SD Property Group, Inc. The CRC Payment will be held by SDG, which will, at the Effective Time, transfer the cash dividend it holds to CRC as payment on behalf of its stockholders for the beneficial interests in the CRC Trusts to be paired with the shares of Simon

Group Equity Stock to be issued to SDG stockholders in the Merger. Pursuant to the terms of the CRC Trusts, the beneficial interests of CRC will be automatically paired with the shares of Simon Group Equity Stock issued to SDG stockholders in the Merger. To implement the Operating Partnership Payment, the SDG Operating Partnership will make the Operating Partnership Payment in consideration for CRC Units, which will, in turn, be received by the limited partners of the SDG Operating Partnership.

New Registration Rights Agreements. Simon Group will enter into registration rights agreements or amendments to existing registration rights agreements, effective at or as promptly as practicable following the Effective Time ("New Registration Rights Agreements"), granting registration rights with respect to shares of Simon Group Equity Stock and Simon Group Preferred Stock, as applicable, held by certain existing stockholders of CPI and issuable upon exchange of SDG Units held by existing stockholders of SDG, including Melvin Simon, Herbert Simon and David Simon. The terms and conditions of the New Registration Rights Agreements are substantially similar to those of SDG's existing registration rights agreements.

NEW REIT LEGISLATION

Legislation enacted in 1984 requires that paired entities be treated as one entity for purposes of determining whether either entity meets the REIT Requirements. This legislation does not apply to a paired REIT if the REIT and its paired operating company were paired as of June 30, 1983.

On July 22, 1998, President Clinton signed into law legislation that terminates the "grandfathering" rule described above with respect to assets ("Non-Grandfathered Assets") acquired (or substantially improved) by either paired entity after March 26, 1998. Assets acquired subject to a binding written contract in force on March 26, 1998 (such as the Merger Agreement) are deemed to be acquired on March 26, 1998 and therefore are excluded from Non-Grandfathered Assets. As a result of this legislation, Simon Group and CRC will be treated as one entity with respect to Non-Grandfathered Assets for purposes of determining whether either entity qualifies as a REIT. Consequently, the benefits of the "grandfathering" rule described above will be eliminated for any Non-Grandfathered Assets acquired by Simon Group or CRC.

There are no current plans to change the paired-share status of Simon Group. In addition, the management of Simon Group does not believe that this legislation will materially affect Simon Group. Because Simon Group is engaged primarily in owning and operating regional malls and community shopping centers, i.e., real estate of a type that can be owned and operated directly by a REIT, Simon Group has no present need, and would derive no material benefit from, conducting its operations by leasing its real estate to CRC or the SRC Operating Partnership. Furthermore, Simon Group has no current intention to acquire real estate of a type that cannot be operated directly by a REIT, and accordingly, does not believe that this legislation will adversely affect its current acquisition strategy. The legislation will, however, limit Simon Group's ability to change its current acquisition strategy to include the acquisition of real estate other than of a type that can be owned and operated directly by a REIT. For example, prior to enactment of the legislation, Simon Group could have acquired a hotel and leased it to the SRC Operating Partnership. After enactment of the legislation, such a transaction could, depending on its size, result in the loss of Simon Group's REIT status.

NEW YORK STOCK EXCHANGE LISTING OF SIMON GROUP COMMON STOCK

As a condition to the Merger, the Simon Group Common Stock and Simon Group Series B Preferred Stock will be listed on the NYSE. If the Merger is completed, Simon Group stockholders would be able to trade shares of Simon Group Common Stock and Simon Group Series B Preferred Stock on the NYSE. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger," "-- Conditions to Consummation of the Merger," "-- Termination; Termination Fees and Amendment," and "FEDERAL SECURITIES LAWS CONSEQUENCES."

REGULATORY APPROVAL

Other than (i) the Commission's declaring effective the Registration Statement containing this Proxy Statement/Prospectus, (ii) approvals in connection with compliance with applicable blue sky or state

securities laws, (iii) the filing of the articles of merger with the State Department of Assessments and Taxation of Maryland, (iv) the filing of such reports under Section 13(a) of the Exchange Act as may be required in connection with the Merger Agreement and related transactions and (v) such filings as may be required in connection with the payment of any taxes or the transfer of properties, neither the management of SDG nor the management of CPI believes that any filing with or approval of any governmental authority is necessary in connection with the consummation of the Merger.

FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The Merger is expected to qualify for treatment as a tax-free reorganization under Section 368(a) of the Code, and the SDG stockholders who exchange their SDG Equity Stock for Simon Group Equity Stock will not recognize any gain or loss on the exchange except that gain will be recognized where SDG stockholders receive cash proceeds in lieu of fractional interests in shares of Simon Group Equity Stock greater than the tax basis allocated to such stockholders' fractional share interests to the extent of such excess. Although the matter is not entirely clear, Simon Group intends to treat and report the receipt of beneficial interest in the CRC Common Stock by SDG stockholders as a distribution governed by Section 301 of the Code (governing dividends), and not as a payment of "other property" or "boot" in the tax-free reorganization. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Consequences to Holders of SDG Equity Stock." In the event that the Merger does not qualify as a tax-free reorganization, each SDG stockholder will recognize gain or loss equal to the difference between the stockholder's tax basis in the SDG Common Stock and the fair market value of the Simon Group Equity Stock received in the Merger. Upon receipt of cash in exchange for its shares, a dissenting stockholder will recognize a taxable gain or loss to the extent the cash received exceeds or is less than the dissenting stockholder's basis in its shares. See "-- Appraisal Rights" and "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Consequences to Holders of SDG Equity Stock."

COMPARATIVE RIGHTS OF STOCKHOLDERS OF SDG AND SIMON GROUP

SDG is incorporated under the laws of the State of Maryland and Simon Group will be incorporated under the laws of the State of Delaware. SDG stockholders will, upon consummation of the Merger, become stockholders of Simon Group and their rights as such will be governed by Delaware law, the Restated Certificate of Incorporation (the "Simon Group Charter") of Simon Group, the Restated By-laws (the "Simon Group By-laws") of Simon Group, the Restated Certificate of CRC (the "CRC Charter") and the Restated By-laws of CRC (the "CRC By-laws"). Important differences exist between the laws of Maryland and the rights of stockholders of SDG and the laws of Delaware and the rights of stockholders of Simon Group and CRC. For example, the SDG Charter provides that directors only may be removed for cause by the stockholders while the Simon Group Charter and the CRC Charter will provide that directors may be removed with or without cause by the stockholders. The MGCL provides that stockholders may take action by unanimous written consent while the Simon Group Charter will require that all actions by Simon Group Common Stock holders be taken at an annual or special meeting of the stockholders and the CRC Charter will provide that stockholders may take action by written consent. The SDG By-laws provide that written notice of every meeting of the stockholders be given not less than 10 nor more than 90 calendar days before the date of the meeting to each stockholder of record entitled to vote the such meeting, while the Simon Group By-laws and CRC By-laws limit the notice period to not less than 10 nor more than 60 calendar days before the date of the meeting. In addition, the SDG Charter imposes a limit of 24% on the ownership of SDG Equity Stock by a member of the Simon Family Group and a limit of 6% on the ownership of SDG Equity Stock by any other stockholder. The Simon Group Charter imposes a limit of 18% on the ownership of SDG Equity Stock by a member of the Simon Family Group and a limit of 8% on the ownership of SDG Equity Stock by any other stockholder. For a description of these and other differences between the rights of holders of SDG Equity Stock and Simon Group Equity Stock, see "RISK FACTORS -- Comparison of Stockholders' Rights" and "COMPARISON OF RIGHTS OF HOLDERS OF SDG COMMON STOCK AND SIMON GROUP AND CRC COMMON STOCK."

APPRAISAL RIGHTS

The MGCL sets forth the rights of stockholders who object to a merger to demand and receive fair value for their stock ("appraisal rights"). No appraisal rights are available to holders of SDG Common Stock and SDG Series B Preferred Stock because the SDG Common Stock and SDG Series B Preferred Stock are listed on a national securities exchange (i.e., the NYSE). In addition, no appraisal rights are available to holders of either SDG Series B Preferred Stock or SDG Series C Preferred Stock because the SDG Series B Preferred Stock and SDG Series C Preferred Stock are stock of the successor in the Merger (SDG), the Merger will not alter the contract rights of this stock and this stock will not be changed in the Merger into something other than stock in the successor or cash.

The holders of SDG Class B Common Stock and SDG Class C Common Stock have appraisal rights available to them because neither class of stock is listed on a national securities exchange and because the shares of each class will be converted in the Merger into Simon Group Class B Common Stock and Simon Group Class C Common Stock. The MGCL provides that these rights are available only if the stockholder (a) files with the corporation a written objection to the Merger at or before the meeting of stockholders at which the transaction will be considered and (b) does not vote in favor of the transaction. In addition, the stockholder must make a written demand on the successor corporation for payment for the stock within 20 days of the acceptance of the articles of merger by the Maryland State Department. The MGCL requires that the successor corporation, SDG, promptly notify each objecting stockholder in writing of the date the articles of merger are accepted for record by the Maryland State Department. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Appraisal Rights," "COMPARISON OF RIGHTS OF HOLDERS OF SDG COMMON STOCK AND SIMON GROUP AND CRC COMMON STOCK -- Appraisal Rights" and Annex E hereto.

RECENT DEVELOPMENTS

On August 11, 1998, SDG announced results for the quarter and six months ended June 30, 1998. Total revenue for the quarter increased 26.6% to $310.4 million as compared to $245.1 million in 1997. Net income available to holders of SDG Common Stock for the quarter increased 10.1% to $27.5 million as compared to $25.0 million in 1997.

Total revenue for the six months increased 25.3% to $610.6 million as compared to $487.5 million in 1997. Net income available to holders of SDG Common Stock for the six months increased 54.9% to $51.4 million as compared to $33.2 million in 1997. Occupancy for mall and freestanding stores in the regional malls at June 30, 1998 increased 1.8% to 87.0%, as compared to 85.2% at June 30, 1997. Total retail sales generated in the regional mall portfolio for the first six months of 1998 increased 44.7% to $4.2 billion as compared to the prior year. Total retail sales per square foot in the regional mall portfolio increased 8.5% to $318, over the same period in 1997 while comparable retail sales per square foot increased 8.6%, to $328. Average base rents for mall and freestanding stores in the regional mall portfolio were $23.10 per square foot at June 30, 1998, an increase of $2.16, or 10.3%, from $20.94 at June 30, 1997. The average initial base rent for new leases signed in 1998 was $24.97, an increase of $5.45, or 27.9% over the tenants who closed or whose leases expired. The foregoing description of SDG's recent developments is more fully described in SDG's Current Report on Form 8-K dated August 12, 1998.

SUMMARY PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA

Simon Group Pro Forma Combined Condensed Financial Data

The following pro forma combined financial data for Simon Group prepared by the management of SDG are derived from the historical financial data of SDG, CPI and CRC.

The pro forma combined Balance Sheet Data as of March 31, 1998 and December 31, 1997, are presented as if the Merger and related transactions and the Other Property Transactions (as defined below) had occurred on March 31, 1998 and December 31, 1997, respectively. The pro forma combined Operating Data is presented as if the Merger and related transactions and the Other Property Transactions had occurred as of January 1, 1997, and carried forward therefrom.

Preparation of the pro forma financial information was based on assumptions deemed appropriate by the management of SDG. The assumptions give effect to the Merger being accounted for as a reverse purchase in accordance with generally accepted accounting principles and the cash contributed to CRC and the CRC Operating Partnership as stock and partnership units for cash transactions. CRC assets and liabilities will continue to be reflected at historical costs as the SDG stockholders' beneficial interest in CRC will be less than 80% and the combined entity qualifying as a REIT, distributing all of its taxable income and, therefore, incurring no federal income tax expense during the periods presented. The pro forma financial information is not necessarily indicative of the results which actually would have occurred if the Merger and related transactions and the Other Property Transactions had been consummated at the beginning of the periods presented, nor does it purport to represent the future financial position and results of operations for future periods. The pro forma information should be read in conjunction with the historical financial statements of SDG, incorporated by reference into this Proxy Statement/Prospectus, and CPI and CRC, included elsewhere herein. See "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA -- Simon Group Pro Forma Combined Condensed Financial Data."

	PRO FORMA DATA	
	FOR THE THREE MONTHS ENDED MARCH 31, 1998	FOR THE YEAR ENDED DECEMBER 31, 1997
	(UNAUDITED) (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)	
OPERATING DATA:		
Total revenue	$ 406,080	$ 1,612,406
Property and other expenses	149,039	594,691
Depreciation and amortization	89,236	342,603
Income before items below	167,805	675,112
Interest expense	133,324	528,572
Minority partners' interest	(1,442)	(5,270)
Gain on sales of assets	44,311	123,689
Income from unconsolidated entities	12,312	50,485
Income of the Operating Partnerships and other	89,662	315,444
Limited Partners' interest in the Operating Partnerships	19,528	68,631
Preferred dividends	18,832	75,244
Net income available to common stockholders	$ 51,302	$ 171,569
EARNINGS PER COMMON SHARE:		
Net income before extraordinary items per share -- basic and diluted(1)	$ 0.31	$ 1.10
Basic weighted average shares outstanding	164,096,352	155,773,755
Diluted weighted average shares outstanding	164,483,499	156,157,819

	AS OF MARCH 31, 1998	AS OF DECEMBER 31, 1997
BALANCE SHEET DATA:		
Total assets	$13,098,416	$13,176,023
Mortgages and other indebtedness	7,734,500	7,753,939
Limited Partners' interest in the Operating Partnerships	1,023,677	1,029,600
Preferred Stock of subsidiary	339,128	339,061
Stockholders' equity	3,462,770	3,488,907

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(1) Includes gain on sales of assets of $0.19 per share and $0.56 per share for the three months ended March 31, 1998 and the year ended December 31, 1997, respectively.

Summary Historical Financial Data of SDG

The following table sets forth selected consolidated financial data for SDG and combined historical financial data of Simon Property Group (its "Predecessor")(1). The information under Balance Sheet Data as of March 31, 1998 and 1997 and all other summary financial data for the three months ended March 31, 1998 and 1997 have been derived from the unaudited consolidated financial statements of SDG incorporated herein by reference. The summary historical balance sheet data of SDG as of December 31, 1993, 1994, 1995, 1996 and 1997 and all other summary historical financial data for SDG and the Predecessor, as applicable, for the years ended December 31, 1994, 1995, 1996 and 1997 and the periods ended December 19, 1993 and December 31, 1993 are derived from the audited financial statements of SDG and the Predecessor, as applicable, incorporated herein by reference. The financial data should be read in conjunction with the financial statements and notes thereto and other financial data of SDG and the Predecessor incorporated herein by reference.

Other data management believes is important in understanding trends in the SDG's business is also included in the table.

	FOR THE THREE MONTHS ENDED MARCH 31,		SDG			
			FOR THE YEAR ENDED DECEMBER 31,			
	1998	1997	1997(2)	1996(2)	1995(2)	1994
	(IN THOUSANDS, EXCEPT PER SHARE DATA)					
OPERATING DATA:						
Total revenue	$ 300,257	$ 242,414	$1,054,167	$ 747,704	$ 553,657	$ 473,676
Income (loss) of the SDG Operating Partnership before extraordinary items	45,124	43,062	203,133	134,663	101,505	60,308
Net income (loss) available to common shareholders	23,948	8,233	$ 107,989	$ 72,561	$ 57,781	$ 23,377
BASIC EARNINGS PER COMMON SHARE(3):						
Income before extraordinary items	$ 0.22	$ 0.23	$ 1.08	$ 1.02	$ 1.08	$ 0.71
Extraordinary items	--	(0.15)	--	(0.03)	(0.04)	(0.21)
Net income (loss)	$ 0.22	$ 0.08	$ 1.08	$ 0.99	$ 1.04	$ 0.50
Weighted average shares outstanding	109,684	96,973	99,920	73,586	55,312	47,012
DILUTED EARNINGS PER COMMON SHARE(3):						
Income before extraordinary items	$ 0.22	$ 0.23	$ 1.08	$ 1.01	$ 1.08	$ 0.71
Extraordinary items	--	(0.15)	--	(0.03)	(0.04)	(0.21)
Net income (loss)	$ 0.22	$ 0.08	$ 1.08	$ 0.98	$ 1.04	$ 0.50
Diluted weighted average shares outstanding	110,071	97,370	100,304	73,721	55,422	47,214
Distributions per common share(4)	$ 0.5050	$ 0.4925	$ 2.01	$ 1.63	$ 1.97	$ 1.90
BALANCE SHEET DATA:						
Cash and cash equivalents	$ 101,997	$ 41,946	$ 109,699	$ 64,309	$ 62,721	$ 105,139
Total assets	7,956,808	5,908,896	7,662,667	5,895,910	2,556,436	2,316,860
Mortgages and other indebtedness	5,329,707	3,746,992	5,077,990	3,681,984	1,980,759	1,938,091
Shareholders' equity	$1,557,185	$1,265,466	$1,556,862	$1,304,891	$ 232,946	$ 57,307
OTHER DATA:						
Cash flow provided by (used in):						
Operating activities	$ 119,472	$ 89,517	$ 370,907	$ 236,464	$ 194,336	$ 128,023
Investing activities	(251,481)	(72,040)	(1,243,804)	(199,742)	(222,679)	(266,772)
Financing activities	124,307	(39,840)	918,287	(35,134)	(14,075)	133,263
Funds from Operations (FFO) of the SDG Operating Partnership(5)	$ 108,907	$ 87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
FFO allocable to SDG(5)	$ 69,015	$ 53,992	$ 258,049	$ 172,468	$ 118,376	$ 92,604

	SDG	PREDECESSOR
	DECEMBER 20 TO DECEMBER 31, 1993	JANUARY 1 TO DECEMBER 19, 1993
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
OPERATING DATA:		
Total revenue	$ 18,424	$ 405,869
Income (loss) of the SDG Operating Partnership		

before extraordinary items	8,707	6,912
Net income (loss) available to common shareholders	$ (11,366)	$ 33,101
BASIC EARNINGS PER COMMON SHARE(3):		
Income before extraordinary items	$ 0.11	N/A
Extraordinary items	(0.39)	N/A
Net income (loss)	$ (0.28)	N/A
Weighted average shares outstanding	40,950	N/A
DILUTED EARNINGS PER COMMON SHARE(3):		
Income before extraordinary items	$ 0.11	N/A
Extraordinary items	(0.39)	N/A
Net income (loss)	$ (0.28)	N/A
Diluted weighted average shares outstanding	40,957	N/A
Distributions per common share(4)	--	N/A
BALANCE SHEET DATA:		
Cash and cash equivalents	$ 110,625	N/A
Total assets	1,793,654	N/A
Mortgages and other indebtedness	1,455,884	N/A
Shareholders' equity	$ 29,521	N/A
OTHER DATA:		
Cash flow provided by (used in):		
Operating activities	N/A	N/A
Investing activities	N/A	N/A
Financing activities	N/A	N/A
Funds from Operations (FFO) of the SDG Operating Partnership(5)	N/A	N/A
FFO allocable to SDG(5)	N/A	N/A

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(1) Prior to the acquisition by SDG on August 9, 1996 of the national shopping center business of DeBartolo Realty Corporation ("DRC") for an aggregate value of approximately $3.0 billion (the "DeBartolo Merger"), SDG was known as Simon Property Group, Inc. which completed its initial public offering of its common stock in December 1993. Simon Property Group was the predecessor of Simon Property Group, Inc.

(2) Refer to Note 3 to SDG's audited financial statements included in SDG's Form 10-K and Forms 10-K/A for the year ended December 31, 1997 which are incorporated by reference herein to describe the DeBartolo Merger, which occurred on August 9, 1996, and the 1997, 1996, and 1995 real estate acquisitions and development.

(3) Per share data is reflected only for SDG, because the historical combined financial statements of the Predecessor are a combined presentation of partnerships and corporations.

(4) Represents distributions declared per period. A distribution of $0.1515 per share was declared on August 9, 1996, in connection with the DeBartolo Merger, designated to align the time periods of distributions of the merged companies. The current annual distribution rate is $2.02 per share.

(5) FFO, as defined by NAREIT, means the consolidated net income of the SDG Operating Partnership and its subsidiaries without giving effect to real estate related depreciation and amortization, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses on investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the SDG Operating Partnership's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles. Management believes that FFO is an important and widely used measure of the operating performance of REITs, which provides a relevant basis for comparison among REITs. FFO is presented to assist investors in analyzing the performance of SDG. SDG's method of calculating FFO may be different from the methods used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of SDG's operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of SDG's liquidity. In March 1995, NAREIT modified its definition of FFO. The modified definition provides that amortization of deferred financing costs and depreciation of nonrental real estate assets are no longer to be added back to net income in arriving at FFO. This modification was adopted by SDG beginning in 1996. Additionally the FFO for prior periods has been restated to reflect the modification in order to make the amounts comparative. Under the previous definition, FFO for the years ended December 31, 1995 and 1994, was $208.3 million and $176.4 million, respectively.

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

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,			
	1998	1997	1997	1996	1995	1994
			(IN THOUSANDS)			
FFO of SDG Operating Partnership	$108,907	$ 87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
Increase in FFO from prior period	23.8%	80.6%	47.5%	42.2%	18.0%	N/A
Reconciliation:						
Income of SDG Operating Partnership before extraordinary items	$ 45,124	$ 43,062	$ 203,133	$ 134,663	$ 101,505	$ 60,308
Plus:						
Depreciation and amortization from consolidated properties	58,079	43,312	200,084	135,226	92,274	75,663
SDG Operating Partnership's share of depreciation and amortization from unconsolidated affiliates	14,804	8,858	46,760	20,159	6,466	7,251
Merger integration costs	--	--	--	7,236	--	--
SDG Operating Partnership's share of (gains) or losses on sales of real estate	--	(37)	(20)	(88)	2,054	--
Unusual item	--	--	--	--	--	27,184
Less:						
Minority interest portion of depreciation and						

amortization.....	(1,766)	(850)	(5,581)	(3,007)	(2,900)	(2,645)
Preferred dividends.....	(7,334)	(6,406)	(29,248)	(12,694)	(1,490)	--
FFO of SDG Operating Partnership.....	$108,907	$ 87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
FFO allocable to SDG.....	$ 69,015	$ 53,992	$ 258,049	$ 172,468	$ 118,376	$ 92,604

Summary Historical Financial Data of CPI

The following table sets forth summary historical financial data for CPI and should be read in conjunction with the audited and unaudited consolidated financial statements of CPI and the related notes, included elsewhere herein. The information under Balance Sheet Data as of March 31, 1998 and all other summary financial information for the three months ended March 31, 1998 and 1997 has been derived from the unaudited consolidated financial statements of CPI included herein. The information under Balance Sheet Data as of December 31, 1997 and 1996 and all other summary financial information for the years ended December 31, 1997, 1996 and 1995 has been derived from the annual audited consolidated financial statements of CPI included herein. Such statements account for the investments in real estate joint ventures under the equity method of accounting. The audited financial statements for other years and years-end were based on pro rata consolidation of CPI's investment in real estate joint ventures. The financial information presented below for such years has been derived from the audited financial statements after adjustments to reflect the investments in real estate joint ventures under the equity method. The information under Balance Sheet Data as of March 31, 1997 has been derived from the unaudited consolidated financial statements of CPI.

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			(IN THOUSANDS EXCEPT PER SHARE DATA)				
INCOME STATEMENT DATA:							
Total revenue	$128,404	$ 119,090	$ 493,788	$ 349,109	$ 308,232	$ 298,150	$ 284,557
Gain on sales of properties	$ 44,311	$ 116,522	$ 122,410	$ 74,084	$ 398	$ 85,090	$ 13,316
Income before extraordinary items	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355	$ 137,224	$ 99,984
Net income available to common shareholders	$ 78,099	$ 148,530	$ 263,499	$ 170,659	$ 105,713	$ 132,835	$ 92,670
BASIC EARNINGS PER COMMON SHARE:							
Income before extraordinary items(1)	$ 3.08	$ 5.70	$ 10.20	$ 7.74	$ 5.00	$ 6.28	$ 4.72
Extraordinary items	--	--	--	--	--	--	(0.35)
Net income	$ 3.08	$ 5.70	$ 10.20	$ 7.74	$ 5.00	$ 6.28	$ 4.37
Weighted average shares outstanding	25,353	26,066	25,835	22,045	21,160	21,157	21,200
DILUTED EARNINGS PER COMMON SHARE:							
Income before extraordinary items(2)	$ 3.01	$ 5.51	$ 10.14	$ 7.74	$ 5.00	$ 6.28	$ 4.72
Extraordinary items	--	--	--	--	--	--	(0.35)
Net income	$ 3.01	$ 5.51	$ 10.14	$ 7.74	$ 5.00	$ 6.28	$ 4.37
Diluted weighted average shares outstanding	27,095	27,571	27,348	23,550	22,667	21,637	21,200
Distributions per common share(3)	$ 1.94	$ 1.865	$ 7.685	$ 7.3825	$ 7.0625	$ 7.80	$ 6.80

	MARCH 31,		DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			(IN THOUSANDS)				
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 16,196	$ 95,745	$ 124,808	$ 106,495	$ 82,838	$ 46,640	$ 49,834
Total assets	$2,808,756	$2,932,808	$2,810,254	$3,114,910	$1,988,810	$2,010,354	$1,832,988
Mortgages and notes and bonds payable	$ 857,648	$ 863,337	$ 859,060	$ 964,690	$ 695,562	$ 695,966	$ 696,418
Shareholders' equity	$1,828,152	$1,909,733	$1,802,614	$1,955,778	$1,176,393	$1,198,482	$1,033,572

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			($ IN THOUSANDS EXCEPT PER SHARE DATA)				
OTHER DATA:							
Cash flow provided by (used in):							
Operating activities	$ 46,501	$ 26,266	$ 219,492	$ 124,030	$ 128,359	$ 117,017	$ 102,814
Investing activities	$(97,764)	$ 119,649	$ 194,514	$ (161,287)	$ 49,196	$ (147,658)	$ (46,287)
Financing activities	$(57,349)	$ (156,665)	$ (395,693)	$ 60,914	$ (141,357)	$ 27,447	$ (140,413)
Funds from Operations (FFO)(4):							
Net income	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355	$ 137,224	$ 92,670
Plus:							
Depreciation of real estate and amortization of department store and tenant inducements and leasing costs	24,324	24,701	99,515	82,124	73,395	74,146	68,461
Merger-related costs	7,539	--	--	--	--	--	--
Write-down of real estate and related assets and provision for possible real estate losses	--	--	--	8,200	--	44,972	10,100
Provision for retirement benefits	--	--	--	--	--	4,000	--
Prepayment penalties on refinancing of mortgage debt	--	--	--	--	--	88	7,432
Less:							
Gain on sales of properties	(44,311)	(116,522)	(122,410)	(74,084)	(398)	(85,090)	(13,316)
Preference share dividends earned	(3,428)	(3,428)	(13,712)	(13,712)	(13,642)	(4,389)	--
FFO allocable to holders of CPI Common Stock	$ 65,651	$ 56,709	$ 240,604	$ 186,899	$ 178,710	$ 170,951	$ 165,347

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(1) Includes gain on sales of properties of $1.75 and $4.47 for the three months ended March 31, 1998 and 1997, respectively, and $4.74, $3.36, $.02, $4.02 and $.63 for the years ended December 31, 1997, 1996, 1995, 1994 and 1993, respectively.

(2) Includes gain on sales of properties of $1.64 and $4.23 for the three months ended March 31, 1998 and 1997, respectively, and $4.48, $3.15, $.02, $3.93, $.63 for the years ended December 31, 1997, 1996, 1995, 1994 and 1993, respectively.

(3) During 1994 a $1.00 extraordinary distribution relating to the sale of properties was paid.

(4) FFO, as used in the above table and as defined by NAREIT, means the consolidated net income of CPI without giving effect to depreciation and amortization (excluding amortization of deferred financing costs or assets other than those uniquely significant to the real estate industry and depreciation of non-rental real estate assets), gains or losses from extraordinary items, gains or losses on sales of real estate and gains or losses on investments in marketable securities, plus the allocable portion, based on CPI's ownership interest, of FFO of unconsolidated entities, all determined on a consistent basis in accordance with generally accepted accounting principles. CPI's management believes that FFO is a widely used supplemental measure of the operating performance of REITs which provides a relevant basis for comparison of REITs. FFO is presented to assist investors with such comparisons and in analyzing the operating performance of CPI. CPI's method of calculating FFO may be different from the methods used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

Summary Historical Financial Data of CRC

The following table sets forth summary historical financial data for CRC and should be read in conjunction with the audited and unaudited consolidated financial statements of CRC and the related notes, included elsewhere herein. The information under Balance Sheet Data as of March 31, 1998 and all other summary financial information for the three months ended March 31, 1998 and 1997 has been derived from the unaudited consolidated financial statements of CRC included herein. The information under Balance Sheet Data as of December 31, 1997 and 1996 and all other summary financial information for the years ended December 31, 1997, 1996 and 1995 has been derived from the annual audited consolidated financial statements of CRC included herein. The information under Balance Sheet Data as of March 31, 1997 and December 31, 1995, 1994 and 1993 and all other summary financial information for the years ended December 31, 1994 and 1993 has been derived from the unaudited consolidated financial statements of CRC.

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS EXCEPT PER SHARE)						
OPERATING DATA:							
Total revenue	$ 1,065	$ 1,725	$ 6,214	$ 9,805	$10,423	$11,184	$12,216
Net income (loss) available to common shareholders	$ (45)	$ (21)	$ 1,177	$ (920)	$ (6)	$ 387	$(2,029)
EARNINGS PER COMMON SHARE:							
Net income (loss) per share -- basic and diluted	$ (0.02)	$ (0.01)	$ 0.43	$ (0.39)	$ Nil	$ 0.18	$ (0.96)
Basic weighted average shares outstanding	2,684	2,755	2,732	$ 2,353	$ 2,264	$ 2,163	$ 2,120
Diluted weighted average shares outstanding	2,708	2,755	2,733	2,353	2,264	2,163	2,120
Distributions per common share	$ 0.10	$ 0.10	$ 0.40	$ 0.425	$ 0.625	$ 1.00	$ 1.00

	MARCH 31,		DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS)						
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 3,900	$ 4,558	$ 4,147	$ 4,797	$ 2,759	$ 4,588	$ 4,439
Total assets	$47,208	$30,250	$ 46,063	$31,054	$30,929	$32,239	$33,560
Mortgages and notes payable	$38,181	$21,931	$ 36,818	$21,988	$22,208	$22,409	$22,595
Shareholders' equity	$ 4,002	$ 4,263	$ 4,316	$ 5,039	$ 4,320	$ 5,650	$ 6,726

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS)						
OTHER DATA:							
Cash flow provided by (used in):							
Operating activities	$ 213	$ 231	$ 493	$ 769	$ 271	$ 1,790	$ 1,044
Investing activities	$(1,090)	$ 342	$(12,970)	$ (150)	$ (575)	$ 8	$ (526)
Financing activities	$ 630	$ (812)	$ 11,827	$ 1,419	$(1,525)	$(1,649)	$(2,278)
Funds from Operations(1):							
Net income (loss)	$ (45)	$ (21)	$ 1,177	$ (920)	$ (6)	$ 387	$(2,029)
Plus:							
Depreciation and amortization	229	213	889	938	920	1,483	1,582
Write-down of investment	--	--	--	1,100	--	--	1,500
Less:							
Gain on sale of partnership interests	--	--	(1,259)	--	--	--	--
Funds from Operations	$ 184	$ 192	$ 807	$ 1,118	$ 914	$ 1,870	$ 1,053

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(1) CRC is not a REIT and accordingly it is a taxable entity. CRC computes Funds from Operations, as used in the above table, as consolidated net income without giving effect to depreciation and amortization (excluding amortization of deferred financing costs or assets other than those uniquely significant to the real estate industry and depreciation of non-rental real estate assets), gains or losses from extraordinary items, gains or losses on sales of real estate plus the allocable portion, based on CRC's ownership interest, of Funds from Operations of unconsolidated entities, all determined on a consistent basis in accordance with generally accepted accounting principles. CRC's management believes that Funds from Operations is a widely used supplemental measure of the operating performance of real estate companies which provides a relevant basis for comparison among real

estate companies. Funds from Operations is presented to assist investors in analyzing the performance of CRC. CRC's method of calculating Funds from Operations may be different from the methods used by other real estate companies and is different from the method used by CPI and SDG because a provision for income taxes is deducted from net income. Funds from Operations: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

RISK FACTORS

SDG stockholders should carefully consider all of the information contained in this Proxy Statement/Prospectus, including the following risk factors, before approving the Merger. Unless the context otherwise requires and except as otherwise specified, references to "Simon Group" include CRC and entities owned or controlled by Simon Group and CRC following consummation of the Merger, including SDG and entities owned or controlled by SDG, including the SDG Operating Partnership and the SRC Operating Partnership.

SUBSTANTIAL INDEBTEDNESS OF SIMON GROUP

Simon Group will be subject to the risks normally associated with debt financing, including the risk that Simon Group's cash flow from operations will be insufficient to meet required payments of principal and interest, the risk that existing indebtedness will not be able to be refinanced or that the terms of such refinancing will not be as favorable as the terms of such indebtedness and the risk that necessary capital expenditures for such purposes as renovations and other improvements will not be able to be financed on favorable terms or at all. Certain significant expenditures associated with a property (such as mortgage payments) generally will not be reduced when circumstances cause a reduction in income from such property. Should such events occur, Simon Group's Funds From Operations (as defined below) and its ability to make expected distributions to its stockholders may be adversely affected. If a property is mortgaged to secure payment of indebtedness and Simon Group is unable to make payments on such indebtedness, the property could be transferred to the mortgagee with a possible consequent loss of income and asset value to Simon Group. "Funds From Operations" means, except as otherwise specified in this Proxy Statement/Prospectus, net income before depreciation and amortization of real estate property assets, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses on investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on ownership interest, of funds from operations of unconsolidated entities all determined on a consistent basis in accordance with generally accepted accounting principles. Certain of the indebtedness of Simon Group will contain cross-default and cross-collateralization features among various properties. Under cross-default provisions, a default under any mortgage included in the cross-defaulted package constitutes a default under all such mortgages and can lead to acceleration of the indebtedness due on each property within the collateral package. Pursuant to the cross-collateralization feature, the excess of the value of a property over the mortgage indebtedness specific to that property serves as additional collateral for indebtedness against each other property within that particular financing package.

Certain loans of Simon Group have and will have floating interest rates. In certain cases, Simon Group will continue to be a party to existing interest rate protection agreements with financial institutions whereby these institutions agree to indemnify Simon Group against the risk of increases in interest rates above certain levels. On a pro forma basis, assuming the Merger occurred on March 31, 1998, of the $3.4 billion total amount of the consolidated floating rate indebtedness of Simon Group on such date, $2.9 billion would not be covered by such arrangements.

In connection with the Merger, the SDG Operating Partnership will incur a substantial amount of additional debt, thereby increasing its exposure to the risks associated with debt financing. On June 22, 1998 the SDG Operating Partnership consummated a private placement of $1.075 billion aggregate principal amount of fixed rate notes, the proceeds of which were used primarily to repay amounts outstanding under the Credit Facilities. Simon Group has approximately $1.0 billion available under the terms of its unsecured revolving credit facilities (the "Credit Facilities") as of March 31, 1998 on a pro forma basis, as adjusted to reflect the consummation of the $1.075 billion private placement and the cancellation of a $300 million Credit Facility. A commitment letter with The Chase Manhattan Bank and Chase Securities Inc. (which acted as one of SDG's financial advisors in connection with the Merger) has been entered into for a $1.4 billion senior unsecured term loan to partially finance the CPI Merger Dividends, pursuant to which Simon Group and the SDG Operating Partnership will be co-obligors following consummation of the Merger. The remainder of the CPI Merger Dividends is expected to be financed from the proceeds of the sale of the General Motors Building (which sale has been consummated) and borrowing under existing credit facilities. SDG is exploring various means by which to obtain financing prior to the closing of the Merger. Such financing may consist of

public or private offerings of equity or debt, or a combination thereof. No assurance can be given, however, that SDG will successfully obtain the financing necessary to consummate the Merger, or if obtained, that such financing will be on terms and conditions favorable to SDG. SDG's obligations under the Merger Agreement are not conditioned on the obtaining of financing. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Conditions to Consummation of Merger."

Assuming the Merger occurred on March 31, 1998 and excluding pro rata share of joint venture indebtedness, Simon Group would have had approximately $7.735 billion of pro forma combined consolidated indebtedness and an additional $2.405 billion of indebtedness including the assumption of all of CPI and CRC's indebtedness of $858.8 million as of such date, as compared to historical indebtedness of SDG of $5.330 billion. Such indebtedness will not cause SDG or Simon Group to fail to comply with any of SDG's current debt agreements. The pro forma ratio of debt to market capitalization of Simon Group as of March 31, 1998, assuming a consolidated indebtedness of approximately $7.735 billion and assuming the Merger occurred on March 31, 1998, would have been 46.4% as compared to 45.8% for SDG on a historical basis as of March 31, 1998. Assuming the Merger occurred March 31, 1998 and assuming consummation of the SDG Operating Partnership's $1.075 billion private placement, approximately $3.6 billion of Simon Group's consolidated debt will mature on or before December 31, 2002. Simon Group does not expect to have sufficient cash flow to make all of the balloon payments of principal when due under indebtedness secured by mortgages on certain properties. It is intended that Simon Group will refinance such debt at or before maturity. However, there can be no assurance that Simon Group will be able to refinance such indebtedness or otherwise to obtain funds by selling assets or by raising equity. An inability to make any such balloon payment when due would permit the mortgage lender to foreclose on such properties, which could have a material adverse effect on Simon Group. Interest rates on any debt issued to refinance such mortgage debt may be higher than the rates on such mortgage debt, which could adversely affect cash available for distribution before debt repayments and capital expenditures. See "SIMON GROUP PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA."

FAILURE TO CONSUMMATE CPI NOTES SOLICITATION

CPI currently has outstanding an aggregate of $825 million of notes (the "CPI Notes"). In connection with the Merger, SDG proposes that substantially all of CPI's assets will be transferred to the SDG Operating Partnership and SDG Operating Partnership will become the successor obligor to CPI under the indentures governing the CPI Notes (collectively, the "CPI Indentures"). Certain of the CPI Indentures contain provisions that would require the redemption of $575 million of the CPI Notes if substantially all of CPI's assets were to be transferred to a successor issuer that is not a REIT. The SDG Operating Partnership is not a REIT. Because the SDG Operating Partnership is not a REIT, and in order to permit it to become the successor obligor on the CPI Notes, SDG intends to commence a consent solicitation of the holders of the CPI Notes to amend the CPI Indentures to, among other things, (i) enable CPI to transfer all or substantially all of its assets to the SDG Operating Partnership in connection with the Merger, which will, in turn, assume the obligations of CPI under the CPI Indentures, and (ii) conform certain financial and other covenants contained in the CPI Indentures to similar provisions applicable to certain outstanding unsecured notes of the SDG Operating Partnership. If holders of at least 66 2/3% in outstanding principal amount of each issue of CPI Notes consent to the proposed amendments to the CPI Indentures prior to the Merger, the SDG Operating Partnership will become the successor obligor on the CPI Notes.

If the consent solicitation is not successfully completed prior to the Merger, substantially all of the assets of CPI will be transferred to RPT and RPT will assume CPI's obligations under the CPI Notes. RPT is a REIT subsidiary of the SDG Operating Partnership, more than 99.99% owned by the SDG Operating Partnership on a fully diluted basis. As a consequence of RPT's REIT status the redemption provisions described above will not be triggered in connection with the Merger.

SDG and CPI have received inquiries from the trustee under the CPI Indentures and certain holders of the CPI Notes as to the means being utilized to effect compliance with the terms of the CPI Indentures in connection with the Merger. Certain of such holders have expressed their view that they do not believe compliance may be effected without receiving waivers from the requisite percentage of holders of the CPI Notes. SDG believes that the transfer of CPI's assets to RPT and RPT's assumption of liabilities of CPI

described above (including CPI's obligations under the CPI Notes) fully complies with the provisions of the CPI Indentures. In any event, even if the maturity of the $825 million of CPI Notes were to be accelerated, SDG and the SDG Operating Partnership believe that they will have adequate resources to refinance such CPI Notes, together with any "make whole" premium determined to be payable in connection therewith.

COSTS OF FAILURE TO INTEGRATE OPERATIONS

SDG and CPI are large enterprises with operations nationwide. There can be no assurance that costs or other factors associated with the integration of the two companies (including the failure to integrate the businesses and operating strategies and policies of the two companies on a timely basis and the substantial management time and effort required during the transition period) will not adversely affect the benefits of estimated cost savings (which SDG expects to increase Funds From Operations per share) and future combined results of operations. While SDG has successfully integrated other portfolios, such as in connection with the DeBartolo Merger, in the past, there can be no assurances that costs or timing associated with the integration of the two companies will not adversely affect the estimated cost savings and revenue synergies (which are expected to increase SDG's Funds From Operations) and future combined results of operations.

There can be no assurance that the estimated cost savings resulting from the Merger will be achieved and outweigh the costs and other factors associated with the integration of the two companies. Cost savings of approximately $30.4 million, representing approximately $21.0 million of overhead cost savings and approximately $9.4 million of operating cost savings, are estimated based on the elimination of corporate operating redundancies and mall operational inefficiencies, and revenue enhancements of approximately $19.4 million, representing approximately $6.0 million attributed to increased revenues from SDG marketing initiatives within the CPI property portfolio, approximately $8.2 million attributed to increased temporary tenant revenues and approximately $5.2 million attributed to other revenue opportunities (including insurance and rent), are estimated based on synergies resulting from the Merger. To the extent that these savings and revenue enhancements are not achieved, earnings and Funds From Operations of Simon Group will be negatively impacted.

DILUTION ON NET INCOME PER SHARE CAUSED BY THE MERGER

The Merger has a dilutive effect of $0.10 on the net income per share of Simon Group Common Stock on a pro forma basis for the three months ended March 31, 1998 (after giving effect to the elimination of a $0.19 per share gain on a sale of real estate) and a dilutive effect of $0.54 on the net income per share of Simon Group Common Stock on a pro forma basis for the year ended December 31, 1997 (after giving effect to the elimination of a $0.56 gain on sale of real estate) and may have a dilutive effect on net income per share in future periods. See "SIMON GROUP PRO FORMA FINANCIAL DATA." SDG management believes that if the expected cost savings and revenue synergies are not realized and if a dilutive effect on net income per share of SDG Common Stock occurs, Simon Group's Funds From Operations per share following the Merger will be lower than might be expected for SDG's Funds From Operations per share without the Merger.

POSSIBLE SUBORDINATION OF RIGHTS OF CURRENT HOLDERS OF SIMON GROUP EQUITY STOCK AND SDG UNITS

As is currently the case with SDG, following the Merger Simon Group will be authorized (i) to issue and sell preferred stock, which may have rights and preferences (including, but not limited to, the payment of dividends) senior to Simon Group Equity Stock and (ii) to use the proceeds of such issuances and sales to purchase preferred units in the SDG Operating Partnership which will have rights and preferences (including, but not limited to, the payment of distributions) senior to SDG Units, including SDG Units owned by Simon Group. The issuance of preferred stock in Simon Group and preferred units in the SDG Operating Partnership will not require further action by the holders of Simon Group Equity Stock.

FEDERAL INCOME TAX CONSEQUENCES

The Merger is expected to qualify for treatment as a tax-free reorganization under Section 368(a) of the Code; however, in the event that the Merger does not qualify as a tax-free reorganization, each SDG

stockholder will recognize gain or loss equal to the difference between the stockholder's tax basis in their current securities and the fair market value of the securities received in the Merger. Even if the Merger does qualify for treatment as a tax-free reorganization, the receipt of beneficial interests in CRC Common Stock will be taxable in whole or in part. Management of CRC believes that the value of the beneficial interests in CRC Common Stock will not exceed 1% of the value of the Paired Shares. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Consequences to Holders of SDG Equity Stock."

POTENTIAL CONFLICTS OF INTEREST RELATED TO OPERATIONS

The potential for conflicts of interest currently exist in the operations of SDG because the Simons and the DeBartolos historically have been interested parties on both sides of certain transactions involving the business and properties of SDG. These historical arrangements and therefore the potential for such conflicts of interest will survive the Merger. In accordance with the SDG Operating Partnership and the Amended SPG Operating Partnership Agreement, Simon Group is obligated to contribute its assets and liabilities to the SDG Operating Partnership in exchange for additional partnership units. The partnership units may be exchanged for shares of Simon Group Common Stock on a one-for-one basis or for cash at Simon Group's option. At the Effective Time, Simon Group will transfer, or direct the transfer of, substantially all of its assets and liabilities to the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership in consideration for 49,858,940 limited partnership interests (which equals the number of shares of CPI Common Stock outstanding after the CPI Merger Dividends, less the number of shares equal to the value of the former CPI assets and liabilities retained by Simon Group) and 5,175,287 preferred partnership interests (which equals the number of shares of CPI Series A Preferred Stock and CPI Series B Preferred Stock outstanding after the CPI Merger Dividends). Such transfer will result in a reduction of the SDG Limited Partners' interests, in the aggregate, in the SDG Operating Partnership from 36.9% to 28.6%, assuming the Merger had occurred on March 31, 1998.

The value of the assets and liabilities retained by Simon Group or transferred to the SDG Operating Partnership is based on the consideration to be received or retained by the stockholders of CPI in connection with the Merger and on a trading price per share of SDG Common Stock of $33 5/8. The fair market value of the former CPI assets less liabilities to be transferred by Simon Group to the SDG Operating Partnership and one or more of its subsidiaries is estimated at approximately $2.4 billion. Prior to the transfer of assets and liabilities, Melvin and Herbert Simon, Simon Group's Co-Chairmen, and David Simon, Simon Group's Chief Executive Officer, beneficially held 9.9%, 5.8% and 1.3%, respectively, of the SDG Operating Partnership, and after such transfer beneficially will hold 7.7%, 4.5% and 1.0%, respectively. See "SDG ANNUAL MEETING MATTERS -- Security Ownership of Certain Beneficial Owners and Management." Decisions regarding the enforcement of the terms of certain agreements of SDG and its affiliates with the Simons (which term means Melvin Simon, Herbert Simon, David Simon, certain of their affiliates and includes certain other Simon family members and estates, trusts and other entities established for their benefit) and/or the DeBartolos (which term means the Estate of Edward J. DeBartolo, Edward J. DeBartolo, Jr., M. Denise DeBartolo York, certain of their affiliates and includes certain other DeBartolo family members and estates and trusts established for their benefit including certain entities which are directly or indirectly owned by the Edward J. DeBartolo Corporation ("EJDC")) including, but not limited to, partnership agreements and noncompetition agreements will be made only by the Independent Directors (as defined below). These agreements include the Noncompetition Agreement, dated as of December 1, 1993, between SDG and David Simon, the Option Agreement, dated December 1, 1993, between the SDG Management Company and Simon Property Group, L.P. and several corporate services agreements. "Independent Directors" are directors of Simon Group who are neither employed by Simon Group nor a member (or an affiliate of a member) of the Simon Family Group or the DeBartolo Family Group. The "Simon Family Group" constitutes Melvin Simon, Herbert Simon and David Simon, other members of the immediate family of any of the foregoing, any estates of any of the foregoing, any trust established for the benefit of any of the foregoing or any other entity controlled by any of the foregoing. The "DeBartolo Family Group" constitutes the Estate of Edward J. DeBartolo, Sr., Edward J. DeBartolo, Jr. and Marie Denise DeBartolo York, other members of the immediate family of any of the foregoing, any other lineal descendants of any of the foregoing, any estates of any of the foregoing, any

trusts established for the benefit of any of the foregoing, and any other entity controlled by any of the foregoing. The failure to enforce the material terms of any such agreement, particularly the indemnification provisions and the remedy provisions for breaches of representations and warranties, could result in a substantial monetary loss to Simon Group.

CERTAIN TAX RISKS

LIMITS ON STOCK OWNERSHIP NECESSARY TO MAINTAIN REIT QUALIFICATION

In order to maintain Simon Group's, SDG's, SD Property Group, Inc.'s and The Retail Property Trust's ("RPT") (collectively, the "REIT Members") qualification as REITs under sections 856 through 860 of the Code and applicable Treasury Regulations, which are the requirements for qualifying as a REIT ("REIT Requirements"), not more than 50% in value of the outstanding capital stock of Simon Group may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year). The Simon Group Charter will prohibit ownership of more than 8% of the value of the outstanding shares of capital stock of Simon Group by any single stockholder (with an exception for the Simons, who generally may not own more than 18% of the value of the outstanding shares of capital stock of Simon Group).

REIT CLASSIFICATION; LEGISLATION LIMITING BENEFITS OF PAIRED SHARE STATUS

After consummation of the Merger, the REIT Members intend to continue to operate so as to qualify as REITs under the REIT Requirements. A REIT generally is not subject to federal income tax at the corporate level on income it currently distributes to its stockholders so long as it distributes at least 95% of its taxable income. Each of the REIT Members expects to continue to qualify as REITs, but no assurance can be given that they will so qualify or be able to remain so qualified. A failure on the part of any of the REIT Members to qualify as a REIT would, in turn, cause all of the other REIT Members to fail to qualify as REITs. For example, if RPT fails to qualify as a REIT, SD Property Group, Inc., SDG and Simon Group would fail to qualify as REITs. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Considerations Relating to Simon Group -- Requirements for Qualification -- Asset Tests." No assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not significantly change the tax laws with respect to qualification as a REIT, the effect of the pairing agreement or the federal income tax consequences of such qualification.

Legislation enacted in 1984 requires that paired entities be treated as one entity for purposes of determining whether either entity meets the REIT Requirements. This legislation does not apply to a paired REIT if the REIT and its paired operating company were paired as of June 30, 1983. CPI was paired with CRC prior to and remained paired on June 30, 1983. Although CPI has obtained a ruling addressing the effect of the CPI Reorganization on CPI's grandfathered status, such ruling does not address the effect of the Merger, and there are no judicial or administrative authorities interpreting this "grandfathering" rule in the context of a merger or otherwise. CPI will obtain an opinion of counsel at the closing of the Merger and the related transactions to the effect that the Merger will not adversely affect Simon Group's and CRC's grandfathered status. If the Internal Revenue Service were to successfully contend that Simon Group and CRC no longer qualify as grandfathered from the 1984 legislation limiting paired share REITs, certain income of CRC would be treated as nonqualifying income of Simon Group, potentially jeopardizing Simon Group's status as a REIT.

On July 22, 1998, President Clinton signed into law legislation that terminates the "grandfathering" rule described above with respect to Non-Grandfathered Assets acquired (or substantially improved) by either paired entity after March 26, 1998. Assets acquired subject to a binding written contract in force on March 26, 1998 (such as the Merger Agreement) are deemed to be acquired on March 26, 1998 and therefore are excluded from Non-Grandfathered Assets. As a result of this legislation, Simon Group and CRC will be treated as one entity with respect to Non-Grandfathered Assets for purposes of determining whether either entity qualifies as a REIT. Consequently, the benefits of the "grandfathering" rule described above will be eliminated for any Non-Grandfathered Assets acquired by Simon Group or CRC.

There are no current plans to change the paired-share status of Simon Group. In addition, the management of Simon Group does not believe that this legislation will materially affect Simon Group. Because Simon Group is engaged primarily in owning and operating regional malls and community shopping centers, i.e., real estate of a type that can be owned and operated directly by a REIT, Simon Group has no present need, and would derive no material benefit from, conducting its operations by leasing its real estate to CRC or the SRC Operating Partnership. Furthermore, Simon Group has no current intention to acquire real estate of a type that cannot be operated directly by a REIT, and accordingly, does not believe that this legislation will adversely affect its current acquisition strategy. The legislation will, however, limit Simon Group's ability to change its current acquisition strategy to include the acquisition of real estate other than of a type that can be owned and operated directly by a REIT. For example, prior to enactment of the legislation, Simon Group could have acquired a hotel and leased it to the SRC Operating Partnership. After enactment of the legislation, such a transaction could, depending on its size, result in the loss of Simon Group's REIT status.

Current law prohibits a REIT from owning more than 10% of the voting stock of a corporation. On February 2, 1998, the Clinton Administration released the Administration's fiscal 1999 budget, which contains certain proposals that may adversely affect REITs (the "Administration Proposals"). The Administration Proposals, if adopted in their current form, would prohibit REITs from holding more than 10% of the value of all classes of stock of a corporation other than a wholly-owned subsidiary that is a REIT. The proposed effective date of this proposal generally is the date of the first Congressional committee action with respect to such proposal. However, to the extent that a REIT's stock ownership is grandfathered by virtue of this effective date, the grandfathered status will terminate if the subsidiary corporation engages in a trade or business that it is not engaged in on the date of first committee action or acquires substantial new assets on or after that date. If the Administration Proposals are enacted in their current form, Simon Group's ability to expand certain business activities through its partially owned corporate subsidiaries would be greatly restricted.

These proposals will not become effective unless legislation is duly passed by Congress and signed by the President. During the legislative process, these proposals will be reviewed by Congressional committees and staff and be subject to public scrutiny by affected companies and industry groups. It is uncertain whether these proposals will become law or, if either does, what the details of the implementing legislation will be. Consequently, it is impossible to determine at this time all of the ramifications which would result from the legislation based on these proposals. Other legislation, as well as administrative interpretations or court decisions, also could change the tax law with respect to Simon Group's qualification as a REIT and the federal income tax consequences of such qualification. The adoption of any such legislation, regulations or administrative interpretations could have a material adverse effect on the results of operations, financial condition and prospects of Simon Group. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Possible Federal Tax Developments."

If Simon Group or any of the other REIT Members fails to qualify as a REIT, the nonqualifying entity will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. In addition, as discussed above, if any of the REIT Members fails to qualify as a REIT, all of the other REIT Members owning an interest in such REIT Member will also be disqualified and subject to federal income tax. Unless entitled to relief under certain statutory provisions, the REIT Members will be disqualified from treatment as REITs for the four taxable years following the year during which qualification is lost. The additional tax would significantly reduce the Funds From Operations of Simon Group. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Considerations Relating to Simon Group."

ADVERSE EFFECTS OF NOT MEETING REIT MINIMUM DISTRIBUTION REQUIREMENTS

To obtain and maintain their status as REITs, the REIT Members generally will be required each year to distribute at least 95% of their taxable income after certain adjustments. In addition, the REIT Members will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by them during each calendar year are less than the sum of 85% of their ordinary income for such calendar year, 95% of their capital gain net income for the calendar year and any amount of such income that was not distributed in

prior years. For the year ended 1997, CPI and SDG each distributed amounts substantially in excess of 95% of its taxable income.

REAL ESTATE INVESTMENT RISKS

FACTORS AFFECTING REVENUES AND ECONOMIC VALUE OF SHOPPING CENTERS

The revenues and value of shopping centers may be adversely affected by a number of factors, including: the national, regional and local economic climate; local real estate conditions; perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; the proximity and quality of competing centers; trends in the retail industry, including contraction in the number of retailers and the number of locations operated; the quality and philosophy of management; changes in market rental rates; the inability to collect rent due to bankruptcy or insolvency of tenants or otherwise; the need periodically to renovate, repair and relet space and the costs thereof; the ability of an owner to provide adequate maintenance and insurance and increased operating costs. In addition, shopping center values are affected by such factors as changes in interest rates, the availability of financing, changes in governmental regulations, changes in tax laws or rates and potential environmental or other legal liabilities.

Simon Group's concentration in the retail shopping center real estate market subjects their portfolios to certain risks, including, among others, the following risks: demand for shopping center space in Simon Group's markets may decrease; Simon Group may be unable to re-let space upon lease expirations or to pay renovation and reletting costs in connection therewith; economic and other conditions may affect shopping center property cash flows and values; tenants may be unable to make lease payments or may become bankrupt; and a property may not generate revenue sufficient to meet operating expenses, including future debt service. The combined portfolio also has substantial concentration of properties in certain geographic markets, including Florida, Texas and the New York metropolitan area, increasing the susceptibility of the combined company to economic downturn in these regions.

LIMITED CONTROL WITH RESPECT TO CERTAIN PROPERTIES PARTIALLY OWNED OR MANAGED BY THIRD PARTIES

On March 31, 1998, if the transaction contemplated by the Merger Agreement, including the sale of the General Motors Building, had occurred on such date, Simon Group would beneficially own interests in 245 properties ("Simon Group Portfolio Properties") including 67 income-producing properties in which Simon Group holds, directly or indirectly, an interest not wholly owned directly or indirectly by the SDG Operating Partnership ("Joint Venture Properties"). With respect to these Joint Venture Properties, assuming consummation of the Merger, Simon Group will, directly or indirectly, be the sole general partner of 12 limited partnerships, a general partner of 23 limited partnerships, an indirect limited partner of one general partnership, a limited partner of two limited partnerships, a general partner of 23 general partnerships, a member of one limited liability company, a managing member of two limited liability companies and will hold two tenancy-in-common interests and one beneficial trust interest. In addition, Simon Group will have day-to-day operational control over 51 of such Joint Venture Properties. On a pro forma basis assuming the Merger occurred on March 31, 1998, in 1998 the Joint Venture Properties would have generated 15.5% of Simon Group's EBITDA. "EBITDA" means earnings before interest, taxes, depreciation and amortization for all properties. EBITDA after minority interest represents earnings before interest, taxes, depreciation and amortization for all properties after distribution to the third-party joint venture partners. EBITDA: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity. The third-party partners' ownership interests in Joint Venture Properties range from 1.7% to 85.3%.

With respect to limited partnerships owning Joint Venture Properties for which Simon Group will serve as general partner, Simon Group will not have sole control of certain major decisions relating to such Joint Venture Properties, although Simon Group generally will have a right of approval with respect to such matters. With respect to the limited or general partnerships owning Joint Venture Properties in which Simon Group will not be the managing or co-managing general partner, Simon Group will not have day-to-day operational control. These limitations may result in decisions by third parties with respect to such properties that do not fully reflect the interests of Simon Group at such time, including decisions relating to the

requirements with which Simon Group must comply in order to maintain its status as a REIT for tax purposes. In addition, the sale or transfer of interests in certain of the partnerships is subject to rights of first refusal and buy-sell or similar arrangements. Such rights may be triggered at a time when Simon Group will not desire to sell but may be forced to do so because it does not have the cash to purchase the other party's interest. Simon Group will be contractually restricted from selling certain of these properties without the consent of certain unrelated parties. These limitations on sale may adversely affect Simon Group's ability to sell these properties at the most advantageous time for Simon Group.

COMPETITION

Shopping malls compete for tenants on the basis of the rent charged and location, and encounter competition from other retail properties in their respective market areas. However, the principal competition for the shopping malls may come from future shopping malls that will be located in the same market areas and from mail order and electronic retailers. There is also considerable competition to acquire equity interests in desirable real estate. The competition is provided by other real estate investment trusts, insurance companies, private pension plans and private developers. Additionally, Simon Group's credit rating and leverage will affect its competitive position in the public debt and equity markets.

Simon Group will face competition from other shopping mall developers for the acquisition of prime development sites and for tenants and will be subject to the risks of real estate development, including the lack of financing, construction delays, environmental requirements, budget overruns and lease-up. Numerous other developers, managers and owners of real estate compete with Simon Group in seeking management and leasing revenues, land for development and properties for acquisition. In addition, retailers at the Simon Group Portfolio Properties face increasing competition from discount shopping centers, outlet malls, catalogues, discount shopping clubs and telemarketing. With respect to certain of the Simon Group Portfolio Properties, there are other properties of the same type within the market area. The existence of competitive properties could have a material effect on the SDG Operating Partnership's ability to lease space and on the level of rents the SDG Operating Partnership can obtain. Renovations and expansions at competing malls could negatively affect a competing Simon Group Portfolio Property. Increased competition could adversely affect Simon Group's revenues.

ILLIQUIDITY OF REAL ESTATE

Real property investments are relatively illiquid. Simon Group's ability to vary its portfolio in response to changes in economic and other conditions therefore will be limited. If Simon Group wants to sell an investment, there is no assurance that it will be able to dispose of it in the desired time period or that the sales prices of any investment will recoup or exceed the amount of Simon Group's investment.

DEPENDENCE ON ANCHORS AND TENANTS

Simon Group's cash available for distribution would be adversely affected if GLA in the Simon Group Portfolio Properties could not be leased, if tenants or anchors failed to meet their contractual obligations or seek concessions in order to continue operations. If the sales of stores operating in the Simon Group Portfolio Properties were to decline sufficiently due to economic conditions, closing of anchors or for other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of default by a tenant or anchor, the Simon Group Portfolio Property owner might experience delays and costs in enforcing its rights as landlord.

RENEWAL OF LEASES AND RELETTING OF SPACE

Simon Group will be subject to the risks that, upon expiration of leases for GLA located in the Simon Group Portfolio Properties, the premises may not be relet or the terms of reletting (including the cost of concessions to tenants) may be less favorable than current lease terms. If SDG Group were unable promptly to relet all or a substantial portion of this space or if the rental rates upon such reletting were significantly lower than expected rates, Simon Group's cash generated before debt repayments and capital expenditures and ability to make expected distributions to shareholders may be adversely affected.

FAILURE TO MANAGE EXPANSION AND DEVELOPMENT GROWTH STRATEGY

Growth of Simon Group's business through the development of additional shopping centers and other capital projects may be limited by risks associated with expansion and development activities generally. These risks include incurring expenses on projects which are not completed or, due to cost overruns, delays, lower occupancy levels or other factors, are unprofitable.

POSSIBLE LIABILITY RELATING TO ENVIRONMENTAL MATTERS

Under various federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of petroleum or hazardous or toxic substances on, under or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances. The costs of removal or remediation of such substances may be substantial, and the presence of such substances, or failure to promptly remove or remediate such substances, may, among other things, adversely affect the owner's or operator's ability to borrow using such property as collateral. Environmental laws, ordinances and regulations also impose requirements on conditions and activities at the properties that may affect the environment or the impact of the environment on human health and safety. The obligation to pay for the costs of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future requirements, may affect the operating costs of Simon Group. Further, failure to comply with such requirements could result in the imposition of monetary penalties (in addition to the costs to achieve compliance) and potential liability to third parties. In connection with its business, Simon Group may be potentially liable for such costs or claims. Both SDG and CPI believe that their properties are in compliance in all material respects with all applicable environmental laws, ordinances and regulations and that adequate amounts have been reserved to cover the costs and expenses related to environmental conditions with respect to their properties. However, it is possible that there are material environmental conditions, liabilities or violations of which SDG, CPI and CRC are currently unaware.

GENERAL REAL ESTATE INVESTMENT RISKS

Simon Group also will be subject to other real estate investment risks including, without limitation, adverse changes in zoning laws, potential environmental liabilities, the ongoing need for capital improvements (particularly in older structures), changes in national or local economic conditions, changes in neighborhood characteristics and civil unrest, earthquakes and other natural disasters (which could result in uninsured losses). See "-- Environmental Matters." The ability of Simon Group to maintain or increase its Funds From Operations is dependent to a significant degree on the ability of Simon Group to manage the risks associated with the inability to lease or add GLA.

LIMITS ON CHANGE OF CONTROL

In order to facilitate compliance with REIT Requirements, the Simon Group Charter places restrictions on the accumulation of shares in excess of 8% of the capital stock of Simon Group (18% in the case of the Simons) (calculated based on the lower of outstanding shares, voting power or value), subject to certain exceptions permitted with the approval of the Simon Group Board of Directors to allow (i) underwritten offerings or (ii) the sale of equity securities in circumstances where the Simon Group Board of Directors determines Simon Group's ability to satisfy the REIT Requirements will not be jeopardized. Stock of Simon Group that is held by a "qualified trust" within the meaning of Section 856(h)(3) of the Code is treated as held proportionately by the beneficiaries of such trust. Simon Group has agreed to waive its charter provisions such that the Telephone Real Estate Equity Trust may acquire up to 11% of the capital stock of Simon Group, provided that it remains treated as a "qualified trust," but will become subject to the 8% limitation if it fails to be so treated. This restriction on ownership and transferability may have the effect of delaying, deferring or preventing a transaction or change in control of Simon Group that might involve a premium price for the shares of Simon Group Equity Stock or that otherwise might be in the best interest of Simon Group's stockholders. Certain other provisions of the Simon Group Charter and Simon Group By-laws could have the effect of delaying or preventing a change of control of Simon Group even if some of Simon Group's stockholders deem such a change to be in Simon Group's and their best interest. These include Simon Group Charter provisions preventing holders of Simon Group Common Stock from acting by written consent and

requiring that up to six directors in the aggregate may be elected by holders of Simon Group Class B Common Stock and Simon Group Class C Common Stock. The stockholders of Simon Group will be governed by the General Corporation Law of the State of Delaware (the "DGCL"). See "-- Comparison of Stockholders' Rights," "CERTAIN PROVISIONS OF THE SDG PARTNERSHIP AGREEMENT, THE SRC PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW" and "COMPARISON OF RIGHTS OF HOLDERS OF SDG COMMON STOCK AND SIMON GROUP AND CRC COMMON STOCK."

COMPARISON OF STOCKHOLDERS' RIGHTS

SDG is currently incorporated under the laws of the State of Maryland and CPI and CRC are both incorporated under the laws of the State of Delaware. If the Merger is consummated, the holders of SDG Equity Stock, whose rights as stockholders are currently governed by the MGCL, the SDG Charter and the SDG By-laws, will at the Effective Time become holders of Simon Group Equity Stock and their rights as such will be governed by the DGCL, the Simon Group Charter, the CRC Charter, the Simon Group By-Laws and the CRC By-laws.

SDG stockholders should be aware of the following differences in their rights as stockholders compared to the rights of stockholders of Simon Group and CRC: the Simon Group Charter and the CRC Charter will provide that directors may be removed with or without cause by the requisite affirmative vote of the stockholders; the Simon Group Charter will require that all actions by Simon Group Common Stock holders be taken at an annual or special meeting of the shareholders; and the Simon Group Charter and the CRC Charter will provide that written notice of every meeting of the stockholders be given not less than 10 nor more than 60 calendar days before the date of the meeting to each stockholder of record entitled to vote at such meeting. These provisions, in addition to other provisions located in both the SDG Charter, the Simon Group Charter and the CRC Charter, could have a potential anti-takeover effect following the Merger. In addition, the 8% ownership limit in the Simon Group Charter could have the effect of making the acquisition of control more difficult for a third party. See "-- Limits on Change of Control" and "COMPARISON OF RIGHTS OF HOLDERS OF SDG COMMON STOCK AND SIMON GROUP AND CRC COMMON STOCK."

DEPENDENCE ON KEY PERSONNEL

Simon Group will depend on the services of certain key personnel, including Melvin Simon, Herbert Simon and David Simon, following the consummation of the Merger. Both SDG's management and CPI's management believe that the loss of the services of any of these key personnel could have an adverse effect on the results of Simon Group's operations. See "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER -- Management of Simon Group."

RISKS RELATING TO YEAR 2000 ISSUE

Many existing computer programs were designed to use only two digits to identify a year in the date field without considering the impact of the upcoming change in the century. If not corrected, many computer applications could fail or create erroneous results by or at the year 2000. Simon Group plans to address the "Year 2000" issue with respect to its operations. Substantially all of the computer systems and applications in use in SDG's home office in Indianapolis, Indiana have been, or are in the process of being, upgraded and modified. Failure of Simon Group or its tenants or lessees to properly or timely resolve the Year 2000 issue could have a material adverse effect on Simon Group's business. Simon Group believes that its software applications and operational programs will properly recognize calendar dates beginning in the year 2000. In addition, Simon Group will be initiating communications with its significant tenants and lessees to determine the extent to which Simon Group is vulnerable to third parties' failures to remediate their own potential problems related to the Year 2000. To date, no significant concerns have been identified; however, there can be no assurance that there will not be any Year 2000 related operating problems or expenses that will arise in connection with Simon Group's computer systems and software or with Simon Group's interface with the computer systems and software of its tenants and lessees.

IMPACT OF INTEREST RATE FLUCTUATIONS AND OTHER FACTORS ON STOCK PRICE AND BORROWING COSTS

Any significant increase in market interest rates from their current levels could lead holders of Simon Group Common Stock to seek higher yields through other investments, which could adversely affect the market price of the shares of Simon Group Common Stock. One of the factors that may influence the price of Simon Group Common Stock in public markets will be the annual distribution rate on Simon Group Common Stock as compared with the yields on alternative investments. Numerous other factors, such as governmental regulatory action and tax laws, could have a significant impact on the future market price of Simon Group Common Stock. In addition, increases in market interest rates could result in increased borrowing costs for Simon Group, which may adversely affect Simon Group's cash flow and the amounts available for distributions to its stockholders.

RISKS RELATED TO INTEREST RATE HEDGING ARRANGEMENTS

SDG employs, and Simon Group will continue to employ, standard risk management strategies to hedge exposures, primarily related to interest rate fluctuations. SDG has commonly entered into interest rate swaps to fix the costs of funding and eliminate interest rate volatility. Interest rate cap agreements are used as a protection against interest rate increases on variable rate debt. SDG also enters into hedging transactions based upon U.S. Treasury Bill rates to manage exposure of rising interest rates before anticipated bond offerings. Simon Group intends to continue to enter into such arrangements if management determines they are in the best interest of the stockholders.

Interest rate hedging arrangements may expose Simon Group to certain risks. Although Simon Group will try to minimize these risks, interest rate movements during the terms of interest rate hedging agreements may result in a gain or loss on Simon Group's investment in the hedging arrangement. Developing an effective strategy is complex and no strategy can completely insulate Simon Group from risks associated with interest rate fluctuations. There can be no assurance that Simon Group's hedging activities will have the desired beneficial impact on Simon Group's results of operations or financial condition. Such hedging agreements may involve certain costs, such as transaction fees or non-material breakage costs if they are terminated by Simon Group. In addition, nonperformance by the other party to the hedging arrangement may result in credit risks to Simon Group. In order to minimize counterparty credit risk, Simon Group's policy is to enter into hedging arrangements only with large creditworthy financial institutions.

POSSIBLE ADVERSE EFFECTS ON STOCK PRICES ARISING FROM SHARES AVAILABLE FOR FUTURE SALE

If the Merger would have occurred on March 31, 1998, Simon Group would have had outstanding at such date 160,902,609 shares of Simon Group Common Stock, 3,200,000 shares of Simon Group Class B Common Stock, 4,000 shares of Simon Group Class C Common Stock, 209,249 shares of Simon Group Series A Preferred Stock, 4,966,038 shares of Simon Group Series B Preferred Stock, 64,059,705 SDG Units and 1,310,190 stock options. In any given 365-day period, EJDC (or its affiliates or lenders) is permitted to dispose of the SDG Units held by EJDC (together with its affiliates) in order to satisfy up to $180 million of outstanding indebtedness of EJDC, until such indebtedness has been repaid. Affiliates of EJDC pledged certain SDG Units to secure such indebtedness. This indebtedness will not be an obligation of Simon Group and will not be secured by any of the assets of Simon Group. A default on such EJDC indebtedness may cause EJDC's lenders to foreclose on EJDC's SDG Units. In such an event, it is likely that the lenders or a single transferee from the lenders would attempt to dispose of these SDG Units. Such lenders or such single transferee from the lenders may be permitted to exchange these SDG Units for shares of Simon Group Common Stock or cash, at the option of Simon Group, and (if Simon Group elects to issue shares) to dispose of such shares. In addition, 22,635,977 shares of Simon Group Common Stock, 55,799 shares of Simon Group Series A Preferred Stock and 2,065,921 shares of Simon Group Series B Preferred Stock held by stockholders of CPI after the Merger will be immediately tradeable after consummation of the Merger pursuant to Rule 144(k) under the Securities Act. See "FEDERAL SECURITIES LAW CONSEQUENCES."

Sales of substantial numbers of shares of Simon Group Common Stock or Units, or the perception that such sales could occur, could adversely affect the prevailing market price for the Simon Group Common Stock. If such sales reduce the market price of the Simon Group Common Stock, Simon Group's ability to raise additional capital in the equity market could be adversely affected. The existence of registration rights contained in various registration rights agreements also may adversely affect the terms upon which Simon Group can obtain additional capital in the equity markets in the future. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger."

HISTORICAL AND PRO FORMA PER SHARE INFORMATION

The following table sets forth certain historical, Simon Group pro forma and CPI and beneficial interest in CRC combined pro forma equivalent information giving effect to the CPI Merger Dividends, the Merger and the Other Property Transactions (see "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA"). The data is based on the historical and Simon Group pro forma financial statements included elsewhere in this Proxy Statement/Prospectus.

	FOR THE THREE MONTHS ENDED MARCH 31, 1998			FOR THE YEAR ENDED DECEMBER 31, 1997		
	HISTORICAL	SIMON GROUP PRO FORMA(1)	CPI AND BENEFICIAL INTEREST IN CRC COMBINED PRO FORMA EQUIVALENT(2)	HISTORICAL	SIMON GROUP PRO FORMA(1)	CPI AND BENEFICIAL INTEREST IN CRC COMBINED PRO FORMA EQUIVALENT(2)
	(UNAUDITED)					
Net Income per Share of Common Stock Before Extraordinary Items						
SDG/Simon Group pro forma	$ .22	$ .31	--	$ 1.08	$ 1.10	--
CPI and beneficial interest in CRC combined	$ 3.07	--	$ .65	$10.24	--	$ 2.29
Cash Distributions(3)						
SDG/Simon Group pro forma	$ .505	$ .505	--	$ 2.01	$ 2.02	--
CPI and beneficial interest in CRC combined	$ 1.95	--	$ 1.05	$ 7.73	--	$ 4.21
	AS OF MARCH 31, 1998			AS OF DECEMBER 31, 1997		
Book Value per Share of Common Stock						
SDG/Simon Group pro forma	$11.10	$16.43	--	N/A	N/A	N/A
CPI and beneficial interest in CRC combined	$64.09	--	$34.20	N/A	N/A	N/A

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(1) Giving effect to the CPI Merger Dividends and the Merger there were 164,096,352 and 155,773,755 pro forma weighted average shares of Simon Group Common Stock outstanding during the three months ended March 31, 1998 and the year ended December 31, 1997, respectively, and 164,106,609 pro forma shares of Simon Group Common Stock outstanding as of March 31, 1998.

(2) A CPI stockholder is entitled to 2.0818 shares of Simon Group Common Stock, which includes a beneficial interest in CRC, for each outstanding share of CPI Common Stock. The existing shares of CPI Common Stock also entitle the holder to a beneficial interest in CRC. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger" for a description of the additional consideration to which the CPI stockholders are entitled.

(3) SDG currently pays a quarterly distribution of $0.5050 per share of SDG Common Stock. SDG/Simon Group pro forma Cash Distributions per share are calculated by multiplying this quarterly distribution amount by four. Future distributions by Simon Group, however, will be at the discretion of the Simon Group Board of Directors and will depend on certain factors. See "POLICIES OF SIMON GROUP FOLLOWING THE MERGER -- Dividend and Distribution Policies."

CAPITALIZATION

The following table sets forth the historical capitalization of SDG, CPI and CRC at March 31, 1998 and the pro forma combined capitalization of Simon Group and CRC as adjusted by SDG to give effect to the CPI Merger Dividends, the Merger and related transactions and the Other Property Transactions as if the Merger and related transactions and the Other Property Transactions had occurred on March 31, 1998. The following table should be read in conjunction with the historical and pro forma financial statements and related notes included elsewhere in, or incorporated by reference into, this Proxy Statement/Prospectus.

	MARCH 31, 1998			
	SDG HISTORICAL	CPI HISTORICAL	CRC HISTORICAL(1)	SIMON GROUP PRO FORMA COMBINED
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	
	(IN THOUSANDS)			
Mortgages and other indebtedness	$5,329,707	$ 857,648	$1,121	$ 7,734,500
Limited Partners' interest in the Operating Partnerships	718,264	--	--	1,023,677
Preferred Stock of subsidiary	--	--	--	339,128
Stockholders' equity				
SDG Series B cumulative redeemable Preferred Stock	192,989	--	--	--
SDG Series C cumulative redeemable Preferred Stock	146,139	--	--	--
Simon Group Series B convertible Preferred Stock	--	--	--	496,611
CPI Series A Preferred Stock	--	209,249	--	269,329
Common Stock and beneficial interest in CRC	10	26,415	268	30
Class B Common Stock	1	--	--	2
Class C Common Stock	--	--	--	--
Capital in excess of par and other	1,524,746	1,602,067	13,351	3,027,115
Accumulated (deficit) surplus	(294,817)	104,390	(9,617)	(318,434)
Unamortized restricted stock award	(11,883)	--	--	(11,883)
Treasury stock	--	(113,969)	--	--
Total stockholders' equity	1,557,185	1,828,152	4,002	3,462,770
Total capitalization	$7,605,156	$2,685,800	$5,123	$12,560,075

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(1) Adjusted to reflect the elimination of intercompany mortgages totalling $37.1 million as of March 31, 1998.

DIVIDENDS ON AND MARKET PRICES OF SDG EQUITY STOCK AND CPI AND CRC COMMON STOCK

SDG

The shares of SDG Common Stock are designated for trading on the NYSE under the symbol "SPG". The following table sets forth the high and low prices per share and the dividends paid or declared per share of SDG Common Stock quoted on the NYSE for the periods indicated, as reported in published financial sources:

	SDG COMMON STOCK PRICES			
	HIGH	LOW	DIVIDEND DATE	DIVIDEND AMOUNT
Year Ended December 31, 1996				
First Quarter	$24 5/8	$21 1/8	March 27, 1996	$0.4925
Second Quarter	$24 3/4	$22 1/8	June 28, 1996	$0.4925
Third Quarter	$25 3/4	$22 7/8	August 1, 1996	$0.1515(1)
Fourth Quarter	$31	$25 3/8	January 23, 1997	$0.4925
Year Ended December 31, 1997				
First Quarter	$32 3/4	$28 3/8	May 6, 1997	$0.4925
Second Quarter	$32	$27 7/8	July 28, 1997	$0.5050
Third Quarter	$34 3/8	$29	October 23, 1997	$0.5050
Fourth Quarter	$33 15/16	$28 7/8	January 23, 1998	$0.5050
Year Ending December 31, 1998				
First Quarter	$34 1/2	$30 3/8	February 20, 1998	$0.5050
Second Quarter	$34 7/8	$31	May 22, 1998	$0.5050
Third Quarter (through August 12, 1998)	$34	$29 1/16	--	--

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(1) Represents a dividend declared in the third quarter of 1996 related to the DeBartolo Merger, designated to align the time periods of dividend payments of the merged companies in the DeBartolo Merger.

On February 18, 1998, the last full trading day prior to the public announcement of the Merger Agreement, the reported closing and high trading price per share of SDG Common Stock was $33 5/8 and the low trading price was $32 7/8. On August 12, 1998, the most recent date for which prices were available prior to printing this Proxy Statement/Prospectus, the reported closing price per share of SDG Common Stock was $31 1/16. There is no established public trading market for the SDG Class B Common Stock or SDG Class C Common Stock. Distributions per share of SDG Class B Common Stock and SDG Class C Common Stock were identical to those for the SDG Common Stock. SDG stockholders are urged to obtain current market quotations. At the Record Date there were approximately 2,811 holders of record of SDG Common Stock. The shares of SDG Class B Common Stock are held entirely by a voting trust to which the Simons are parties and are exchangeable on a one-for-one basis into SDG Common Stock. The shares of SDG Class C Common Stock are held entirely by EJDC and are also exchangeable on a one-to-one basis into SDG Common Stock. See "POLICIES OF SIMON GROUP FOLLOWING MERGER -- Dividend and Distribution Policies."

CPI AND CRC

There is no established public trading market for shares of CPI Common Stock and CRC Common Stock. The following table sets forth the dividends paid or declared per share of CPI Common Stock for the periods indicated:

	CPI COMMON STOCK		CRC BENEFICIAL INTEREST	
	DIVIDEND DATE	DIVIDEND AMOUNT	DIVIDEND DATE	DIVIDEND AMOUNT
Year Ended December 31, 1996				
First Quarter	February 15, 1996	$1.7875	February 15, 1996	$.0125
Second Quarter	May 15, 1996	$1.865	May 15, 1996	$.01
Third Quarter	August 15, 1996	$1.865	August 15, 1996	$.01
Fourth Quarter	November 15, 1996	$1.865	November 15, 1996	$.01
Year Ended December 31, 1997				
First Quarter	February 18, 1997	$1.865	February 18, 1997	$.01
Second Quarter	May 15, 1997	$1.94	May 15, 1997	$.01
Third Quarter	August 15, 1997	$1.94	August 15, 1997	$.01
Fourth Quarter	November 17, 1997	$1.94	November 17, 1997	$.01
Year Ending December 31, 1998				
First Quarter	February 17, 1998	$1.94	February 17, 1998	$.01
Second Quarter	May 15, 1998	$1.94	May 15, 1998	$.01

CPI (and, commencing in May 1989, CRC) has paid regular and uninterrupted quarterly cash distributions on its shares since it commenced operations in 1971. These distributions have increased from $1.99 per share in 1972 (the first full year of operations) to $7.73 per share ($7.69 per share of CPI Common Stock and $0.04 per beneficial interest in CRC Common Stock) in 1997. The present annual combined rate of distribution is $7.80 per share ($7.76 per share of CPI Common Stock and $.04 per beneficial interest in CRC Common Stock).

At July 29, 1998 there were approximately 247 holders of record of CPI Common Stock and one holder of record of CRC Common Stock. See "POLICIES OF SIMON GROUP FOLLOWING MERGER -- Dividend and Distribution Policies."

THE PROPOSED MERGER AND RELATED MATTERS

BACKGROUND OF THE MERGER

In May 1997, the CPI Board approved recommendations by the management of CPI as to the strategic objectives of CPI, including possibly becoming a publicly traded company, which would preserve CPI's paired-share structure, continue its strong growth in Funds From Operations, increase and diversify its asset base without significantly diluting its asset quality and increase its leverage in a rational fashion. In the summer and fall of 1997, representatives of CPI held discussions with representatives of several companies in the regional mall industry regarding engaging in a significant strategic transaction with CPI. No proposals for specific transactions were elicited or resulted from any of these discussions.

With the assistance of its advisors, CPI's management analyzed the potential benefits and disadvantages of a strategic transaction with the parties with which it had held such preliminary discussions in light of the strategic objectives approved by the CPI Board. At a CPI Board meeting on November 4, 1997, CPI's management and legal advisors reviewed with the CPI Board certain financial and other information about the potential parties to any such transaction and the results of discussions and analyses conducted to that time. Following the CPI Board's meeting, senior management of CPI continued to have discussions with the several parties interested in a potential transaction. It became clear to CPI management that, based on the discussions until then and the degree of interest expressed by the several parties, a transaction with The Rouse Company ("Rouse") satisfied the CPI Board's objectives and the additional objectives of certainty and swiftness of closing. In early December 1997, active negotiations with Rouse began. In late December 1997, Hans C. Mautner, Chairman and Chief Executive Officer of CPI, received a letter from David Simon, Chief Executive Officer of SDG, wherein Mr. Simon expressed interest in a strategic transaction between CPI and SDG based on CPI's asset appraisal. CPI took no action based on such letter at that time.

Several meetings between representatives of CPI and its advisors and representatives of Rouse and its advisors occurred in December 1997 and January 1998 during which the terms and structure of a combination, the governance of the combined company and other issues were discussed. While negotiations were progressing, news reports concerning negotiations between CPI and Rouse began appearing in the media on January 15, 1998. On January 16, 1998, Mr. Mautner received another letter from Mr. Simon, stating that SDG was interested in a transaction with CPI and was prepared to offer substantial consideration to CPI stockholders. During the following several days, CPI received similar communications from other parties expressing interest in a potential transaction with CPI. Throughout this period, management kept the CPI Board and CPI's three principal stockholders apprised of the Rouse negotiations and the expressions of interest from other parties.

On January 26, 1998, a special meeting of the CPI Board, at which all trustees, certain members of CPI management and representatives of CPI's financial and legal advisors were present, was held to discuss the new expressions of interest. At this meeting CPI's financial advisors made an extensive presentation concerning the nature of the contacts with each of the parties expressing an interest in a transaction with CPI and setting forth certain financial and business information about those parties. CPI's legal advisors discussed the legal and fiduciary duties applicable to the trustees' consideration of any transaction involving CPI, including the new expressions of interest; in addition, they reviewed other legal, tax and logistical issues. The CPI Board reaffirmed the strategic objectives to be sought in reviewing any potential transaction, selected five interested parties, including SDG and Rouse, as presenting the most viable and attractive potential merger partners and decided that CPI's management and advisors should evaluate potential transactions with each of such parties. The CPI Board directed that the potential bidders be asked to submit a proposal for a transaction by Monday, February 2, 1998. CPI's advisors sent a letter and a draft of a merger agreement to the five potential bidders, inviting them to present a detailed proposal for a transaction with CPI by the morning of February 2, 1998. On February 2, 1998 proposals were received from SDG and one other bidder. In addition, Rouse delivered a letter stating that it was contemplating certain modifications to the transaction that had been under consideration by CPI and Rouse, including obtaining financial assistance from a third party which would participate in the Rouse proposal.

The CPI Board held a special meeting on Tuesday, February 3, 1998, to discuss the three proposals. Present at this meeting were all trustees of CPI, members of management of CPI and representatives of CPI's financial and legal advisors. Also present were representatives of the financial advisor to the largest CPI stockholder. Representatives of each of the three parties who had submitted proposals were invited to make presentations at the meeting. Each such party, together with its financial advisors, and in one case, legal advisors, separately presented its proposal along with other pertinent information to the CPI Board and responded to questions from the CPI Board, management and advisors. After completion of the presentations by the bidders, the three proposals, as well as financial and other information concerning each interested party, were discussed in detail by the CPI Board. CPI's financial advisors gave a presentation to the CPI Board concerning financial, business and other information regarding each proposal, and CPI's legal advisors discussed the legal and fiduciary duties of the trustees and certain structural, tax and other legal matters concerning the proposed transactions, including terms of the proposed merger agreements, employment agreements and other governance and compensation arrangements. Following such discussion, the CPI Board determined to encourage the bidders to submit their best and final offers in one further round of bidding and directed CPI's management and advisors to ask each interested party to improve its proposal and to communicate to such parties the process by which the final offers were to be submitted.

On Wednesday, February 4, 1998, CPI's advisors notified each interested party of the preliminary concerns of the CPI Board with such party's proposal. Each interested party was advised that best and final proposals would be sought.

The CPI Board held a regularly scheduled meeting on Thursday, February 5, 1998, where certain corporate business was transacted and the transaction proposals were again discussed. Present at the meeting were all the trustees of CPI, members of CPI's management, representatives of CPI's financial and legal advisors and representatives of the financial advisor to the largest CPI stockholder. CPI's financial and legal advisors made extensive presentations concerning the proposals and the interested parties. CPI's trustees, management and advisors also discussed how best to manage the bidding process and the substance of a letter to the bidders describing this process. At this meeting, trustees representing CPI's largest stockholders indicated the willingness of such stockholders to execute appropriate agreements obligating them to vote their CPI shares in favor of a transaction if it were unanimously approved by the CPI Board.

On the following day, a letter was delivered from CPI's financial advisors to each of the three interested parties stating that the CPI Board desired final proposals, including a fully negotiated merger agreement, to be submitted by Tuesday, February 17, 1998 and informed such parties of the willingness of CPI's largest stockholders to enter into some form of stockholder voting agreement. From February 6 until the proposals were due on February 17, CPI management and advisors assisted each interested party with its continuing due diligence investigation of CPI, and CPI and its advisors conducted due diligence investigations of each bidder. Management and legal advisors of CPI negotiated the terms of a merger agreement, forms of stockholder voting agreements and various employment and compensation arrangements separately with each bidder. No bidder was privy to the details of any other bidder's proposal.

Proposals were received substantially simultaneously from three bidders, including SDG and Rouse, before the deadline on February 17, 1998. In subsequent discussions thereafter, SDG and Rouse each modified its proposal in various ways, including offering greater consideration to the CPI stockholders. The proposal submitted by Rouse, as modified in subsequent discussions, consisted of $91.50 in cash and $91.50 in common stock of the combined company, subject to collar provisions, for a total face value of $183 per share of CPI Common Stock. The proposal of Rouse contemplated an agreement between Rouse and a third party for such third party to purchase $300 million of a new convertible preferred stock of the combined company, to acquire in the open market $100 million of combined company common stock and to receive warrants to purchase three million shares of common stock of the combined company and an option to purchase the General Motors Building. The proposal submitted by SDG, as modified in subsequent discussions, consisted of $90 in cash, subject to the collar provisions described in "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger -- The Merger Consideration," $70 in common stock of the combined company and $17 in Series A Preferred Stock, for a total face value of $177 per share of CPI Common Stock.

The aggregate consideration offered in the proposal submitted by the third bidder was significantly below those amounts.

On Wednesday, February 18, 1998, the CPI Board held a special meeting to consider the proposals submitted by the three final bidders. Present at this meeting were all the trustees of CPI, members of CPI management and representatives of CPI's financial and legal advisors. Present to confer with their clients (but not present at the meeting) were representatives of the legal advisors for each of CPI's three largest stockholders and representatives of the financial advisor for CPI's largest stockholder.

At this meeting, CPI's legal advisors advised the CPI Board of its legal and fiduciary duties in considering the three proposals. CPI's financial advisors gave an extensive presentation concerning the financial and other aspects and certain terms of each proposal as well as information concerning each bidder. CPI's legal advisors discussed certain structural, tax and other legal issues and described for the CPI Board the terms of each bidder's form of merger agreement, stockholder voting agreement, employment agreements, if any, and other proposed agreements and compensation arrangements. During the course of this meeting, SDG raised the face value of the preferred stock component of its offer to $19, resulting in a total face value for its offer of $179 per share of CPI Common Stock, and Rouse raised the cash component of its offer to $94.50, resulting in a total face value for its offer of $186 per share of CPI Common Stock. Following those presentations and discussions by CPI's advisors with the bidders, the CPI Board discussed at length the three bidders and their proposals. The CPI Board initially determined that the third bidder's proposal was substantially less favorable than those received from Rouse and SDG, and focused the discussion on the proposals of Rouse and SDG.

After such presentations and discussion, the trustees representing CPI's three largest stockholders conferred with their advisors, first separately and then together, to consider the proposals and the presentations made at the meeting. These trustees then returned to the meeting and, after further discussion, the CPI Board directed CPI's financial advisors to contact representatives of SDG to request several further modifications to its proposal. CPI's financial advisors left the meeting to have such discussion and, upon returning, reported that SDG was unwilling to make further modifications to its proposal. The CPI Board considered the terms proposed by Rouse and SDG at that time to be final and proceeded to evaluate such terms. An extensive discussion ensued involving the trustees, members of CPI management and CPI's advisors concerning the financial aspects and legal, tax and other terms of the proposals by Rouse and SDG, as well as the prospects for the combined company resulting from either transaction. The final proposal of Rouse offered consideration to CPI stockholders that was somewhat higher than that offered by SDG, but the CPI Board considered, among other things, that the resulting entity in a combination with SDG would be substantially stronger, both financially and as a real estate combination, than the resulting entity in a combination with Rouse and the possibility that, as a result, the performance of the stock of the combined company in a combination with SDG over the long term would result in more value. After much discussion, including deliveries of the oral opinions of Lazard Freres and J.P. Morgan on February 18, 1998, confirmed in each case by means of a written opinion dated as of such date (the "Lazard Freres Opinion" and the "J.P. Morgan Opinion", respectively, and collectively, the "CPI Financial Advisors' Opinions"), the CPI Board unanimously approved the Merger Agreement and authorized management and CPI's advisors to finalize and execute the Merger Agreement and other related agreements, including severance plans and new employment agreements with certain senior management of CPI, on the terms and conditions specifically approved by the CPI Board. On February 19, 1998, the Merger Agreement and the Stockholder Voting Agreements were executed and delivered by the parties thereto and a press release announcing the Merger was released.

RECOMMENDATION OF THE SDG BOARD OF DIRECTORS; REASONS FOR THE MERGER

On February 16, 1998, SDG's Board of Directors approved a proposal to enter into the Merger and authorized certain officers of SDG to negotiate modifications to the foregoing proposal (including the final price and form of the consideration) in consultation with members of the Executive Committee of SDG. On February 19, 1998, SDG's Board of Directors unanimously approved the Merger Agreement and the transactions contemplated thereby.

In the course of reaching its decision to approve the Merger Agreement, SDG's Board of Directors consulted with its financial advisors regarding the financial aspects and fairness of the Merger, and with its

legal advisors regarding the legal terms of the transaction and the obligations of SDG's Board in its consideration of the Merger Agreement. The terms of the Merger Agreement, including the CPI Merger Dividends, were the result of arms' length negotiations between SDG and CPI. The SDG Board of Directors considered the Merger and the terms of the Merger Agreement in light of a variety of economic, financial, legal and market factors, relied upon the conclusions of the fairness opinion delivered by Merrill Lynch (discussed below) and concluded that the Merger and the related matters discussed herein, including the CPI Merger Dividends, are fair and in the best interests of SDG and its stockholders. Accordingly, the SDG Board of Directors recommends that the stockholders of SDG vote FOR approval and adoption of the Merger Agreement.

In reaching its determinations and recommendations with respect to the Merger Agreement and the transactions contemplated thereby, SDG's Board of Directors took into account numerous factors, including among other things, the following:

(i) The Merger would create the country's largest developer, owner and operator of super regional and regional shopping malls, providing Simon Group, in the SDG Board of Directors' opinion, with potentially greater access to capital markets and a larger and more diverse portfolio.

(ii) The combination of CPI's properties with SDG's properties would expand the geographic diversification of SDG's ownership and operation of properties into Boston, Massachusetts and Atlanta, Georgia, and enhance SDG's operations in the New York metropolitan area, California and Florida. In the SDG Board of Directors' view, this could limit the impact that adverse economic or real estate conditions in a particular region might have on Simon Group as a whole.

(iii) CPI has a significant tenant base and the Merger would improve the strength and quality of tenant relationships.

(iv) The opportunities for economies of scale and operating efficiencies that should result from the Merger would lead, in the estimation of SDG's management based on assumptions which it believes to be reasonable, to cost savings and revenue enhancements of approximately $49.8 million, which are expected to increase the SDG's Funds From Operations per share. See "RISK FACTORS -- Cost of Failure to Integrate Operations."

(v) The Merger would increase the revenue being realized by SDG's newly created Simon Brand Ventures consumer marketing division.

(vi) For federal income tax purposes, the Merger is expected to qualify as a tax-free reorganization.

(vii) The total market capitalization of Simon Group if the Merger and the related transactions occurred on March 31, 1998 would be, including a pro rata share of joint venture indebtedness, approximately $18 billion, which would be substantially greater than SDG's current total market capitalization, including a pro rata share of joint venture indebtedness, of approximately $12.7 billion as of March 31, 1998. The SDG Board of Directors believes that it would provide SDG's stockholders with enhanced liquidity through increased trading volume, which may improve SDG's public market valuation.

(viii) The oral opinion of Merrill Lynch on February 19, 1998, which was subsequently confirmed in a written opinion dated as of such date, to the effect that, as of such date and based upon the assumptions made, matters considered and limits of review set forth therein, the consideration to be received by the holders of SDG Equity Stock in the Merger was fair to such stockholders from a financial point of view. See "-- Opinion of Financial Advisor to SDG."

SDG's Board of Directors considered each of the factors listed above during the course of its deliberations and negotiations prior to entering into the Merger Agreement. Each of the foregoing factors, which constitute all material factors considered by SDG's Board of Directors, was viewed positively by SDG's Board of Directors.

The SDG Board of Directors considered certain potentially negative factors that could arise from the Merger, including, among other things, the following:

(i) The significant costs involved in connection with consummating the Merger and the substantial management time and effort required to effectuate the Merger and integrate the businesses of SDG and CPI.

(ii) The increase of the ratio of debt to market capitalization, excluding a pro rata share of joint venture indebtedness, from 45.8% for SDG as of March 31, 1998 to 46.4% for Simon Group as of March 31, 1998 on a pro forma basis. The Merger has a dilutive effect on the net income per share of Simon Group Common Stock on a pro forma basis of $0.10 for the three months ended March 31, 1998, after reducing pro forma net income for a gain totaling $44.3 million, or approximately $0.19 per share, related to a sale of real estate and may have a dilutive effect on net income per share in future periods. The Merger has a dilutive effect of $0.54 on the net income per share of Simon Group Common Stock on a pro forma basis for the year ended December 31, 1997 (after giving effect to the elimination of a $0.56 gain on sale of real estate) and may have a dilutive effect on net income per share in future periods. See "RISK FACTORS -- Dilution on Net Income Per Share Caused by the Merger."

(iii) The potential that the foregoing increase could adversely affect the ability of Simon Group to obtain debt financing for additional development and would subject Simon Group to the risks of higher leverage. See "RISK FACTORS -- Substantial Indebtedness of Simon Group." The SDG Board of Directors concluded that the increase in debt would not be at an unacceptable level.

(iv) The risk that the anticipated benefits of the Merger might not be fully realized.

The SDG Board of Directors did not believe that the negative factors were sufficient, either individually or collectively, to outweigh the advantages of the Merger.

SDG's Board of Directors evaluated the factors listed above in light of its knowledge of the business and operations of CPI and its business judgment. In view of the wide variety of factors considered in connection with its evaluation of the Merger, the SDG Board of Directors did not find it practicable to and did not quantify or otherwise attempt to assign relative weight to the specific factors considered in reaching its determination.

THE SDG BOARD OF DIRECTORS BELIEVES THAT THE MERGER, INCLUDING THE CONSIDERATION TO BE RECEIVED BY THE SDG STOCKHOLDERS IN THE MERGER, IS FAIR TO SDG'S STOCKHOLDERS AND IS IN THE BEST INTERESTS OF SDG AND ITS STOCKHOLDERS, HAS APPROVED THE MERGER AGREEMENT, AND RECOMMENDS THAT THE STOCKHOLDERS OF SDG VOTE FOR THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY.

RECOMMENDATION OF THE CPI BOARD AND THE CRC BOARD OF DIRECTORS; CPI'S AND CRC'S REASONS FOR THE MERGER

THE CPI BOARD AND THE CRC BOARD OF DIRECTORS HAVE UNANIMOUSLY APPROVED THE MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT.

The CPI Board believes that the Merger and the other transactions contemplated by the Merger Agreement are fair to and in the best interests of the stockholders of CPI. Accordingly, the CPI Board unanimously approved the Merger and the other transactions contemplated by the Merger Agreement and recommended that the stockholders of CPI vote for approval and adoption of the Merger Agreement and the transactions contemplated thereby. In reaching this determination, the CPI Board consulted with CPI management, as well as its financial and legal advisors, and considered a number of factors. In view of the variety of the factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement, the CPI Board did not find it practicable to and did not quantify or otherwise assign relative weights to the following factors or determine that any factor was of particular importance. Rather, the CPI Board views its recommendation as being based on the totality of the information presented and considered by it. The CPI Board considered the following factors, among others, in its

determination to approve the Merger Agreement and the other transactions contemplated by the Merger Agreement and to recommend that the CPI stockholders vote for the approval and adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement:

(i) The Merger would create the country's largest developer, owner and operator of super regional and regional shopping malls with one of the strongest management teams in the industry, including members of management of CPI who will have an ongoing role with Simon Group, and that CPI will have a continuing presence in Simon Group through this participation in senior management of Simon Group and the presence of three CPI designees on the Board of Directors of Simon Group.

(ii) The consideration to be received and retained by the holders of CPI Common Stock pursuant to the Merger Agreement represents an attractive opportunity for CPI stockholders to continue their investment in the stock of a regional mall owner and operator, but with significantly expanded geographic diversification and a significantly larger portfolio of assets, as well as receive a substantial amount of cash for each share of CPI Common Stock.

(iii) The Merger serves the CPI Board's strategic objectives of allowing CPI to become a publicly traded company preserving its paired share structure, continuing CPI's strong growth in Funds From Operations and increasing and diversifying CPI's asset base within the retail real estate area without significantly diluting its asset quality and increasing CPI's leverage in a rational fashion.

(iv) The prospective benefits of an enlarged base to pursue marketing, sponsorship and other related initiatives underway at both CPI and SDG.

(v) The Merger would significantly increase the market capitalization of SDG or CPI alone, which may enhance the liquidity of the Simon Group Common Stock after the Merger as compared to the historical liquidity of the SDG Common Stock by increasing trading volumes.

(vi) The oral opinions of each of Lazard Freres and J.P. Morgan delivered on February 18, 1998, confirmed, in each case, by means of a written opinion of such party dated as of such date, that the consideration to be received or retained by the holders of CPI Common Stock, including the beneficial interests in CRC, was fair from a financial point of view to such holders, as described under "-- Opinions of Financial Advisors to CPI."

(vii) Presentations from, and discussions with, senior executives of CPI, representatives of its outside legal counsel and representatives of Lazard Freres and J.P. Morgan regarding the business, financial, accounting and legal due diligence with respect to SDG and the terms and conditions of the Merger Agreement, as well as the other bidders for CPI and the terms of their proposed transactions, and certain financial aspects of the Merger, including that it is expected to be accretive to Funds From Operations of CPI on a per share basis and result in an increase in distributions received by CPI stockholders.

(viii) The terms of the Merger Agreement, including the conditions to consummation of the Merger and the absence of a financing condition, the termination fee payable if the Merger is not approved by stockholders of SDG, the fact that the Merger Agreement contained a fixed exchange ratio for the stock component of the consideration to be received or retained by the holders of CPI Common Stock, the collar provisions described in "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger -- The Merger Consideration," historical trading prices for SDG Common Stock and the possibility that the cash component of the CPI Merger Dividends could rise above $90 per share or fall below $90 per share and the other representations, warranties, covenants and provisions of the Merger Agreement. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger" and "-- Conditions to Consummation of the Merger."

(ix) The Merger could allow opportunities to realize significant synergies, which are expected to have a positive effect on the financial results for Simon Group.

(x) General industry, economic and market conditions, both current and projected, the interests of CPI's stockholders and the potential impact of the Merger upon the interests of CPI's employees.

(xi) The fact that the three largest stockholders of CPI, which together own over 65% of the voting power of all the outstanding CPI capital stock, after carefully reviewing the terms of the Merger Agreement and the proposals received from the competing bidders, all agreed to enter into the Stockholder Voting Agreements obligating them to vote for the approval of the Merger Agreement as stockholders of CPI.

(xii) The Merger Agreement would preserve CPI's paired share structure.

(xiii) Alternatives to the Merger, including proposals by other bidders for CPI and remaining independent, and the CPI Board's conclusions that the resulting entity in a combination with SDG would be substantially stronger, both financially and as a real estate combination, than the resulting entity in a combination with the other bidders or as an independent entity.

In considering the Merger, the CPI Board considered certain factors that could have a potentially negative effect, including, among other things, the following:

(i) The leverage of Simon Group after the Merger will be greater than the leverage of CPI or SDG before the Merger and could adversely affect the ability of Simon Group to obtain additional financing and respond to changing market conditions. Assuming the Merger occurred on March 31, 1998, Simon Group would have had approximately $7.735 billion of pro forma combined consolidated indebtedness as of such date, as compared to historical consolidated indebtedness of SDG of $5.330 billion. Assuming the Merger occurred on March 31, 1998, Simon Group would have an additional $2.405 billion of indebtedness including the assumption of all of CPI and CRC's indebtedness of $858.8 million.

(ii) The costs associated with integrating the businesses of CPI and SDG could have an adverse effect on the expected benefits to CPI stockholders from the Merger and the financial condition and performance of Simon Group. SDG management believes that if the expected cost savings and revenue synergies are not realized and if a dilutive effect on net income per share of SDG Common Stock occurs, Simon Group's Funds From Operations per share following the Merger will be lower than might be expected for SDG's Funds From Operations per share without the Merger.

(iii) Certain terms of the Merger Agreement, including that CPI would be obligated to pay to SDG a termination fee in certain circumstances and that the cash component of the Merger Dividends could fall below $90 in certain circumstances.

(iv) The variability of the market price of SDG Common Stock and the fact that there is no market for Simon Group Common Stock.

The CPI Board determined that the positive effects of the factors considered by it significantly outweighed the negative effects in reaching its determination to approve the Merger and its conclusion that the Merger and the other transactions contemplated by the Merger Agreement are fair to and in the best interests of CPI stockholders.

The CRC Board of Directors, which consists of three directors, all of whom are also directors of CPI, met at the same time as the CPI Board and reached the same conclusions described above as were reached by the CPI Board for the same reasons.

OPINION OF FINANCIAL ADVISOR TO SDG

On February 19, 1998, Merrill Lynch delivered its oral opinion, which was subsequently confirmed in a written opinion dated as of such date (the "Merrill Lynch Opinion"), to the SDG Board of Directors to the effect that, as of such date, and based upon the assumptions made, matters considered and limits of review set forth in the Merrill Lynch Opinion, the consideration to be received by the holders of SDG Equity Stock in the Merger was fair to such stockholders from a financial point of view. Merrill Lynch has not been engaged to, and will not, update the Merrill Lynch Opinion prior to closing. In the opinion of the SDG Board of Directors, there have been no material events or developments since the date of the Merrill Lynch Opinion which might affect Merrill Lynch's analysis of the fairness, from a financial point of view, of the consideration to be received by the holders of SDG Equity Stock in the Merger. In the event that the Merger Agreement is amended subsequent to the date of this Proxy Statement/Prospectus, the SDG Board of Directors will make a

determination at the time of such amendment as to the desirability of requesting an update of the Merrill Lynch Opinion.

THE FULL TEXT OF THE MERRILL LYNCH OPINION, WHICH SETS FORTH THE ASSUMPTIONS MADE, MATTERS CONSIDERED AND CERTAIN LIMITATIONS ON THE SCOPE OF REVIEW UNDERTAKEN BY MERRILL LYNCH, IS ATTACHED AS ANNEX B TO THIS PROXY STATEMENT/PROSPECTUS. EACH HOLDER OF SDG EQUITY STOCK IS URGED TO READ SUCH OPINION IN ITS ENTIRETY. THE MERRILL LYNCH OPINION WAS INTENDED FOR THE USE AND BENEFIT OF THE SDG BOARD OF DIRECTORS, WAS DIRECTED ONLY TO THE FAIRNESS OF THE MERGER CONSIDERATION TO THE HOLDERS OF SDG EQUITY STOCK FROM A FINANCIAL POINT OF VIEW AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER AS TO HOW SUCH STOCKHOLDER SHOULD VOTE WITH RESPECT TO THE MERGER AGREEMENT PROPOSAL OR ANY TRANSACTION RELATED THERETO. THE MERGER CONSIDERATION WAS DETERMINED ON THE BASIS OF NEGOTIATIONS BETWEEN SDG AND CPI AND WAS APPROVED BY THE SDG BOARD OF DIRECTORS. THE SUMMARY OF THE MERRILL LYNCH OPINION SET FORTH IN THIS PROXY STATEMENT/PROSPECTUS IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF SUCH OPINION.

In arriving at the Merrill Lynch Opinion, Merrill Lynch among other things: (i) reviewed certain publicly available business and financial information relating to SDG which Merrill Lynch deemed to be relevant; (ii) reviewed certain business and financial information relating to CPI which Merrill Lynch deemed to be relevant, including, but not limited to, CPI's Annual Report, dated December 31, 1996, CPI's Quarterly Report to Shareholders, dated September 30, 1997, and CPI's preliminary 1997 financial statements; (iii) reviewed certain information, including financial forecasts, relating to the business, earnings, funds from operations, cash flow, assets, liabilities and prospects of SDG, CPI and CRC, as well as the amount and timing of the cost savings and related expenses, synergies and revenue enhancements expected to result from the Merger (the "Expected Synergies"), furnished to Merrill Lynch by SDG, CPI and CRC, respectively; (iv) conducted discussions with members of senior management and representatives of SDG, CPI and CRC concerning the matters described in clauses (i) and (ii) above, as well as their respective businesses and prospects before and after giving effect to the Merger and the Expected Synergies; (v) reviewed the appraisal, dated February 5, 1998 (the "Appraisal"), of the assets of CPI and CRC as of December 31, 1997, as prepared by Landauer Associates, Inc. (the "Appraiser"); (vi) reviewed the results of operations of SDG, CPI and CRC and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant; (vii) compared the proposed financial terms of the Merger with the financial terms of certain other transactions that Merrill Lynch deemed to be relevant; (viii) participated in certain discussions and negotiations among representatives of SDG, CPI and CRC and their financial and legal advisors; (ix) reviewed the potential pro forma impact of the Merger; (x) reviewed the Merger Agreement; and (xi) reviewed such other financial studies and analyses and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing the Merrill Lynch Opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to Merrill Lynch, discussed with or reviewed by or for Merrill Lynch, or publicly available. Merrill Lynch also did not assume any responsibility for independently verifying such information or undertaking an independent evaluation or appraisal of any of the assets or liabilities of SDG, CPI or CRC, and Merrill Lynch has not been furnished with any such evaluation or appraisal other than the Appraisal. In addition, Merrill Lynch did not assume any obligation to conduct, nor has it conducted, any physical inspection of the properties or facilities of SDG, CPI or CRC. With respect to the financial forecast information and the Expected Synergies furnished to or discussed with Merrill Lynch by SDG, CPI or CRC, Merrill Lynch assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of SDG's, CPI's or CRC's management as to the expected future financial performance of SDG, CPI or CRC, as the case may be, and the Expected Synergies. Additionally, Merrill Lynch assumed that the Appraisal has been reasonably prepared and reflects the best available estimates and judgments of the Appraiser as to the fair value of the assets of CPI and CRC as of the

date thereof. Merrill Lynch has further assumed that the Merger, upon approval by the stockholders of SDG, will qualify as a tax-free reorganization for U.S. federal income tax purposes.

Merrill Lynch's opinion was necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and upon the information made available to Merrill Lynch as of February 18, 1998. Merrill Lynch has assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the Merger, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the Merger. Merrill Lynch has also assumed that the combined entity will continue to qualify after the Merger as a REIT for federal income tax purposes. In addition, Merrill Lynch has assumed that the consummation of the Merger will not adversely affect the status of Simon Group and CRC as a grandfathered paired REIT. If, following consummation of the Merger, it were determined that Simon Group and CRC failed to qualify for grandfathered paired REIT status as a result of the Merger, certain income of CRC would be treated as nonqualifying income of Simon Group, potentially jeopardizing Simon Group's status as a REIT. The Administration Proposals included a proposal that, if enacted, would limit the benefits of Simon Group's grandfathered status with respect to assets acquired after February 2, 1998; as a result, Merrill Lynch did not ascribe any incremental value to Simon Group's and CRC's status as a paired REIT with respect to future asset acquisitions.

Merrill Lynch expressed no opinion as to the prices at which the SDG Equity Stock will trade following the announcement of the Merger or as to the prices at which the Simon Group Common Stock, the Simon Group Class B Common Stock, the Simon Group Class C Common Stock or the Simon Group Series B Preferred Stock will trade following the consummation of the Merger.

In arriving at the Merrill Lynch Opinion, Merrill Lynch performed certain financial and comparative analyses, the material portions of which are summarized below.

Valuation of CPI

CPI Capitalization. Merrill Lynch reviewed SDG's offer for CPI and, on the basis thereof, calculated an aggregate net offer value for the CPI Common Stock (the "Net Offer Value") of $4,802.6 million, based on the per share price as of February 18, 1998, of SDG Common Stock of $33.625, and a notional per share value of the Simon Group Series B Preferred Stock of $19.00. Using an estimation of CPI's debt balances as of December 31, 1997 provided by CPI's management, Merrill Lynch also calculated an aggregate transaction value (the "Transaction Value") of $5,781.0 million, which consisted of the Net Offer Value plus net debt of $978.4 million. With respect to the Net Offer Value, Merrill Lynch calculated Funds From Operations multiples for 1998 and 1999 of 17.1x and 15.5x, respectively.

Analysis of Selected Comparable Publicly Traded Companies. Using publicly available information and estimates of future financial results published by First Call, an industry service provider of earnings estimates based on an average of earnings estimates published by various investment banks ("First Call"), and taken from Merrill Lynch Equity Research, Merrill Lynch compared certain financial and operating information and ratios for CPI with the corresponding financial and operating information for a group of publicly traded companies engaged primarily in the ownership, management, operation and acquisition of retail real estate. For the purpose of its analysis, the following companies were used as comparable companies to CPI: Rouse, Taubman Centers, Inc., General Growth Properties, Inc., Westfield America, Inc., The Macerich Company, The Mills Corporation and Urban Shopping Centers, Inc. (collectively, the "SDG Comparable Companies").

Merrill Lynch's calculations resulted in the following relevant ranges for the SDG Comparable Companies and for CPI as of February 18, 1998: a range of debt to total market capitalization of 37.8% to 51.8%, with a mean of 42.4% (as compared to the percentage for CPI implied by the Merger of 16.9%); a range of market value as a multiple of projected 1997 Funds From Operations of 11.7x to 13.3x, with a mean of 12.6x (as compared to the multiple for CPI implied by the Merger of 19.3x); a range of market value as a multiple of projected 1998 Funds From Operations of 11.0x to 12.2x, with a mean of 11.7x (as compared to the multiple for CPI implied by the Merger of 17.1x); a range of market value as a multiple of projected 1999 Funds From Operations of 10.3x to 10.9x, with a mean of 10.6x (as compared to the multiple for CPI implied by the Merger of 15.5x); and a range of market value to estimated net asset value of 104% to 143%, with a

mean of 121% (as compared to the percentage for CPI implied by the Merger of 123%). Based upon (i) projected 1998 Funds From Operations multiples, the implied per share valuation of CPI Common Stock was estimated between $115.17 and $127.73, (ii) projected 1998 Funds From Operations multiples including the Expected Synergies, the implied per share valuation of CPI Common Stock was estimated between $140.45 and $155.78, and (iii) the estimated net asset value of CPI set forth in the Appraisal, the implied per share valuation of CPI Common Stock was estimated between $150.80 and $207.35, in each case compared to the implied value of the consideration to be received per share of CPI Common Stock (the "Implied Merger Consideration") of approximately $179 (consisting of $90 in cash, approximately $70 in Simon Group Common Stock (based on the reported closing trading price per share of SDG Common Stock of $33 5/8 on February 18, 1998, the last trading date preceding public announcement of the Merger, and a fixed ratio of 1.0818 additional shares of CPI Common Stock for each share of CPI Common Stock held) and approximately $19 liquidation preference of Simon Group Series B Preferred Stock).

Comparable Transaction Analysis. Merrill Lynch also compared certain financial ratios of the Merger with those of selected other mergers and strategic transactions involving REITs. These transactions were: Starwood Lodging Trust's acquisition of ITT Corporation; Equity Office Properties Trust's acquisition of Beacon Properties Corporation; Simon Property Group, Inc.'s acquisition of DeBartolo Realty Corporation, SDG Operating Partnership's acquisition of RPT; Meditrust REIT's acquisition of La Quinta Inns, Inc.; Patriot American Hospitality, Inc.'s acquisition of Interstate Hotels Company; Crescent Real Estate Equities Company's acquisition of Station Casinos, Inc.; Equity Residential Property Trust's acquisition of Evans Withycombe Residential, Inc.; Equity Residential Property Trust's acquisition of Wellsford Residential Property Trust; Apartment Investment and Management Company's acquisition of Ambassador Apartments, Inc.; Post Properties, Inc.'s acquisition of Columbus Realty Trust; Camden Property Trust's acquisition of Paragon Group, Inc.; and Chateau Properties, Inc.'s acquisition of ROC Communities, Inc. (collectively, the "Transaction Comparables").

Using publicly available information and estimates of financial results as published by First Call, Merrill Lynch calculated the total transaction value, as of the day of the announcement of the respective transactions, as a multiple of the projected forward year Funds From Operations for the transaction. This analysis yielded a range of transaction Funds From Operations multiples of 10.1x to 15.1x, with a mean of 11.8x (as compared to the multiple for CPI implied by the Merger of 15.5x). Based on projected 1998 Funds From Operations multiples, the implied per share valuation of the CPI Common Stock was estimated between $105.75 and $158.10, compared to the Implied Merger Consideration of approximately $179 per share.

Discounted Cash Flow Analyses. Merrill Lynch performed discounted cash flow analyses (i.e., an analysis of the present value of the projected levered cash flows for the periods using the discount rates indicated) of CPI based upon projections provided by CPI's management for the years 1998 through 2002, inclusive, using discount rates reflecting an equity cost of capital ranging from 13.0% to 15.0% and terminal value multiples of calendar year 2002 Funds From Operations ranging from 12.5x to 13.5x. Using the discounted Funds From Operations method, the implied per share valuation of the CPI Common Stock was estimated between $138.70 to $158.16, compared to the Implied Merger Consideration of approximately $179 per share.

Merrill Lynch also performed a discounted synergies analysis (i.e., an analysis of the present value of the Expected Synergies for the periods using the discount rates indicated) for CPI based upon projections provided by CPI's management for the years 1998 through 2002, inclusive, using discount rates reflecting an equity cost of capital ranging from 13.0% to 15.0% and terminal value multiples of calendar year 2002 synergies ranging from 14.0x to 15.0x. Using the discounted synergies method, the implied value of the Expected Synergies per share of CPI Common Stock was estimated between $38.23 to $43.48. Based upon the foregoing analyses, the implied per share valuation of CPI Common Stock including the Expected Synergies was estimated between $176.93 to $201.64, compared to the Implied Merger Consideration of approximately $179 per share.

Valuation of SDG

Analysis of Selected Comparable Publicly Traded Companies. Using publicly available information and estimates of future financial results published by First Call and taken from Merrill Lynch Equity Research, Merrill Lynch compared certain financial and operating information and ratios for SDG with the corresponding financial and operating information for the SDG Comparable Companies.

Merrill Lynch's calculations resulted in the following relevant ranges for the SDG Comparable Companies and for SDG as of February 18, 1998: a range of debt to total market capitalization of 37.8% to 51.8%, with a mean of 42.4% (as compared to SDG at 46.5%); a range of market value as a multiple of projected 1997 Funds From Operations of 11.7x to 13.3x, with a mean of 12.6x (as compared to SDG at 13.0x); a range of market value as a multiple of projected 1998 Funds From Operations of 11.0x to 12.2x, with a mean of 11.7x (as compared to SDG at 11.8x); a range of market value as a multiple of projected 1999 Funds From Operations of 10.3x to 10.9x, with a mean of 10.6x (as compared to SDG at 10.6x); a range of market value as a multiple of projected 1997 Funds From Operations less recurring capital expenditures ("AFFO") of 12.6x to 15.3x, with a mean of 14.1x (as compared with SDG at 14.4x); and a range of market value as a multiple of projected 1998 AFFO of 11.9x to 14.1x, with a mean of 13.0x (as compared to SDG at 13.0x). Based upon publicly available projected 1998 Funds From Operations multiples published by First Call, the implied per share valuation of the SDG Equity Stock was estimated between $31.46 and $34.89, and based upon publicly available 1999 multiples published by First Call, the implied per share valuation of the SDG Equity Stock was estimated between $32.45 and $34.34.

Discounted Cash Flow Analyses. Merrill Lynch performed discounted cash flow analyses of SDG based upon projections provided by SDG's management for the years 1998 through 2002, inclusive, using discount rates reflecting an equity cost of capital ranging from 13.0% to 15.0% and terminal value multiples of calendar year 2002 Funds From Operations ranging from 12.5x to 13.5x. The implied value per share of SDG Equity Stock was estimated between $34.31 to $39.32 using the discounted dividend method and $36.21 to $41.26 using the discounted Funds From Operations method.

Pro Forma Merger Consequences. Merrill Lynch analyzed the pro forma effects resulting from the Merger, including the potential impact on SDG's projected standalone Funds From Operations per share and the anticipated accretion (i.e., the incremental increase) to SDG's per share Funds From Operations resulting from the Merger. Merrill Lynch observed that, after giving effect to the SDG Expected Synergies, the Merger would be dilutive in 1998 but accretive to SDG's projected Funds From Operations per share in each of the years 1999 through 2002, inclusive.

The summary set forth above does not purport to be a complete description of the analysis performed by Merrill Lynch in arriving at the Merrill Lynch Opinion. The preparation of a fairness opinion is a complex process and not necessarily susceptible to partial or summary description. Merrill Lynch believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all factors and analyses, could create a misleading view of the process underlying the Merrill Lynch Opinion. In its analyses, Merrill Lynch made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond SDG's, CPI's and Merrill Lynch's control. Any estimates contained in Merrill Lynch's analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth therein. Estimated values do not purport to be appraisals and do not necessarily reflect the prices at which businesses or companies may be sold in the future, and such estimates are inherently subject to uncertainty.

None of the SDG Comparable Companies are, of course, identical to CPI or SDG. Accordingly, a complete analysis of the results of the foregoing calculations cannot be limited to a quantitative review of such results and involves complex considerations and judgments concerning differences in financial and operating characteristics of the SDG Comparable Companies and other factors that could affect the public trading volume of the SDG Comparable Companies, as well as that of SDG. In addition, the multiples of market value to estimated 1997 and projected 1998 Funds From Operations and AFFO for the SDG Comparable Companies are based on projections prepared by research analysts using only publicly available information. Accordingly, such estimates may or may not prove to be accurate.

The SDG Board of Directors selected Merrill Lynch to render a fairness opinion because Merrill Lynch is an internationally recognized investment banking firm with substantial experience in transactions similar to the Merger and because it is familiar with SDG and its business. Merrill Lynch is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

Pursuant to a letter agreement dated as of February 18, 1998, SDG has agreed to pay Merrill Lynch a fee equal to approximately $7 million upon consummation of the Merger. In addition, SDG has agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses, subject to certain limitations, and to indemnify Merrill Lynch and certain related persons against certain liabilities, including certain liabilities under the federal securities laws, arising out of its engagement.

Merrill Lynch has, in the past, provided financial advisory services to SDG and may continue to do so and has received, and may receive, fees for the rendering of such services. In addition, on June 22, 1998, the SDG Operating Partnership consummated a private placement of $1.075 billion aggregate principal amount of notes, for which Merrill Lynch served as co-lead manager. In the ordinary course of its business, Merrill Lynch may actively trade in the securities of SDG or CPI, for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. As of February 18, 1998, affiliates of Merrill Lynch held approximately 8.4% of the outstanding shares of SDG Common Stock.

OPINIONS OF FINANCIAL ADVISORS TO CPI

Lazard Freres and J.P. Morgan were engaged by CPI to act as its investment bankers in connection with the transactions contemplated by the Merger Agreement and related matters. On February 18, 1998, Lazard Freres and J.P. Morgan delivered their oral opinions, confirmed in each case by means of a written opinion dated as of such date (the "Lazard Freres Opinion" and the "J.P. Morgan Opinion", respectively, and collectively, the "CPI Financial Advisors' Opinions"), to the CPI Board stating that, as of such date, and based upon the assumptions made, matters considered and limits of review set forth therein, the consideration to be received or retained by the stockholders of CPI, including beneficial interests in CRC, in the transactions contemplated by the Merger Agreement was fair to them from a financial point of view. Lazard Freres and J.P. Morgan have not been engaged to, and will not, update the CPI Financial Advisors' Opinions prior to closing. In the opinion of the CPI Board, there have been no material events or developments since the date of the CPI Financial Advisors' Opinions which might affect Lazard Freres' or J.P. Morgan's analyses of the fairness, from a financial point of view, of the consideration to be received or retained by the stockholders of CPI in the transactions contemplated by the Merger Agreement. In the event that the Merger Agreement is amended subsequent to the date of this Proxy Statement/Prospectus, the CPI Board will make a determination at the time of such amendment as to the desirability of requesting an update of the CPI Financial Advisors' Opinions.

THE FULL TEXTS OF THE LAZARD FRERES OPINION AND THE J.P. MORGAN OPINION, EACH OF WHICH SETS FORTH THE ASSUMPTIONS MADE, MATTERS CONSIDERED AND QUALIFICATIONS AND LIMITATIONS ON THE REVIEW UNDERTAKEN, ARE ATTACHED AS ANNEXES C AND D TO THIS PROXY STATEMENT/PROSPECTUS, RESPECTIVELY, AND ARE INCORPORATED HEREIN BY REFERENCE. THE DESCRIPTION OF THE CPI FINANCIAL ADVISORS' OPINIONS SET FORTH HEREIN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF SUCH OPINIONS. THE CPI FINANCIAL ADVISORS' OPINIONS ARE ADDRESSED TO THE CPI BOARD AND ARE DIRECTED ONLY TO THE CONSIDERATION TO BE RECEIVED OR RETAINED IN THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT AND DO NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER OF CPI AS TO HOW SUCH STOCKHOLDER SHOULD VOTE WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT. CPI STOCKHOLDERS ARE URGED TO READ THE CPI FINANCIAL ADVISORS' OPINIONS IN THEIR ENTIRETY IN CONNECTION WITH THEIR CONSIDERATION OF THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT.

In connection with performing their analyses for rendering their respective opinions, the CPI Financial Advisors among other things (i) reviewed the financial terms and conditions of the Merger Agreement; (ii) reviewed certain publicly available financial information concerning CPI, CRC and SDG; (iii) reviewed various financial forecasts and other data provided to them by CPI, CRC and SDG relating to their respective businesses; (iv) held discussions with members of the senior management of CPI, CRC and SDG concerning their respective businesses and prospects of CPI and CRC together on one hand and SDG on the other, the strategic objectives of each, and possible benefits which might be realized following the transactions contemplated by the Merger Agreement; (v) reviewed public information with respect to certain publicly-traded REITs and other companies in lines of business they believed to be generally comparable to the businesses of CPI and CRC together on one hand and SDG on the other; (vi) reviewed the financial terms of certain recent business combinations involving REITs or companies in lines of businesses they believed to be generally comparable to those of CPI and CRC together on one hand and SDG on the other; (vii) reviewed the historical market prices and trading volume of the shares of SDG's Common Stock; (viii) analyzed the pro forma financial impact of the transactions contemplated by the Merger Agreement on CPI and CRC together on one hand and SDG on the other; (ix) conferred with and relied upon the counsel to the CPI Board as to all legal matters pertaining to the Merger Agreement and the transactions contemplated by the Merger Agreement; and (x) conducted such other financial studies, analyses and investigations as they deemed appropriate.

The CPI Financial Advisors relied upon the accuracy and completeness of the information provided to them and did not assume any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of CPI, CRC or SDG. The CPI Financial Advisors' Opinions do not constitute valuations or appraisals of the shares of common stock, assets or liabilities of CPI, CRC or SDG. In addition, the CPI Financial Advisors did not express any opinions as to the price or range of prices at which the common stock of SDG, CPI or CRC may trade subsequent to the date of the CPI Financial Advisors' Opinions. With respect to financial forecasts, the CPI Financial Advisors assumed that they had been reasonably prepared on bases reflecting the best available estimates and judgements of management of CPI and CRC together on one hand and SDG on the other. They assumed no responsibility for and expressed no view as to such forecasts or the assumptions on which they were based. Further, the CPI Financial Advisors' Opinions were necessarily based variously on economics, monetary, market and other conditions as in effect on, and the information made available to them as of, the date thereof. It should be understood that subsequent developments may affect the CPI Financial Advisors' Opinions and that they do not have any obligation to update, revise or reaffirm the CPI Financial Advisors' Opinions.

In rendering the CPI Financial Advisors' Opinions, the CPI Financial Advisors assumed that the transactions contemplated by the Merger Agreement would be consummated on the terms described in the Merger Agreement including with respect to the tax consequences thereof, without any waiver of any material terms or conditions by CPI or CRC and that obtaining the necessary approvals for the transactions contemplated by the Merger Agreement would not have an adverse effect on CPI, CRC or SDG. CPI Financial Advisors noted that the shares of CPI Series A Preferred Stock were immediately convertible, and they have treated them, for the purpose of their opinions, as though they had been converted into shares of CPI Common Stock and a related beneficial interest in CRC. As described above, CPI received proposals from other parties with respect to merger transactions involving CPI. See "-- Background of the Merger." In this regard, they expressed no opinions as to the fairness, from a financial point of view, to the stockholders of CPI of the consideration proposed by any such other parties, and no opinions were expressed as to the relative values to be received by the stockholders of CPI under the transactions contemplated by the Merger Agreement and under such other proposals.

In arriving at the CPI Financial Advisors' Opinions, the CPI Financial Advisors performed certain financial and comparative analyses, the material portions of which are summarized below.

Valuation of SDG's Offer. The CPI Financial Advisors calculated the value of SDG's offer based on the per share closing price as of February 17, 1998 of SDG Common Stock of $33.00. The CPI Financial Advisors noted that, based primarily on its summary terms and conditions, the Simon Group Series B Preferred Stock would be likely to have a fair market value of approximately $17.67 per share. On this basis, the CPI Financial

Advisors calculated the total value of SDG's offer to be approximately $177.67 per share of CPI Common Stock which represented 19.6x 1997 Funds From Operations for CPI, 17.5x 1998 projected Funds From Operations and 15.9x 1999 projected Funds From Operations.

Analysis of CPI's Net Asset Value. The CPI Financial Advisors compared the value of SDG's offer with the net asset value ("NAV") for CPI as of December 31, 1997 of $146.84 per share as per the Appraisal. The NAV represented 15.8x 1997 Funds From Operations (as compared to the multiple implied by the Merger of 19.6x), 14.0x 1998 projected Funds From Operations (as compared to the multiple implied by the Merger of 17.5x) and 12.7x 1999 projected Funds From Operations (as compared to the multiple implied by the Merger of 15.9x).

Analysis of Selected Comparable Publicly Traded Companies. Using publicly available information and estimates of future financial results published by First Call, the CPI Financial Advisors compared certain financial and operating information and ratios for CPI with the corresponding financial and operating information for a group of publicly traded REITs engaged primarily in the ownership, management, operation and acquisition of regional malls. For the purpose of these analyses, the following companies were used as comparable companies to CPI: SDG, Rouse, and General Growth Properties, Inc. (collectively, the "CPI Comparable Companies").

The CPI Financial Advisors' calculations resulted in the following relevant ranges for the CPI Comparable Companies and for CPI as of February 17, 1998: a range of market value as a multiple of estimated 1997 Funds From Operations of 12.5x to 13.1x (as compared to the multiple for CPI implied by the Merger of 19.6x); a range of market value as a multiple of projected 1998 Funds From Operations of 11.6x to 12.1x (as compared to the multiple for CPI implied by the Merger of 17.5x); and a range of market value as a multiple of projected 1999 Funds From Operations of 10.4x to 11.0x (as compared to the multiple for CPI implied by the Merger of 15.9x).

Comparable Transaction Analysis. The CPI Financial Advisors also compared certain financial ratios of the Merger with those of the most comparable other merger involving REITs engaged primarily in the ownership, management, operation and acquisition of regional malls, SDG's acquisition of RPT (the "Comparable Transaction"). Using estimates of financial results as available to the CPI Financial Advisors, the CPI Financial Advisors calculated the total equity value as a multiple of both the trailing and forward year Funds From Operations for the transaction. This analysis yielded a transaction Funds From Operations multiple that was significantly lower than the multiples for CPI implied by the Merger.

Pro Forma Merger Consequences. The CPI Financial Advisors analyzed the pro forma effects resulting from the Merger, including the potential impact on Funds From Operations per share, based on projections for SDG prepared by research analysts using only publicly available information. The CPI Financial Advisors observed that, after giving effect to expected synergies, the Merger would be slightly dilutive to SDG in 1998 and 1999 but accretive to CPI in each of such years.

The summary set forth above does not purport to be a complete description of the analyses performed by the CPI Financial Advisors in arriving at the CPI Financial Advisors' Opinions. The preparation of a fairness opinion is a complex process and not necessarily susceptible to partial or summary description. The CPI Financial Advisors believe that their analyses must be considered as a whole and that selecting portions of their analyses and of the factors considered by them, without considering all factors and analyses, could create a misleading view of the process underlying the CPI Financial Advisors' Opinions. In their analyses, the CPI Financial Advisors made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond SDG's, CPI's and each of the CPI Financial Advisor's control. Any estimates contained in the CPI Financial Advisors' analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth therein. Estimated values do not purport to be appraisals and do not necessarily reflect the prices at which businesses or companies may be sold in the future, and such estimates are inherently subject to uncertainty.

None of the CPI Comparable Companies are identical to CPI. Accordingly, a complete analysis of the results of the foregoing calculations cannot be limited to a quantitative review of such results and involves complex considerations and judgments concerning differences in financial and operating characteristics of the

CPI Comparable Companies and other factors that could affect the public trading value of the CPI Comparable Companies. The projections furnished to the CPI Financial Advisors with respect to CPI were prepared by the management of CPI. CPI does not publicly disclose internal management projections of the type provided to the CPI Financial Advisors in connection with their analysis of the transactions contemplated by the Merger Agreement, and such projections were not prepared with a view toward public disclosure. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections. In addition, the multiples of market value to estimated 1997 and projected 1998 Funds From Operations for SDG and the CPI Comparable Companies are based on projections prepared by research analysts using only publicly available information. Accordingly, such estimates may or may not prove to be accurate.

Lazard Freres is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions and for other purposes. CPI retained Lazard Freres to act as its investment banker in connection with the transactions contemplated by the Merger Agreement and related matters based upon its qualifications, expertise and reputation in investment banking in general and mergers and acquisitions specifically. In the course of its activities, Lazard Freres has provided and may continue to provide investment banking services to CPI and SDG for which Lazard Freres has received or will receive customary compensation. CPI and its affiliates have paid a total of $2,375,000 in fees to Lazard Freres for such services since January 1996, excluding services provided in connection with the Merger. In the ordinary course of its business, Lazard Freres may actively trade the debt and equity securities of CPI or SDG for its own account or for the accounts of customers and, accordingly, may hold long or short positions in such securities at any time. In addition, a vice chairman of Lazard Freres is a director of CPI.

As part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise CPI with respect to the transactions contemplated by the Merger Agreement on the basis of such experience and its familiarity with CPI. In the course of its activities, J.P. Morgan has provided and may continue to provide financial advisory services to CPI for which J.P. Morgan has received or will receive customary compensation. CPI has paid a total of $1,217,713 in fees to J.P. Morgan and $84,412 to J.P. Morgan's legal advisors in connection with such services, excluding services provided in connection with the Merger. In addition, in June 1998 Argo II, an investment fund established in part by J.P. Morgan, together with SDG and certain other investors committed to invest approximately $80 million in Groupe BEG, S.A., a retail real estate developer, lessor and manager headquartered in Paris, France. In the ordinary course of its business, J.P. Morgan may actively trade the debt and equity securities of CPI or SDG for its own account or for the accounts of customers and, accordingly, may hold long or short positions in such securities at any time.

Pursuant to letter agreements, dated October 20, 1997 and December 22, 1997, CPI agreed to pay each of the CPI Financial Advisors (i) $1.75 million, which has been paid, upon execution of the Merger Agreement and (ii) a fee contingent upon consummation of the transactions contemplated by the Merger Agreement equal to 0.17% of the aggregate value of CPI (generally, the enterprise value of CPI implied by the transactions contemplated by the Merger Agreement including cash and the market value of any stock retained, and all indebtedness less cash and cash equivalents immediately prior to consummation of the transactions contemplated by the Merger Agreement), which is expected to be approximately $10 million based on the market value of SDG Common Stock as of April 27, 1998. Any fees previously paid to each of the CPI Financial Advisors pursuant to the first clause above will be deducted from any fee to which each of the CPI Financial Advisors is entitled pursuant to the second clause. CPI has also agreed to reimburse each of the CPI Financial Advisors for all reasonable out-of-pocket expenses and to indemnify each of the CPI Financial Advisors and their respective members, employees, agents, affiliates and controlling persons against certain liabilities, including certain liabilities under the federal securities laws, relating to or arising out of their engagement.

THE MERGER AGREEMENT AND RELATED MATTERS

The following describes the material terms of the Merger Agreement and related matters. The description set forth below does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached hereto as Annex A and is incorporated herein by reference. Stockholders of SDG are urged to read the Merger Agreement in its entirety.

EFFECTS OF THE MERGER

The Merger Agreement provides that upon the terms and subject to the conditions described below, at the Effective Time, a wholly owned subsidiary of CPI shall be merged with and into SDG in accordance with the MGCL, with SDG continuing as the surviving corporation in the Merger. As a result, SDG will become a subsidiary of Simon Group. The directors and officers of SDG immediately prior to the Effective Time will remain the initial directors and officers of SDG, in each case until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be. The Board of Directors of Simon Group and CRC at the Effective Time will consist of 13 directors and will include 10 directors designated by SDG and three directors designated by CPI, who, in each case, will remain directors until their successors have been duly elected and qualified or until their earlier death, resignation or removal. Immediately after the Effective Time, the officers of Simon Group and CRC shall include two current officers of CPI and CRC and such other officers designated by SDG, who, in each case, will remain officers until their successors have been duly elected and qualified or until their earlier death, resignation or removal. See "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER."

EFFECTIVE TIME

Following the adoption of the Merger Agreement and subject to satisfaction or waiver of certain terms and conditions contained in the Merger Agreement, the Merger will become effective on such date as the articles of merger or other appropriate documents, duly prepared and executed by SDG and a substantially wholly owned subsidiary of CPI in accordance with Section 3-110 of the MGCL, are accepted for record by the Maryland State Department as provided in Section 3-113 of the MGCL or at such other time as may be agreed upon by the parties and specified in the articles of merger in accordance with applicable law.

TERMS OF THE MERGER

The Merger Consideration. The Merger Agreement provides that each outstanding share of SDG Common Stock, SDG Class B Common Stock, and SDG Class C Common Stock (other than shares held by SDG as treasury stock, shares owned by Simon Group, CRC or any wholly owned entity of CPI or CRC or shares as to which appraisal rights have been perfected) shall be converted into the right to receive one share of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock, respectively. See "-- Certain Provisions Related to Employee Benefits and Incentive Plans -- Treatment of SDG Stock Plans." Each of such shares of Simon Group Equity Stock outstanding or issued in connection with the Merger will be paired with a beneficial interest in shares of CRC Common Stock held by the CRC Trusts.

Total consideration to be received and retained by a holder of CPI Common Stock at the time of the execution of the Merger Agreement was equal to approximately $179 per share, consisting of $90 in cash, subject to the collar provisions described in "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger -- The Merger Consideration," approximately $70 in Simon Group Common Stock (based on the reported closing trading price of SDG Common Stock of $33 5/8 on February 18, 1998, the last trading date preceding public announcement of the Merger, and a fixed ratio of 1.0818 additional shares of CPI Common Stock for each share of CPI Common Stock held) and approximately $19 in Simon Group Series B Preferred Stock. The trading price of the Simon Group Common Stock at the Effective Time may be higher or lower than $33 5/8, and if so, the value of the Simon Group Common Stock to be received by CPI stockholders will be more or less than approximately $70 depending upon the direction of the price movement. Specifically, the Merger Agreement provides that prior to the Effective Time CPI shall declare the CPI

Merger Dividends on the shares of CPI Common Stock consisting of (i) the Cash Amount; (ii) 1.0818 shares of CPI Common Stock; and (iii) 0.19 shares of CPI Series B Preferred Stock (which from and after the Effective Time shall be referred to as Simon Group Series B Preferred Stock). The "Cash Amount" shall be $90.00 per share of CPI Common Stock, if the Market Price for SDG Common Stock is greater than or equal to $28.58 and less than or equal to $38.67 and otherwise shall be adjusted as follows: (i) if the Market Price for the SDG Common Stock at the Effective Time exceeds $38.67, then the Cash Amount shall be reduced by an amount equal to such excess multiplied by 2.0818 and (ii) if the Market Price for SDG Common Stock at the Effective Time is less than $28.58, then the Cash Amount shall be increased by an amount equal to such deficiency multiplied by 2.0818. The "Market Price" shall be the average of the closing prices per share for the SDG Common Stock on the NYSE for the 20 consecutive trading days ending on the fifth trading day prior to the Effective Time. The following table sets forth the Cash Amounts using various sample SDG Market Prices:

SDG MARKET PRICE	CASH AMOUNT
$27.00	$93.29
$28.58-$38.67	$90.00
$40.00	$87.23

If the Effective Time were August 12, 1998, the Market Price would be equal to $32.08 and the Cash Amount would be $90.00 per share of CPI Common Stock. The Cash Amount is set based upon the Market Price pursuant to the collar provisions described above, which only can be determined after the SDG Meetings and on the fifth trading day prior to the Effective Time. Interested parties may call MacKenzie Partners, Inc. at (800) 322-2885 to obtain the current anticipated Effective Time and a current example of the Cash Amount to be issued on a per share basis. Prior to the Merger, each of SDG and CPI shall declare a Special Distribution to their respective stockholders, the record date for which shall be the close of business on the last business day prior to the Effective Time. "Special Distribution" means the distribution to be made by each of SDG and CPI to their respective stockholders in amounts proportional to dividends paid to SDG's or CPI's (as the case may be) stockholders for the last full quarter preceding the Effective Time, prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time.

The consideration to be received by each of the SDG stockholders and each of the CPI stockholders was determined based on an arm's length negotiation of the Merger Agreement and the desired structure for the transaction.

CERTAIN PROVISIONS RELATING TO EMPLOYEE BENEFITS AND INCENTIVE PLANS

Employee Benefit Plans. In general, except with respect to SDG stock plans (described below), SDG shall retain its rights and obligations under the SDG Employee Benefit Plans and Simon Group shall retain the rights and obligations of CPI under the CPI Employee Benefit Plans in accordance with their respective terms. SDG and Simon Group shall honor without modification all employee severance plans (or policies) and employment and severance agreements of SDG, CPI and CRC and any of their respective subsidiaries and consolidated non-corporate affiliates (such party's "Entities") in existence on the date of the Merger Agreement as such agreements shall be in effect in accordance with the terms of the Merger Agreement at the Effective Time.

Treatment of SDG Stock Plans. As of the Effective Time, each outstanding option to purchase a share of SDG Common Stock and related interests (an "SDG Stock Option") under any of the stock option plans of SDG (the "SDG Option Plans"), whether theretofore vested or unvested, shall constitute an option to acquire a share of Simon Group Common Stock, together with the related beneficial interest in CRC Common Stock, and shall otherwise have the same terms and provisions as such SDG Stock Option (subject to the next sentence). The price per share of Simon Group Common Stock at which each such option is exercisable shall be the option exercise price per share of SDG Common Stock at which such option is exercisable immediately prior to the Effective Time; provided, however, that, in the case of an incentive stock option under Section 422 of the Code, the option terms shall be determined in order to comply with

Section 424(a) of the Code. In addition, each outstanding right to earn shares of SDG Common Stock shall constitute a right to earn shares of Simon Group Common Stock.

Treatment of CPI Stock Plan. Each outstanding option to purchase a share of CPI Common Stock and related interests in CRC Common Stock (a "CPI Stock Option") under the 1993 Share Option Plan of CPI (the "CPI Option Plan") is immediately exercisable. The price per share of CPI Common Stock and the related beneficial interest in CRC Common Stock at which each such option is exercisable shall be the exercise price per share at which the CPI Stock Option is exercisable pursuant to the CPI Option Plan immediately prior to the Effective Time (adjusted for the CPI Merger Dividends); provided, however, that, in the case of an incentive stock option under Section 422 of the Code, the terms of such option shall be determined in order to comply with Section 424(a) of the Code. Pursuant to the Merger Agreement, CPI will use its reasonable best efforts (except the expenditure of cash) to amend the CPI Option Plan and all related option contracts, (a) effective at the consummation of the Merger, (x) to remove all transfer restrictions on non-qualified stock options and shares issued upon the exercise of options and (y) to eliminate the "put" feature and (b) effective as of the date of the Merger Agreement, to provide that CPI will lend money to exercising optionees at the applicable federal rate, with such loan (A) to be fully recourse to the borrower and secured by all shares acquired upon exercise, (B) with respect to exercises occurring before the consummation of the Merger, to extend for up to 19 months, and with respect to any other exercise, to extend for up to ten days and (C) to be mandatorily prepayable to the extent of any extraordinary cash dividends or distributions receivable with respect to the option shares of such optionee (including in connection with the Merger).

Restricted Stock. Prior to the Effective Time, (i) CPI shall offer to the other party under each Employee Share Purchase Contract (the "CPI ESP Contract") under CPI's Employee Share Purchase Plan (the "ESPP"), and shall use its reasonable best efforts (it being understood that such efforts shall not require the expenditure of cash) to obtain the agreement of such party, to amend such CPI ESP Contract (x) to release the transfer restrictions on the securities issued pursuant thereto and remove any associated legends from the certificates evidencing such securities, (y) to eliminate the right of such party to cause CPI to repurchase such securities and (z) to provide that upon any transfer of such securities, the transferor shall either pay to CPI the applicable portion of the "Permanent Restriction" thereunder or obtain an undertaking of the transferee thereof to pay such amount or obtain a comparable undertaking upon any subsequent transfer by such transferee and (ii) CPI may pay to such party (through the forgiveness of indebtedness or otherwise) an amount equal to the principal of the indebtedness initially incurred, and any accrued interest subsequently added, to purchase the securities purchased thereunder, but only if the per-unit purchase price thereof exceeded $150 (before deduction for any Permanent Restriction).

For a description of Simon Group's benefit plans following consummation of the Merger, see "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER -- Simon Group Benefit Plans."

EXCHANGE OF CERTIFICATES

As soon as reasonably practicable after the Effective Time, Simon Group shall cause an exchange agent (who will be designated before the closing of the Merger by SDG and will be reasonably acceptable to CPI) (the "Exchange Agent") to mail to each holder of record of certificates representing shares of SDG Equity Stock ("Certificates") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Simon Group, may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the shares issuable in connection with the Merger and any cash payable pursuant to the Merger Agreement. Upon surrender of a Certificate for cancellation to the Exchange Agent, together with such letter of transmittal duly executed and completed, the holder of such Certificate shall be entitled to receive in exchange therefor the aggregate consideration which such holder has the right to receive pursuant to the Merger Agreement (the "Applicable Merger Consideration"), and the Certificates so surrendered shall forthwith be canceled. In no event shall the holder of any Certificate be entitled to receive interest on any funds to be received in the Merger. In the event of a transfer of ownership of shares of SDG Equity Stock, which is not registered in the transfer records, a

certificate representing that number of whole paired shares (as adjusted by any cash amount payable) may be issued to a transferee if the Certificate is presented to the Exchange Agent accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered, each Certificate shall be deemed after the Effective Time, except as limited by the following paragraph, to represent ownership of the shares into which the shares would have been converted as contemplated by the Merger Agreement. Notwithstanding the foregoing, Certificates surrendered for exchange by any person deemed to be an "affiliate" of SDG for purposes of Rule 145 of the Securities Act shall not be exchanged until Simon Group has received an executed agreement from such persons ("Affiliate's Agreement").

No dividends or other distributions declared or made after the Effective Time with respect to Simon Group Equity Stock with a record date on or after the Effective Time, and no distributions to be made to the beneficial owners of interests in CRC Common Stock arising out of a dividend or distribution declared or made by CRC after the Effective Time with a record date on or after the Effective Time, shall be paid to the holder of any unsurrendered Certificate with respect to the shares represented thereby and no cash payment shall be paid to any such holder until the holder shall surrender such Certificate. Until paid to the holders of such unsurrendered Certificates, all such dividends and other distributions, and all cash payments to be paid, shall be delivered to the Exchange Agent and held by it as part of the Exchange Fund. The "Exchange Fund" includes such certificates and funds, together with earnings thereon, to be held by the Exchange Agent. Subject to applicable laws, following surrender of any such Certificate, the record holder of the Certificates shall be paid, without interest, (i) at the time of such surrender, the amount of dividends or other distributions, if any, with a record date on or after the Effective Time which theretofore became payable, but which were not paid by reason of the immediately preceding sentence, with respect to such whole number of shares of Simon Group Equity Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date on or after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole number of shares of Simon Group Equity Stock.

All cash and Simon Group Equity Stock which are paired to beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock upon the surrender for exchange of Certificates shall be deemed to have been issued at the Effective Time in full satisfaction of all rights pertaining to the shares of capital stock represented thereby, subject, however, to Simon Group's obligation to pay any dividends which may have been declared in accordance with the terms of the Merger Agreement and which remained unpaid at the Effective Time. From and after the Effective Time, the stock transfer books of SDG shall be closed and there shall be no further transfers on the stock transfer books of the shares of capital stock of SDG which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to Simon Group for any reason, they shall be canceled and exchanged as provided above. Any portion of the Exchange Fund and the net proceeds held in trust by the Exchange Agent for the holders of fractional Simon Group Equity Stock (any such fractional shares, the "Fractional Shares") (the "Stock Trust") which remains undistributed for six months after the Effective Time shall be delivered to Simon Group, upon demand, and any stockholders who have not theretofore complied with the terms described above shall thereafter look only to Simon Group for payment of their claims.

FRACTIONAL SHARES

No certificate or scrip representing the Fractional Shares will be issued in the Merger upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of Simon Group.

As promptly as practicable following the Effective Time, the Exchange Agent shall determine the aggregate number of whole shares represented by Fractional Shares to which holders of Fractional Shares would be entitled but for the provisions of this paragraph (such number of shares being herein called the "Excess Shares"). As soon after the Effective Time as practicable, the Exchange Agent, as agent for the holders of Fractional Shares, shall sell the Excess Shares at then prevailing prices on the NYSE, in the manner provided below. The sale of the Excess Shares by the Exchange Agent shall be executed on the NYSE and shall be executed in round lots to the extent practicable. Until the net proceeds of such sales have

been distributed to the holders of Fractional Shares, the Exchange Agent will hold such proceeds in the Stock Trust. Simon Group shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with such sale of the Excess Shares. The Exchange Agent shall determine the portion of the Stock Trust to which each holder of Fractional Shares shall be entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the Stock Trust by a fraction the numerator of which is the amount of the fractional share interest to which such holder of Fractional Shares is entitled and the denominator of which is the aggregate amount of fractional share interests to which all holders of Fractional Shares of the same class or series are entitled. As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Fractional Shares, the Exchange Agent shall make available such amounts to such holders of Fractional Shares.

REPRESENTATIONS AND WARRANTIES

The Merger Agreement contains customary representations and warranties of the parties thereto, including representations and warranties by each of SDG, CPI and CRC as to its organization and qualification to conduct business; authorized and outstanding capital stock; authority relative to the Merger Agreement; the non-contravention of its governing documents, certain agreements and certain laws; the delivery of financial statements and other reports; the absence of certain changes or events; legal proceedings; information supplied; compliance with laws and orders; compliance with certain agreements; certain tax matters; certain employee benefit plans and ERISA matters; labor matters; certain environmental matters; intellectual property rights; real property; the required stockholder votes; and the receipt of a financial advisor opinion; except that CRC made no representations as to labor matters, real property or a financial advisor opinion. CPI and CRC also each represents and warrants to SDG that it does not own any shares of SDG Equity Stock.

COVENANTS

Conduct of Business by CPI and CRC Pending the Closing. Each of CPI and CRC and its Entities shall use all commercially reasonable efforts to preserve intact in all material respects its present business organizations and reputation, to keep available the services of its key officers and employees, to maintain its assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on its tangible assets and businesses in such amounts and against such risks and losses as are currently in effect, to preserve its relationships with tenants and other occupiers of properties, customers, suppliers, lenders, partners and others having significant business dealings with them and to comply in all material respects with all laws and orders of all governmental or regulatory authorities applicable to them, and neither CPI nor CRC shall, except as otherwise expressly provided for in the Merger Agreement, as contemplated by the operating, capital expenditure and leasing budgets approved by the CPI Board of Trustees prior to December 31, 1997 and the plans and projections of CPI and CRC included in the Merger Agreement and any expenditure required in an emergency situation to preserve the business or assets or personnel of CPI or CRC or their Entities from undue harm (the "CPI/CRC Business Plan") or with the prior written consent of SDG:

(a) incorporate or organize any new Entity of such party, unless such Entity shall be wholly owned, directly or indirectly, by CPI or CRC, and SDG shall receive prompt notice of such incorporation or organization, including the information that would have been disclosed in the Merger Agreement had such Entity been in existence on the date thereof;

(b) amend or propose to amend its organizational or governance documents or permit the amendment of the organizational or governance documents of the Entities of CPI or CRC, except, in the case of Entities of CPI or CRC, for the amendment of the organizational or governance documents of such Entities as are wholly owned, directly or indirectly, by CPI or CRC, so long as such action shall be promptly disclosed to SDG;

(c)(w) declare, set aside or pay any dividends on or make other distributions in respect of any of the beneficial interests or capital stock of such party, except that CPI and CRC each may declare and pay

(1) quarterly cash dividends on CPI Common Stock and CRC Common Stock in an amount not to exceed $1.95 per share of CPI Common Stock and related beneficial interest in shares of CRC Common Stock, with usual record and payment dates for such dividends in accordance with past dividend practice, (2) cash dividends on CPI Common Stock and CRC Common Stock in amounts proportional to the dividends paid on CPI Common Stock and CRC Common Stock for the last full quarter preceding the Effective Time prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time and (3) cash dividends on CPI Preferred Stock in the amounts, and with the record and payment dates, required in accordance with the terms thereof, (x) split, combine, reclassify or take similar action with respect to any of its beneficial interests or capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its beneficial interest or capital stock, or permit any of its Entities (other than Entities wholly owned, directly or indirectly, by CPI or CRC) to split, combine, reclassify or take similar action with respect to such Entities' capital stock or equity interests or issue or authorize or propose the issuance of any other securities or equity interests in respect of, in lieu of, or in substitution for such capital stock or equity interests, (y) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such liquidation or a dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or permit any of such party's Entities (other than Entities wholly owned, directly or indirectly, by CPI or CRC) to take any such action, or (z) directly or indirectly redeem, repurchase or otherwise acquire, or permit any Entity of CPI or CRC to redeem, repurchase or otherwise acquire, directly or indirectly, any shares of capital stock of, or beneficial or other equity interests in, CPI or CRC or any of their Entities, or any option with respect thereto (other than in transactions solely involving CPI or CRC and their Entities that are wholly owned, directly or indirectly, by CPI or CRC) and other than pursuant to CPI permissible redemption arrangements;

(d) issue, deliver, sell or otherwise transfer, or authorize or propose the issuance, delivery, sale or other transfer of, or permit any of its Entities to issue, deliver, sell, or otherwise transfer or authorize or propose the issuance, delivery or sale of, any shares of capital stock of, or beneficial or other equity interests in, it or any of its Entities or any option with respect thereto (other than (x) issuances of CPI Common Stock or beneficial interests in CRC Common Stock in connection with issuance arrangements of CPI permitted by the Merger Agreement; provided that management of CPI shall use its best efforts to suspend sales of CPI Common Stock under the CPI 1997 Plan for Shareholder Contractual Purchases from the date hereof until the Effective Time or (y) the issuance, sale or transfer by an Entity that is wholly owned, directly or indirectly, by CPI or CRC of such Entity's capital stock or other equity interests, or options with respect thereto, to CPI or CRC or other Entities wholly owned, directly or indirectly, by CPI or CRC), or modify or amend any right of any holder of outstanding options with respect thereto (other than the modification or amendment of the rights of CPI or CRC or an Entity wholly owned, directly or indirectly, by CPI or CRC under an option issued by CPI or CRC or an Entity wholly owned, directly or indirectly, by CPI or CRC);

(e) except, with respect to loans or capital contributions to any of CPI's or CRC's Entities, to the extent required under the express terms of any applicable organizational or governance documents, provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in (or permit any of CPI's or CRC's Entities to take any such action with respect to), any Entity of CPI or CRC or other person (except for such Entities as shall be wholly owned, directly or indirectly, by CPI or CRC), other than minority investments by CPI or CRC permitted by the Merger Agreement and certain other investments;

(f) in the case of CRC, amend, modify or terminate the CRC Trust Agreements or propose such amendment, modification or termination;

(g)(x) acquire (by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner) or permitting any of its Entities to acquire any business or any corporation, partnership, association or other business organization or division thereof or any significant assets, (y) mortgage or otherwise encumber or subject to any lien or sell, lease or otherwise dispose of, or permit any of its Entities to do any of the foregoing with respect to, any significant

portion of its interest in one or more of certain properties or interests identified in the Merger Agreement or assign or encumber the right to receive income, dividends or distributions with respect thereto or (z) make or agree to make any new capital expenditures;

(h)(x) incur (which shall not be deemed to include entering into credit agreements, lines of credit or similar arrangements until borrowings are made or committed to be borrowed under such arrangements) any indebtedness for borrowed money or guarantee any such indebtedness, or permit any of its Entities to take any such action, other than to meet the current cash needs of its and its Entities' business in an aggregate amount not to exceed that which is contemplated by the CPI/CRC Business Plan, to permit it to perform its obligations hereunder or to effect a redemption of indebtedness permitted by clause (y), or (y) voluntarily purchase, cancel, prepay or otherwise provide for a complete or partial discharge in advance of a scheduled repayment date with respect to, or waive any right under, or otherwise modify the provisions of, any indebtedness, or guarantee of indebtedness, for borrowed money, or permit any of its Entities to take any of such actions;

(i) enter into, adopt, amend in any material respect (except as may be required by applicable law) or terminate any CPI Employee Benefit Plan or grant any options, awards or other benefits or increase compensation, except for increases in benefits and compensation to employees other than executive officers having a value in the aggregate of not greater than $250,000 and except for changes therein contemplated by the Merger Agreement;

(j) enter into any contract, or amend or modify any existing contract, or engage in any new transaction outside the ordinary course of business consistent with past practice or not on an arm's-length basis, or permit any of its Entities to take such actions, with any affiliate of CPI or CRC other than transactions among CPI or CRC and Entities that are wholly owned, directly or indirectly, by CPI or CRC;

(k) make any change in the lines of business in which it and its Entities participate or are engaged; or

(l) enter into any contract, commitment or arrangement to do or engage in any action the consummation of which would be prohibited by the foregoing.

Conduct of Business by SDG Pending the Closing. Except as set forth in the Merger Agreement, during the period from the date of the Merger Agreement to the Effective Time, SDG shall, and shall cause each of the SDG Entities to, use all commercially reasonable efforts to preserve intact in all material respects its present business organizations and reputation, to keep available the services of its key officers and employees, to maintain its assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on its tangible assets and businesses in such amounts and against such risks and losses as are currently in effect, to preserve its relationships with tenants and other occupiers of properties, customers, suppliers, lenders, partners and others having significant business dealings with them and to comply in all material respects with all laws and orders of all governmental or regulatory authorities applicable to them, and SDG shall not, except as otherwise expressly provided for in the Merger Agreement or with the prior written consent of CPI: (a) declare, set aside or pay any dividends on or make other distributions, except that SDG may declare and pay (1) quarterly cash dividends on SDG Common Stock in an amount not to exceed $0.505 per share of SDG Common Stock, with usual record and payment dates for such dividends in accordance with past dividend practice, (2) cash dividends on SDG Common Stock in amounts proportional to the dividends paid on SDG Common Stock in the last full quarter preceding the Effective Time prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time and (3) cash dividends on SDG Preferred Stock in the amounts, and with the record and payment dates, required in accordance with the terms thereof; (b) enter into any contract, or amend or modify any existing contract, or engage in any new transaction outside the ordinary course of business consistent with past practice or not on an arm's length basis, or permit any SDG Entity to take such actions, with any affiliate of such party other than transactions among SDG and Entities of SDG that are wholly owned, directly or indirectly, by SDG or any SDG Entity; (c) make any change in the lines of business in which it and its

Entities participate or are engaged; or (d) enter into any contract, commitment or arrangement to do or engage in any action the consummation of which would be prohibited by the foregoing.

Certain Mutual Covenants. Until the Effective Time, each party to the Merger Agreement covenants and agrees as follows: (i) no party shall take any action or omit to take any action reasonably within its power to take that would cause SDG to be disqualified as a REIT, would cause CPI to be disqualified as a REIT or would result in a loss of the status of CPI and CRC prior to the Merger or Simon Group and CRC from and after the Merger as grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984; (ii) each party shall confer on a regular and frequent basis with the others with respect to its business and operations and other matters relevant to the Merger, and shall promptly advise the others, orally and in writing, of any change or event, including, without limitation, any complaint, investigation or hearing by any governmental or regulatory authority (or communication indicating the same may be contemplated) or the institution or threat of litigation, having, or which, insofar as can be reasonably foreseen, could have, a material adverse effect on the SDG Entities taken as a whole or on the CPI/CRC Entities taken as a whole, as the case may be, or on the ability of any party to consummate the transactions contemplated by the Merger Agreement; provided that no party shall be required to make any disclosure to the extent such disclosure would constitute a violation of any applicable law; (iii) each party will notify the others of, and will use all commercially reasonable efforts to cure before the closing of the Merger, any event, transaction or circumstance, as soon as practical after it becomes known to such party, that causes or will cause any covenant or agreement of such party under the Merger Agreement to be breached or that renders or will render untrue any representation or warranty of such party contained in the Merger Agreement; (iv) each party also will notify the others in writing of, and will use all commercially reasonable efforts to cure, before the closing, any violation or breach, as soon as practical after it becomes known to such party, of any representation, warranty, covenant or agreement made by such party (no notice given pursuant to clauses (iii) or (iv) of this paragraph shall have any effect on the representations, warranties, covenants or agreements contained in the Merger Agreement for purposes of determining satisfaction of any condition contained therein); and (v) subject to the terms and conditions of the Merger Agreement, each party will take or cause to be taken all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each condition to the other's obligations contained in the Merger Agreement and to consummate making effective the transactions contemplated by the Merger Agreement.

No Solicitation. Prior to the Effective Time, each of CPI and CRC agree (a) that it shall, and shall direct and use its best efforts to cause its Entities, controlled affiliates and representatives to, immediately cease any discussion or negotiations with any parties that may be ongoing with respect to the purchase, acquisition or issuance of stock of CPI representing at least a majority of the voting power of all the outstanding stocks of beneficial interest in CPI (for purposes hereof, any such proposal or offer with respect to such merger, consolidation, other business combination, acquisition or similar transaction is hereinafter referred to as an "Alternative Proposal for CPI or CRC"); (b) that it shall not, and it shall use its best efforts to cause its Entities, controlled affiliates and representatives not to, initiate, solicit or encourage, directly or indirectly, any inquiries or the making or implementation of any proposal or offer (including, without limitation, any proposal or offer to its stockholders) with respect to a merger, consolidation or other business combination transaction involving it or any acquisition or similar transaction (including, without limitation, a tender or exchange offer) involving (i) the purchase of all or substantially all of the assets of the CPI/CRC Entities taken as a whole or (ii) an Alternative Proposal, or engage in any negotiations with or provide any confidential information or data to, any person or group relating to an Alternative Proposal for CPI or CRC (excluding the transactions contemplated by the Merger Agreement), or otherwise knowingly facilitate any effort or attempt to make or implement an Alternative Proposal for CPI or CRC; and (c) that it will notify SDG promptly if any such inquiries, proposals or offers are received by, any such information is requested from, or any such negotiations or discussions are sought to be initiated or continued with, it or any of such persons.

CERTAIN ADDITIONAL AGREEMENTS

The Merger Agreement provides that each party to the Merger Agreement will (i) provide the other parties access to personnel, properties and information regarding its business and hold in confidence

information relating to the other parties (subject to the terms of a confidentiality agreement among the parties); (ii) cooperate with one another in preparing, responding to the Commission in respect of, and causing to be declared effective and mailed to SDG's stockholders, this Proxy Statement/Prospectus and the Registration Statement in which it is included; (iii) cooperate to coordinate the timing of its stockholder meetings regarding the Merger; (iv) use its best efforts to cause the Simon Group Common Stock and the related beneficial interests in CRC Common Stock to be issued pursuant to the Merger Agreement or retained by CPI stockholders, and the Simon Group Common Stock and the paired interests in CRC Common Stock issuable under the Option Plans or upon conversion of the Simon Group Series A Preferred Stock after the Merger to be approved for listing on the NYSE; (v) not take or fail to take any action which would cause any party to the Merger Agreement or the stockholders of any party to recognize gain for federal income tax purposes as a result of the consummation of the Merger (subject to limited exceptions); (vi) proceed diligently and in good faith to obtain all consents and approvals required to consummate the Merger and to provide such information as may reasonably be requested in connection with the consents and approvals; (vii) pay its own costs and expenses, except that expenses incurred in connection with the printing and mailing of this Proxy Statement/Prospectus or the Registration Statement (including filing fees) shall be shared equally by SDG and CPI; (viii) pay its own financial advisory and any other brokers or finders fees; (ix) take such action as is reasonably necessary so that the transactions contemplated by the Merger Agreement may be consummated if any antitakeover statute becomes applicable; (x) cooperate in the preparation and filing of documents related to conveyance taxes; (xi) pay any real estate or stock transfer taxes payable in connection with the transactions contemplated by the Merger Agreement on behalf of the stockholders of SDG, CPI and CRC and cooperate to prepare documentation for such taxes; (xii) from the Effective Time until December 31, 1998, Simon Group shall not assign, sell or otherwise transfer to an unaffiliated third party any asset owned by SDG prior to the Effective Time if Simon Group would recognize a gain, without the approval of two-thirds of the Simon Group Board of Directors; and (xiii) negotiate in good faith with the holders of CPI Common Stock to modify their registration rights to appropriately reflect the nature of the transactions contemplated in the Merger Agreement. Pursuant to the terms of the Merger Agreement, SDG shall use its best efforts to deliver Affiliate's Agreements.

Pursuant to the Merger Agreement, CPI entered into an agreement to sell the General Motors Building located at 767 Fifth Avenue, New York, New York. The sale of the General Motors Building was consummated on July 31, 1998.

SDG and CPI also have agreed in the Merger Agreement to use their best efforts to obtain all necessary consents of third parties (i) to permit the contribution at or, at SDG's request, promptly following the Effective Time of substantially all the assets of CPI and its subsidiaries to the SDG Operating Partnership and/or to limited liability companies and/or limited partnerships, all the beneficial interests of which will be held by the SDG Operating Partnership, or (ii) at SDG's request to effectuate the transfer, effective as of the Effective Time or promptly following the Effective Time, of all or substantially all the economic benefits of such assets to the SDG Operating Partnership and/or such limited liability companies and/or such limited partnerships.

BEST EFFORTS TO OBTAIN APPROVALS OF STOCKHOLDERS

The Merger Agreement provides that, subject to the exercise of fiduciary obligations under applicable law as advised by outside counsel, (a) SDG shall, through its Board of Directors (i) duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of voting on the approval and adoption of the Merger Agreement, (ii) include in this Proxy Statement/Prospectus the recommendation of the Board of Directors of SDG that the stockholders of SDG adopt and approve the Merger Agreement and (iii) use its best efforts to obtain such adoption and approval; and (b) each of CPI and CRC shall, through its Board of Directors, (i) duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of voting on the adoption of the Merger Agreement and the issuance of Simon Group Common Stock and CRC Common Stock pursuant to the Merger Agreement and under the CPI Option Plan in accordance with the Merger Agreement, (ii) include in a proxy statement to its stockholders the recommendation of its Board of Directors that its stockholders adopt the Merger Agreement and approve such issuances, as applicable, and

(iii) use its best efforts to obtain such adoption and approval. Stockholders of CPI representing in excess of a majority of the total voting power of all the outstanding CPI Common Stock and CPI Preferred Stock and two thirds of the total voting power of all the outstanding CPI Preferred Stock have entered into Stockholder Voting Agreements obligating them to vote in favor of the Merger and the other transactions contemplated by the Merger Agreement. A vote of 80% of the voting power of the outstanding voting stock is required to adopt the Simon Group Charter and is a condition to the Merger. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger."

INDEMNIFICATION AND INSURANCE

From and after the Effective Time and until the sixth anniversary of the Effective Time and for so long thereafter as any claim for indemnification asserted on or prior to such date has not been fully adjudicated, Simon Group (an "Indemnifying Party") shall indemnify, defend and hold harmless each person who is now, or has been at any time prior to the date of the Merger Agreement or who becomes prior to the Effective Time, a trustee, director or officer of SDG, CPI or CRC or any of their respective Entities (the "Indemnified Parties") against (i) all losses, claims, damages, costs and expenses (including reasonable attorneys' fees), liabilities, judgments and settlement amounts that are paid or incurred in connection with any claim, action, suit, proceeding or investigation (whether civil, criminal, administrative or investigative and whether asserted or claimed prior to, at or after the Effective Time) that is based on, or arises out of, the fact that such Indemnified Party is or was a trustee, director or officer of SDG, CPI or CRC or any of their respective Entities and relates to or arises out of any action or omission occurring at or prior to the Effective Time ("Indemnified Liabilities"), and (ii) all Indemnified Liabilities based on, or arising out of, or pertaining to the Merger Agreement or the transactions contemplated thereby, in each case to the full extent a corporation is permitted under applicable law to indemnify its own trustees, directors or officers, as the case may be; provided that no Indemnifying Party shall be liable for any settlement of any claim effected without its written consent, which consent shall not be unreasonably withheld; and provided further that no Indemnifying Party shall be liable to an Indemnified Party for any Indemnified Liabilities which occur as a result of the gross negligence or willful misconduct of such Indemnified Party.

Simon Group shall, until the sixth anniversary of the Effective Time and for so long thereafter as any claim for insurance coverage asserted on or prior to such date has not been fully adjudicated, cause to be maintained in effect, to the extent commercially available, the policies of directors' and officers' liability insurance maintained by SDG, CPI and CRC, respectively (or policies of at least the same coverage and amounts containing terms that are no less advantageous to the insured parties), with respect to claims arising from facts or events that occurred on or prior to the Effective Time; provided that Simon Group shall not be obligated to expend in order to maintain or procure insurance coverage any amount per annum in excess of 150 percent of the aggregate of the last annual premiums paid by SDG, CPI and CRC for such policies prior to the date of the Merger Agreement, but if the cost of maintaining such insurance (or providing such new policies) would but for this proviso exceed such aggregate amount, then Simon Group shall purchase as much coverage as possible for such amount.

CONDITIONS TO CONSUMMATION OF THE MERGER

In addition to the approval and adoption of the Voting Preferred Amendment, the consummation of the Merger pursuant to the Merger Agreement is subject to certain conditions, including: (i) the approval and adoption of the Merger Agreement and certain related matters by the requisite vote of the SDG stockholders; (ii) the approval of the issuance of shares and related beneficial interests by the requisite vote of the CPI and CRC stockholders (which approval will be given pursuant to the Stockholder Voting Agreements in which such stockholders agreed to vote in favor of the Merger and related transactions, except that the adoption of the Simon Group Charter requires the vote of 80% of the voting power of the outstanding voting stock and is a condition to the Merger); (iii) the Registration Statement having become effective in accordance with the Securities Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued and remain in effect and no proceeding seeking such an order shall be pending or threatened; (iv) the receipt of all state securities or "blue sky" permits and other authorizations necessary to issue securities

pursuant to the Merger Agreement, under the Option Plans after the Merger and upon conversion of the Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock; (v) the Simon Group Common Stock (and related beneficial interests in CRC) issued pursuant to the Merger Agreement, the CPI Common Stock previously outstanding and issuable under the Option Plans or upon conversion of the Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock after the Merger having been authorized for listing on the NYSE; (vi) no court of competent jurisdiction or other competent governmental or regulatory authority having enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) that is then in effect and has the effect of making illegal or otherwise restricting, preventing or prohibiting consummation of the Merger or the other transactions contemplated by the Merger Agreement; and (vii) each party shall have received a satisfactory opinion of its special counsel, including the opinion that the Merger will qualify as a tax-free reorganization for U.S. federal income tax purposes.

The obligation of SDG to consummate the Merger is further conditioned upon the following: (i) the continued accuracy in all material respects of the representations and warranties made by CPI and CRC in the Merger Agreement; (ii) the performance in all material respects of all agreements and covenants to be performed by CPI and CRC under the Merger Agreement; (iii) no change, event or occurrence which, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the CPI/CRC Entities taken as a whole; (iv) the execution of the Stockholder Voting Agreements as required by the Merger Agreement (which were executed as of February 18, 1998); (v) the receipt of customary accountants "cold comfort letters"; and (vi) the receipt of consents and waivers which if not obtained could reasonably be expected to have a material adverse effect on CPI, CRC or their Entities or on the ability of the parties to the Merger Agreement to consummate the transactions contemplated therein. The obligations of CPI and CRC to consummate the Merger are further conditioned upon the following: (i) the continued accuracy in all material respects of the representations and warranties made by SDG in the Merger Agreement; (ii) the performance in all material respects of all agreements and covenants to be performed by SDG under the Merger Agreement; (iii) no change, event or occurrence which, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the SDG Entities taken as a whole; (iv) the receipt of customary accountants "cold comfort letters"; and (v) the receipt of consents and waivers which if not obtained could reasonably be expected to have a material adverse effect on SDG or its Entities or on the ability of the parties to the Merger Agreement to consummate the transactions contemplated therein.

All of the foregoing conditions to the consummation of the Merger are subject to the waiver of the parties to the Merger Agreement. Neither SDG nor CPI intends to waive any material condition to consummation of the Merger, including the condition requiring the delivery of an opinion of their respective special tax counsel. In the event that a material condition is waived by either SDG or CPI, SDG and CPI intend to amend and recirculate the Proxy Statement/Prospectus.

TERMINATION; TERMINATION FEES AND AMENDMENT

Termination. The Merger Agreement may be terminated, and transactions contemplated hereby may be abandoned, at any time prior to the Effective Time, whether prior to or after the approvals required by the SDG, CPI and CRC stockholders: (a) by mutual written agreement of the parties duly authorized by action taken by or on behalf of their respective boards of directors; or (b) by either SDG or CPI upon notification to the nonterminating party by the terminating party (i) at any time after November 30, 1998, if the Merger shall not have been consummated on or prior to such date and such failure to consummate the Merger is not caused by a breach of the Merger Agreement by the terminating party or any of its affiliates; (ii) if the requisite approval of the stockholders of SDG, CPI or CRC shall not be obtained by reason of the failure to obtain the requisite vote upon a vote held at a meeting of such stockholders, or any adjournment thereof, called therefor; (iii) if there has been a material breach of any representation, warranty, covenant or agreement on the part of the nonterminating party set forth in the Merger Agreement, which breach is not curable or, if curable, has not been cured within 30 days following receipt by the nonterminating party of notice of such breach from the terminating party; or (iv) if any court of competent jurisdiction or other

competent governmental or regulatory authority shall have issued an order making illegal or otherwise restricting, preventing or prohibiting either the Merger and such order shall have become final and nonappealable. Any reference to any event, change or effect being "material" or "materially adverse" or having a "material adverse effect" on or with respect to an entity means such event, change or effect is material or materially adverse, as the case may be, to the business, properties, assets, liabilities, condition (financial or otherwise) or results of operations of such entity.

Termination Fees. In the event that the Merger Agreement is terminated by CPI due to a willful breach by SDG pursuant to clause (b)(iii) of the preceding paragraph, or as a result of the requisite SDG stockholder approval not being obtained at any time prior to November 30, 1998 pursuant to clause (b)(ii) of the preceding paragraph, SDG will be required to pay CPI a termination fee of $50 million, payable in annual installments over a two year period (in such a manner as to not violate certain REIT Requirements). In the event that the Merger Agreement is terminated by SDG due to a willful breach by CPI pursuant to clause (b)(iii) of the preceding paragraph, CPI will be required to pay SDG a termination fee of $50 million, payable in annual installments over a two year period (in such a manner as to not violate certain REIT Requirements). Any portion of either termination fee that is not paid by the end of the second year due to limitations of the REIT Requirements shall be forfeited.

Amendment. The Merger Agreement provides that it may be amended, supplemented or modified by action taken by or on behalf of the respective boards of directors of the parties thereto at any time prior to the Effective Time, whether prior to or after the requisite stockholder adoption and approvals have been obtained, but after such adoption or approval only to the extent permitted by applicable law. No such amendment, supplement or modification shall be effective unless set forth in a written instrument duly executed by or on behalf of each party to the Merger Agreement.

APPRAISAL RIGHTS

The MGCL sets forth the rights of stockholders who object to a merger to demand and receive fair value for their stock ("appraisal rights"). No appraisal rights are available to holders of SDG Common Stock and SDG Series B Preferred Stock because the SDG Common Stock and SDG Series B Preferred Stock are listed on a national securities exchange (i.e., the NYSE). In addition, no appraisal rights are available to holders of either SDG Series B Preferred Stock or SDG Series C Preferred Stock because the SDG Series B Preferred Stock and SDG Series C Preferred Stock are stock of the successor in the Merger (SDG), the Merger will not alter the contract rights of this stock and this stock will not be changed in the Merger into something other than stock in the successor or cash.

The holders of SDG Class B Common Stock and SDG Class C Common Stock have appraisal rights available to them because neither class of stock is listed on a national securities exchange and because the shares of each class will be converted in the Merger into Simon Group Class B Common Stock and Simon Group Class C Common Stock. The MGCL provides that these rights are available only if the stockholder (a) files with the corporation a written objection to the Merger at or before the meeting of stockholders at which the transaction will be considered and (b) does not vote in favor of the transaction. In addition, the stockholder must make a written demand on the successor corporation for payment for the stock within 20 days of the acceptance of the articles of merger by the Maryland State Department. The MGCL requires that the successor corporation, SDG, promptly notify each objecting stockholder in writing of the date the articles of merger are accepted for record by the Maryland State Department. A copy of Title 3, Subtitle 2 of the MGCL is attached to this Proxy Statement/Prospectus as Annex E and is incorporated herein by reference thereto.

NEW YORK STOCK EXCHANGE LISTING OF SIMON GROUP COMMON STOCK

As a condition to the Merger, the Simon Group Common Stock and Simon Group Series B Preferred Stock will be listed on the NYSE. If the Merger is completed, Simon Group stockholders would be able to trade shares of Simon Group Common Stock and Simon Group Series B Preferred Stock on the NYSE. See "-- Conditions to Consummation of the Merger" and "FEDERAL SECURITIES LAW CONSEQUENCES."

FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF SDG EQUITY STOCK

The following discussion summarizes the material federal income tax consequences applicable to holders of SDG Equity Stock that are expected to result from the Merger and certain transactions associated therewith. This discussion does not address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances, or to certain types of stockholders (including insurance companies, financial institutions, broker-dealers, foreign corporations and persons who are not citizens or residents of the United States) subject to special treatment under the federal income tax laws, nor does it give detailed discussions of any state, local or foreign tax considerations. Accordingly, SDG STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO THEM IN VIEW OF THEIR PARTICULAR CIRCUMSTANCES.

The following discussion is based on the Code, applicable Treasury Regulations, judicial authority and administrative rulings and practice, all as of the date of this Proxy Statement/Prospectus. There can be no assurance that future legislative, judicial or administrative changes or interpretations will not adversely affect the accuracy of the statements and conclusions set forth herein. Any such changes or interpretations could be applied retroactively and could affect the tax consequences of the Merger to SDG's stockholders.

The Merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. Willkie Farr & Gallagher, counsel to SDG, has issued, and is expected to issue at the closing of the Merger, an opinion to such effect. In addition, Cravath, Swaine & Moore, counsel to CPI has issued, and is expected to issue at the closing of the Merger, an opinion addressing CPI's qualification as a REIT and certain other matters described herein, and Baker & Daniels has issued, and is expected to issue at the closing of the Merger, an opinion addressing SDG's qualification as a REIT and Simon Group's qualification as a REIT after the Effective Time. Such opinions are based, and will be based, upon the understanding that the relevant facts are as described in this Proxy Statement/Prospectus and the annexes hereto, and in rendering such opinions such counsel will rely on the accuracy of the factual statements and representations in the foregoing documents and upon certain factual representations made in writing to such counsel. The issuance of such opinions at the closing of the Merger is based on assumptions about, and is also contingent upon, certain facts not ascertainable until after the SDG Special Meeting. The obligations of CPI and SDG to consummate the Merger are conditioned upon the receipt of such opinions. An opinion of counsel is not binding on the Internal Revenue Service ("IRS") or the courts. Except as to certain limited matters relating to the effect of the CPI Reorganization, neither CPI nor SDG have requested or will request an advance ruling from the IRS.

Assuming the Merger qualifies as a tax-free reorganization, the material federal income tax consequences of the Merger will be as follows:

(i) Subject to the discussion in (vii) below, and except as described in (ii) below, the exchange in the Merger of SDG Equity Stock for Simon Group Equity Stock will not result in the recognition of gain or loss to SDG stockholders with respect to such exchange.

(ii) Each SDG stockholder who receives cash proceeds in lieu of Fractional Shares will recognize gain or loss equal to the difference between such proceeds and the tax basis allocated to such stockholder's Fractional Share interests. Each dissenting stockholder who receives cash proceeds for the shares not voted in favor of the Merger will recognize a taxable gain or loss equal to the difference between such proceeds and the tax basis allocated to such shares. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Appraisal Rights." Any such gain or loss recognized as described in this paragraph will constitute capital gain or loss if such stockholder's shares of SDG Equity Stock were held as a capital asset at the Effective Time.

(iii) The tax basis of the shares of Simon Group Equity Stock (including fractional share interests for which cash is ultimately received) received by a SDG stockholder will be equal to the tax basis of the shares of SDG Equity Stock exchanged therefor, decreased by the amount of cash received by such stockholder, and increased by the amount of gain (if any) recognized by such stockholder in the Merger.

(iv) A stockholder's holding period with respect to the Simon Group Equity Stock received in the Merger will include the holding period of the SDG Equity Stock exchanged in the Merger if such SDG Equity Stock was held as a capital asset at the Effective Time.

(v) The aggregate tax basis of the beneficial interests in the CRC Common Stock received by a SDG stockholder will equal the fair market value of such beneficial interests as of the Effective Time. The holding period for such beneficial interests received by a stockholder will begin on the day it is distributed.

(vi) No gain or loss will be recognized by SDG, the subsidiary of CPI formed to merge with SDG, or CPI as a result of the Merger. The Merger will not affect the qualifications of CPI and SDG as REITs, nor will it adversely affect the status of CPI and CRC as grandfathered from the application of Section 269B(a)(3) of the Code (the 1984 paired share REIT legislation) pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984.

(vii) The treatment of the receipt of beneficial interests in CRC Common Stock is not completely clear. Willkie Farr & Gallagher is of the opinion that the receipt of such beneficial interests should be treated as a distribution from SDG governed by Section 301 of the Code, and not as "boot" or "other property" received in the reorganization. If the IRS were to successfully contend that such beneficial interests are properly treated as "boot" or "other property," SDG stockholders would recognize gain, but not loss, on the exchange of shares of SDG Equity Stock for Paired Shares pursuant to the Merger in an amount equal to the lesser of (a) the fair market value of the beneficial interests in the CRC Common Stock, as of the Effective Time, that they receive, or (b) the amount by which the fair market value of the Paired Shares as of the Effective Time, exceeds the stockholder's adjusted tax basis in the SDG Equity Stock exchanged therefor. Any such gain would be characterized as capital gain (assuming the SDG Equity Stock exchanged was a capital asset in the hands of the stockholder) unless the boot received has the effect of the distribution of a dividend. Although there can be no assurance that the IRS will agree, and valuations may change between the date hereof and the Effective Time, management of CRC believes that such value will not exceed 1% of the value of the Paired Shares.

Even if the Merger qualifies as a reorganization, a recipient of shares of Simon Group Equity Stock will recognize gain to the extent that such shares were considered to be received in exchange for services or property (other than solely shares of SDG Equity Stock). All or a portion of such gain may be taxable as ordinary income. Gain will also have to be recognized to the extent that a SDG stockholder is treated as receiving (directly or indirectly) consideration other than Paired Shares in exchange for such stockholder's SDG Equity Stock.

If the Merger is not a reorganization, then each SDG stockholder will recognize gain or loss with respect to each share of SDG Equity Stock equal to the difference between such stockholder's basis in such stock and the fair market value, as of the Effective Time, of the Paired Shares received in exchange therefor. In such event, an SDG stockholder's aggregate basis in any Paired Shares received will equal its fair market value, and the stockholder's holding period for such stock will begin the day after the Merger.

OPINIONS OF SDG'S AND CPI'S COUNSEL

In the opinion of Baker & Daniels, at all times from and after December 31, 1993 through December 31, 1997 SDG has qualified as a REIT, and if SDG continues its operations in the manner described in this Proxy Statement/Prospectus. SDG will continue to qualify as a REIT under the Code. In the opinion of Baker & Daniels, Simon Group will continue to qualify as a REIT after the Effective Time if Simon Group as constituted after the Effective Time conducts its operations in the manner described in this Proxy Statement/Prospectus. In the opinion of Cravath, Swaine & Moore, counsel to CPI, as of December 31, 1997, CPI qualified as a REIT, and, if CPI continues its operations in the same manner as the operations of CPI since January 1, 1997, CPI will continue to qualify as a REIT. It must be emphasized that counsels' opinions are based on various assumptions and are conditioned upon certain representations made by the companies as to factual matters, including representations of the companies concerning their businesses and properties, and the businesses and properties of the SDG Operating Partnership and other affiliates of SDG and CPI. Moreover, such qualification and taxation as a REIT depends upon the ability of each of the REIT Members

to meet, through actual annual operating results, distribution levels, diversity of stock ownership, and the various other qualification tests imposed under the Code discussed below, the results of which have not and will not be reviewed by such counsel. No assurance can be given that the actual results of the REIT Members' operations for any one taxable year will satisfy such requirements. See "-- Federal Income Tax Consequences Relating to Simon Group -- Failure to Qualify."

FEDERAL INCOME TAX CONSIDERATIONS RELATING TO SIMON GROUP

The following is a summary of the material federal income tax considerations that may be relevant to a prospective stockholder of Simon Group, is based upon current law, and is not tax advice. This discussion does not address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances, or to certain types of stockholders (including insurance companies, tax exempt organizations, financial institutions, broker-dealers, foreign corporations and persons who are not citizens or residents of the United States) subject to special treatment under the federal income tax laws, nor does it give a detailed discussion of any state, local or foreign tax considerations. See "-- Federal Income Tax Consequences to Holders of SDG Equity Stock" for a discussion of certain tax consequences of the Merger to the SDG stockholders.

EACH PROSPECTIVE STOCKHOLDER OF SIMON GROUP IS ENCOURAGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO IT OF THE PURCHASE, OWNERSHIP AND SALE OF THE SHARES OF SIMON GROUP COMMON STOCK AND OF SIMON GROUP'S ELECTION TO BE TAXED AS A REIT, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE AND ELECTION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

General

SDG and CPI have each made elections to be taxed as a REIT for federal income tax purposes commencing with their taxable years ending December 31, 1994 and December 31, 1973, respectively, and other REIT Members of the Simon Group have made similar elections. Management of both companies believe that both companies are organized and operated in such a manner as to qualify for taxation as a REIT under the Code. Both companies intend to continue to operate in such a manner, but no assurance can be given that they will operate in a manner so as to qualify or remain qualified. See "POLICIES OF SIMON GROUP FOLLOWING THE MERGER -- Dividend and Distribution Policies."

The REIT Requirements relating to the federal income tax treatment of REITs and their stockholders are highly technical and complex. The following discussion sets forth only the material aspects of those requirements. This summary is qualified in its entirety by the applicable Code provisions, rules and Treasury Regulations promulgated thereunder, and administrative and judicial interpretations thereof.

Taxation of Simon Group and the REIT Members

A REIT generally is not subject to federal corporate income taxes on that portion of its ordinary income or capital gain that is distributed currently to stockholders because the REIT provisions of the Code generally allow a REIT to deduct dividends paid to its stockholders. This deduction for dividends paid to stockholders substantially eliminates the federal "double taxation" on earnings (once at the corporate level and once again at the stockholder level) that generally results from investment in a corporation.

However, REITs may be subject to federal income tax in the following circumstances. First, a REIT will be taxed at regular corporate rates on any undistributed REIT taxable income and undistributed net capital gains. Second, under certain circumstances, a REIT may be subject to the "alternative minimum tax" on its items of tax preference, if any. Third, if the REIT has (i) net income from the sale or other disposition of "foreclosure property" (generally, property acquired by reason of a default on a lease or an indebtedness held by a REIT) that is held primarily for sale to customers in the ordinary course of business or (ii) other non-qualifying net income from foreclosure property, it will be subject to tax at the highest corporate rate on such

income. Fourth, if the REIT has net income from a "prohibited transaction" (generally, a sale or other disposition of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property), such income will be subject to a 100% tax. Fifth, if the REIT should fail to satisfy the 75% gross income test or the 95% gross income test (as discussed below), and has nonetheless maintained its qualification as a REIT because certain other requirements have been met, it will be subject to a 100% tax on the net income attributable to the greater of the amount by which the REIT fails the 75% or 95% test, multiplied by a fraction intended to reflect the REIT's profitability. Sixth, if the REIT should fail to distribute with respect to each calendar year at least the sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, the REIT will be subject to a four percent excise tax on the excess of such required distribution over the amounts actually distributed (treating as distributed for this purpose capital gains retained by the REIT and subject to tax, as discussed below at "-- Capital Gain Dividends"). Seventh, if a REIT acquires any asset from a C corporation (i.e., a corporation generally subject to a full corporate-level tax, but not including a corporation, such as SDG, that also qualifies for treatment as a REIT) in a transaction in which the basis of the asset in the REIT's hands is determined by reference to the basis of the asset (or any other property) in the hands of the C corporation, and the REIT recognizes gain on the disposition of such asset during the 10-year period beginning on the date on which such asset was acquired by the REIT (the "Restriction Period"), then pursuant to guidelines issued by the IRS in IRS Notice 88-19 (the "Built-in Gain Rules"), the excess of the fair market value of such property at the beginning of the applicable Restriction Period over the REIT's adjusted basis in such asset as of the beginning of such Restriction Period (the "Built-in Gain") will be subject to a tax at the highest regular corporate rate. The Built-in Gain Rules may also apply with respect to SDG's share of Built-in Gains, if any, arising from assets disposed of by the SDG Operating Partnership during the Restriction Period and attributable to appreciation during periods in which SDG held interests in the SDG Operating Partnership and did not elect to be taxed as a REIT. The results described above with respect to the recognition of Built-in Gain assume that all REIT Members have made or will make elections pursuant to the Built-in Gain Rules or applicable future administrative rules or Treasury Regulations. Furthermore, the Administration Proposals propose that a REIT be required to pay tax on the difference between the fair market value and tax basis of assets it acquires after December 31, 1998 in such a transaction.

Requirements for Qualification

To qualify as a REIT, a corporation must elect to be so treated and must meet the requirements, discussed below, relating to its organization, sources of income, nature of assets, and distributions of income to stockholders.

Organizational Requirements. The Code defines a REIT as a corporation, trust or association: (i) that is managed by one or more trustees or directors; (ii) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest; (iii) that would be taxable as a domestic corporation but for its qualification to be taxable as a REIT; (iv) that is neither a financial institution nor an insurance company subject to certain provisions of the Code; (v) the beneficial ownership of which is held by 100 or more persons; and (vi) during the last half of each taxable year not more than 50% in value of the outstanding capital stock of which is owned, directly or indirectly through the application of certain attribution rules, by five or fewer individuals (as defined in the Code to include certain entities). In addition, certain other tests, described below, regarding the nature of a REIT's income and assets must also be satisfied. The Code provides that conditions (i) through (iv), inclusive, must be met during the entire taxable year and that condition (v) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months.

Each of the REIT Members has satisfied the requirements set forth in (i) through (iv) above and have adopted charter provisions containing certain restrictions regarding transfer of their stock that are intended to assist in satisfying the stock ownership requirements described in (v) and (vi) above. See "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- Restrictions On Transfer."

In addition, a corporation may not elect to become a REIT unless its taxable year is the calendar year. Each of the REIT Members' taxable year is the calendar year.

The Simon Group will have several "qualified REIT subsidiaries." Code section 856(i) provides that a corporation that is a "qualified REIT subsidiary" will not be treated as a separate corporation, and all assets, liabilities and items of income, deduction, and credit of a "qualified REIT subsidiary" will be treated as assets, liabilities, and such items (as the case may be) of the REIT. In applying the requirements described herein, Simon Group's "qualified REIT subsidiaries" will be ignored, and all assets, liabilities, and items of income, deduction, and credit of such subsidiary will be treated as assets, liabilities and items of Simon Group.

In the case of a REIT which is a partner in a partnership, the REIT will be deemed to own its proportionate share of the assets of the partnership and will be deemed to be entitled to the income of the partnership attributable to such share. In addition, the character of the assets and gross income of the partnership shall retain the same character in the hands of the REIT for purposes of the REIT Requirements, including satisfying the income tests and asset tests. Thus, for example, SDG's proportionate share of the assets, liabilities and items of income of the SDG Operating Partnership will be treated as assets, liabilities and items of income of SDG for purposes of applying the requirements described herein. See "-- Income Taxation of the Partnerships, the Property Partnerships and their Partners."

Income Tests. For each of the REIT Members to maintain qualification as a REIT, there are two gross income requirements that each must satisfy annually. First, at least 75% of the REIT Member's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property (including "rents from real property," dividends from other REITs and, in certain circumstances, interest) or from "qualified temporary investment income" (described below). Second, at least 95% of the REIT Member's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived from such real property investments and from dividends, interest, and gain from the sale or disposition of stock or securities or from any combination of the foregoing.

Rents received by each of the REIT Members will qualify as "rents from real property" only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "rents from real property" solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, the Code provides that rents received from a tenant will not qualify as "rents from real property" if the REIT, or an owner of ten percent or more of the REIT, directly or constructively owns ten percent or more of such tenant (a "Related Party Tenant"). Third, if rent attributable to personal property, leased in connection with a lease of real property, is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as "rents from real property." Finally, for rents received to qualify as "rents from real property," any services furnished by the REIT to its tenants must be services customarily provided by owners of real property in the geographic location where the REIT's property is located and of a type that may be rendered by tax-exempt entities without jeopardizing the treatment of the income derived as "rents from real property." Any amounts characterized as "impermissible tenant service income" will not qualify as "rent from real property." "Impermissible tenant service income" consists of amounts received or accrued by a REIT either for services furnished or rendered to the tenant or for managing or operating the property. The following types of income will not be classified as "impermissible tenant service income": (a) amounts received or accrued for services performed by an independent contractor from which the REIT derives no income, or (b) amounts received or accrued for services which would not be characterized as unrelated business taxable income if received or accrued by a tax-exempt organization.

If a REIT Member receives "impermissible service income" from any one property in an amount which exceeds 1% of the total amount received from such property during the taxable year, all amounts received or accrued from such property during such taxable year will be characterized as nonqualifying income for the 75% and 95% income tests. For purposes of this de minimis test, amounts equal to at least 150% of the direct cost of providing such service (or management or operation) will be deemed received for any service (or management or operation) provided by the REIT Member to its tenants.

A person qualifies as an independent contractor if such person does not own, directly or indirectly, more than 35% of the shares of the REIT, and at least 35% of such person is not owned, directly or indirectly, by one or more persons which also own at least 35% of the REIT.

It is expected that each of the REIT Member's real estate investments will give rise to income that will enable them to satisfy all of the income tests described above.

None of the REIT Members presently charge, nor do any of them anticipate charging, more than a de minimis amount of rent that is based in whole or in part on the income or profits of any person (except by reason of being based on a percentage of receipts or sales, as described above).

The determination of whether a tenant is a Related Party Tenant is made after the application of complex attribution rules. Accordingly, none of the REIT Members can be absolutely certain whether all Related Party Tenants have been or will be identified. However, none of the REIT Members anticipate receiving rents in excess of a de minimis amount from Related Party Tenants, nor do they anticipate holding a lease on any property in which rents attributable to personal property constitute greater than 15% of the total rents received under the lease.

None of the REIT Members will knowingly directly perform services considered to be rendered to the occupant of property. Although the REIT Members, through the SDG Operating Partnership and other Simon Group affiliates, will perform all development, construction and leasing services for, and will operate and manage, wholly-owned properties directly without using an "independent contractor," management believes that, in almost all instances, the only services to be provided to lessees of these properties will be those usually or customarily rendered in connection with the rental of space for occupancy only, and that in any event, the amounts received for noncustomary services that may constitute "impermissible tenant service income" from any one property will not exceed 1% of the total amount collected from such property during the taxable year. If Simon Group discovers that "impermissible tenant service income" from any one property may exceed the 1% de minimis test, it will contract with an independent contractor from whom it will derive no income to perform such services.

The IRS has issued private rulings holding that if a partnership in which a REIT is a partner provides management services to properties not wholly owned by such partnership, the income received from such services or properties should qualify as "rents from real property" to the extent of such REIT's interest in such property. (For example, if the SDG Operating Partnership provides management services to a property in which it holds a 75% interest, 75% of the income received from the provision of such services should qualify as "rents from real property.") It is not intended that the SDG Operating Partnership will provide such services as of the Effective Time, but it or other REIT Members may provide such services in the future.

The term "interest" generally does not include any amount received or accrued (directly or indirectly) if the determination of such amount depends in whole or in part on the income or profits of any Person. An amount received or accrued generally will not be excluded from the term "interest," however, solely by reason of being based on a fixed percentage or percentages of receipts or sales. The SDG Operating Partnership may advance money from time to time to tenants for the purpose of financing tenant improvements, but does not intend to charge interest that will depend in whole or in part on the income or profits of any person.

If any REIT Member fails to satisfy one or both of the 75% or 95% gross income tests for any taxable year, it may nevertheless qualify as a REIT for such year if it is entitled to relief under certain provisions of the Code. These relief provisions will be generally available if (i) the failure to meet such tests was due to reasonable cause and not due to willful neglect, (ii) a schedule of the sources of income is attached to that REIT Member's tax return, and (iii) any incorrect information on the schedule was not due to fraud with intent to evade tax. It is not possible, however, to state whether in all circumstances the REIT Members would be entitled to the benefit of these relief provisions. Even if these relief provisions apply, a tax would be imposed with respect to the excess net income.

Asset Tests. In order for each of the REIT Members to individually qualify as a REIT, at the close of each quarter of its taxable year each REIT Member must also satisfy three tests relating to the nature of its assets. First, at least 75% of the value of the REIT Member's total assets must be represented by real estate

assets (which for this purpose includes (i) its allocable share of real estate assets held by partnerships in which the REIT Member or a "qualified REIT subsidiary" of the REIT Member owns an interest, and (ii) stock or debt instruments purchased with the proceeds of a stock offering or a long-term (at least five years) debt offering of the REIT Member and held for not more than one year from the date the REIT Member receives such proceeds), cash, cash items, government securities and shares in qualified REITs. Second, not more than 25% of the REIT Member's total assets may be represented by securities other than those in the 75% asset class. Third, of the investments included in the 25% asset class, the value of any one issuer's securities owned by the REIT Member may not exceed five percent of the value of the REIT Member's total assets, and the REIT Member may not own more than ten percent of any one issuer's outstanding voting securities (excluding securities of a qualified REIT subsidiary or another REIT). The Administration has proposed legislation that would prohibit a REIT from owning more than ten percent of the voting securities or value of any one issuer (excluding a qualified REIT subsidiary or another REIT). See "RISK FACTORS -- Certain Tax Risks -- REIT Classification; Legislation Limiting Benefits of Paired Share Status."

All of the REIT Members expect that they will be able to comply with these asset tests. Each are presently deemed to and will continue to be deemed to hold directly their proportionate shares of all real estate and other assets of the SDG Operating Partnership and/or other partnerships of which they are partners, and they should be considered to hold their proportionate share of all assets deemed owned by those partnerships through the partnerships' ownership of partnership interests in other partnerships. As a result, each REIT Member plans to hold more than 75% of its assets as real estate assets. In addition, no REIT Member plans to hold any securities representing more than ten percent of any one issuer's voting securities, other than any qualified REIT subsidiary, or securities of any one issuer exceeding five percent of the value of any such REIT Members gross assets (determined in accordance with generally accepted accounting principles).

The securities of each of the REIT Members will be treated as real estate assets and will not violate the 10% voting stock requirement so long as each such REIT Member qualifies as a REIT. If, however, one of the REIT Members fails to qualify as a REIT for any reason, any other REIT Member holding a direct or indirect interest in such REIT Member would then fail this asset test because the voting securities of such disqualified REIT would not be treated as real estate assets and would no longer be excludable. For example, loss of REIT status by SDG would cause Simon Group to be disqualified.

Substantially all of the nonvoting stock and 5% of the voting stock of certain corporate entities ("Management Companies") such as M.S. Management Associates, Inc. is owned by the SDG Operating Partnership or other members of the Simon Group. Pursuant to such arrangements, Simon Group will not own 10% of the voting stock of such entities. In addition, the value of the securities of each such entity will not exceed five percent of the value of the total assets of the REIT Member owning such securities. However, no independent appraisals have been obtained. In addition, proposed legislation would, if enacted, limit the ability of the Management Companies to expand future operations. See "RISK FACTORS -- Certain Tax Risks -- REIT Classification; Legislation Limiting Benefits of Paired Share Status."

After initially meeting the asset tests at the close of any quarter, none of the REIT Members will lose its status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If the failure to satisfy the asset tests results from an acquisition of securities or other property during a quarter, the failure can be cured by disposition of sufficient nonqualifying assets within 30 days after the close of that quarter. It is intended that each of the REIT Members will maintain adequate records of the value of their assets to ensure compliance with the asset tests, and to take such other action within 30 days after the close of any quarter as may be required to cure any noncompliance. However, there can be no assurance that such other action will always be successful.

Annual Distribution Requirements. In order to be taxed as REITs, each of the REIT Members will be required to meet certain annual distribution requirements. Each REIT Member will have to distribute dividends (other than capital gain dividends) to its stockholders in an amount at least equal to (i) the sum of (a) 95% of the REIT Member's "REIT taxable income" (computed without regard to the dividends paid deduction and the REIT Member's net capital gain) and (b) 95% of the net income, if any, from foreclosure property in excess of the special tax on income from foreclosure property, minus (ii) the sum of certain items

of noncash income. In addition, during the Restriction Period, if Simon Group disposes of any asset that is subject to the Built-in Gain Rules, Simon Group will be required, pursuant to guidelines issued by the IRS, to distribute at least 95% of the Built-in Gain (after tax), if any, recognized on the disposition of such asset. Such distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before the REIT Member timely files its tax return for such year and if paid on or before the first regular dividend payment after such declaration.

To the extent that any REIT Member does not distribute all of its net capital gain or distributes at least 95% (but less than 100%) of its REIT taxable income, as adjusted, it will be subject to tax on the undistributed portion, at regular ordinary and capital gains corporate tax rates. Furthermore, if any REIT Member fails to distribute during each calendar year at least the sum of (a) 85% of its REIT ordinary income for such year, (b) 95% of its REIT capital gain net income for such year, and (c) any undistributed taxable income from prior periods, the company will be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed. Each of the REIT Members intend to make timely distributions sufficient to satisfy this annual distribution requirement and avoid the imposition of any income or excise tax. It is expected that Simon Group's taxable income will be less than its cash flow, due to the allowance of depreciation and other noncash charges in computing Simon Group's taxable income. Accordingly, Simon Group anticipates that it will generally have sufficient cash or liquid assets to enable it to satisfy the 95% distribution requirement.

Pursuant to recently enacted legislation and if a REIT Member so elects, it may retain, rather than distribute, its net long-term capital gains and pay the tax on such gains. In such a case, the stockholders would include their proportionate share of the undistributed long-term capital gains in income. However, the stockholders would then be deemed to have paid their share of the tax, which would be credited or refunded to them. In addition, the stockholders would be able to increase their basis of their shares in the REIT Member by the amount of the undistributed long-term capital gains (less the amount of capital gains tax paid by the REIT Member) included in the stockholder's long-term capital gains.

It is possible that, from time to time, one or more of the REIT Members may not have sufficient cash or other liquid assets to meet the 95% distribution requirement due to timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of such income and deduction of such expenses in arriving at taxable income of the REIT Member or if the amount of nondeductible expenses such as principal amortization or capital expenditures exceed the amount of noncash deductions. In the event that such situation occurs, in order to meet the 95% distribution requirement, the REIT Members may find it necessary to arrange for short-term, or possibly long-term, borrowings or to pay dividends in the form of taxable stock dividends.

Under certain circumstances, a REIT Member may be able to rectify a failure to meet the distribution requirement for a year by paying "deficiency dividends" to stockholders in a later year, which may be included in the REIT Member's deduction for dividends paid for the earlier year. Thus, a REIT Member may be able to avoid being taxed on amounts distributed as deficiency dividends; however, such REIT Member will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

Failure to Qualify

If any REIT Member fails to qualify for taxation as a REIT in any taxable year, and the relief provisions do not apply, such REIT Member would be subject to tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to stockholders in any year in which a REIT Member fails to qualify will not be deductible by the REIT Member nor will they be required to be made. In such event, to the extent of current or accumulated earnings and profits, all distributions to stockholders will be taxable as ordinary income, and subject to certain limitations of the Code, corporate distributees may be eligible for the dividends-received deduction. Unless entitled to relief under specific statutory provisions, the REIT Member will also be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances a REIT Member

would be entitled to such statutory relief. As discussed above, disqualification of one REIT Member will cause disqualification of other REIT Members owning an interest in the disqualified REIT Member.

Taxation of U.S. Stockholders

As used herein, the term "U.S. Stockholder" means a holder of shares of Simon Group Equity Stock that (for United States federal income tax purposes) (i) is a citizen or resident of the United States, (ii) is a corporation, partnership, or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) is an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) is a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. For any taxable year for which Simon Group qualifies for taxation as a REIT, amounts distributed to taxable U.S. Stockholders will be taxed as follows:

Distributions Generally

Distributions to U.S. Stockholders, other than capital gain dividends discussed below, will be taxable as ordinary income to such holders up to the amount of Simon Group's current or accumulated earnings and profits. Such distributions are not eligible for the dividends-received deduction for corporations. To the extent that Simon Group makes distributions in excess of its current or accumulated earnings and profits, such distributions will first be treated as a tax-free return of capital, reducing the adjusted tax basis in the U.S. Stockholders' shares of Simon Group Equity Stock, and distributions in excess of the U.S. Stockholders' tax basis in their respective shares of the Simon Group Equity Stock will be taxable as gain realized from the sale of such shares. Dividends declared by Simon Group in October, November, or December of any year payable to a stockholder of record on a specified date in any such month will be treated as both paid by Simon Group and received by the stockholder on December 31 of such year, provided that the dividend is actually paid by Simon Group during January of the following calendar year. Stockholders may not include on their own income tax returns any tax losses of Simon Group.

Capital Gain Dividends

Dividends to U.S. Stockholders that are properly designated by Simon Group as capital gain dividends will be treated as long-term capital gain (to the extent they do not exceed Simon Group's actual net capital gain) for the taxable year without regard to the period for which the stockholder has held his stock. Corporate stockholders, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

Simon Group may elect to retain and pay income tax on some or all of its undistributed net capital gains, in which case Simon Group's stockholders will include such retained amount in their income. In that event the stockholders would be entitled to a tax credit or refund in the amount of the tax paid by Simon Group on the undistributed gain allocated to the stockholders and the stockholders would be entitled to increase their tax basis by the amount of undistributed capital gains allocated to such stockholders reduced by the amount of the credit. In addition, Notice 97-64 provides temporary guidance with respect to the taxation of capital gain dividends. Pursuant to Notice 97-64, forthcoming Temporary Regulations will provide that capital gains allocated to a stockholder by Simon Group may be designated as a 20% rate gain distribution, an unrecaptured Section 1250 gain distribution subject to a 25% rate, or a 28% rate gain distribution. In determining the amounts which may be designated as each class of capital gains dividends, a REIT must calculate its net capital gains as if it were an individual subject to a marginal tax rate of 28%. Unless specifically designated otherwise by Simon Group, a distribution designated as a capital gain distribution is presumed to be a 28% rate gain distribution. If Simon Group elects to allocate any undistributed net long-term capital gain to its stockholders, as discussed above, the undistributed long-term capital gains are considered to be designated as capital gain dividends for purposes of Notice 97-64.

Dispositions of Shares of Common Stock

A U.S. Stockholder will recognize gain or loss on the sale or exchange of shares of Simon Group Equity Stock to the extent of the difference between the amount realized on such sale or exchange and the holder's adjusted tax basis in such shares. Such gain or loss generally will constitute long-term capital gain or loss if the holder has held such shares for more than one year. Individual taxpayers are subject to a maximum tax rate of 28% on long-term capital gain (20% if the shares were held for more than 18 months). Losses incurred on the sale or exchange of shares of common stock held for six months or less (after applying certain holding period rules), however, will generally be deemed long-term capital loss to the extent of any long-term capital gain dividends received by the U.S. Stockholder and undistributed capital gains allocated to such U.S. Stockholder with respect to such shares.

Passive Activity and Loss; Investment Interest Limitations

Distributions from Simon Group and gain from the disposition of the shares of Simon Group Equity Stock will not ordinarily be treated as passive activity income, and therefore, U.S. Stockholders generally will not be able to apply any "passive losses" against such income. Dividends from Simon Group (to the extent they do not constitute a return of capital) generally will be treated as investment income for purposes of the investment interest limitation. Net capital gain from the disposition of Simon Group Equity Stock and capital gain dividends generally will be excluded from investment income unless the taxpayer elects to have the gain taxed at ordinary rates.

Treatment of Tax Exempt U.S. Stockholders

The IRS has ruled that amounts distributed by a REIT to a tax-exempt pension trust do not constitute unrelated business taxable income ("UBTI"). Although rulings are merely interpretations of law by the IRS and may not be relied on by anyone other than the taxpayer to whom it was addressed, based on this analysis, indebtedness incurred by Simon Group in connection with the acquisition of an investment will not cause any income derived from the investment to be treated as UBTI to a tax-exempt entity. A tax-exempt entity that incurs indebtedness to finance its purchase of shares, however, will be subject to UBTI by virtue of the acquisition indebtedness rules.

In addition, qualified trusts that hold more than ten percent (by value) of the interests in a REIT are required to treat a percentage of REIT dividends as UBTI. The requirement applies only if (i) the qualification of the REIT depends upon the application of a "look-through" exception to the restriction on REIT stockholdings by five or fewer individuals, including qualified trusts (see "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK") and (ii) the REIT is "predominantly held" by qualified trusts. It is not anticipated that Simon Group will be "predominantly held" by qualified trusts.

Special Tax Consideration for Foreign Stockholders

The rules governing United States federal income taxation of non-resident alien individuals, foreign corporations, foreign partnerships, and foreign trusts and estates (collectively, "Non-U.S. Stockholders") are complex, and the following discussion is intended only as a summary of such rules. Prospective Non-U.S. Stockholders should consult with their own tax advisors to determine the impact of federal, state, and local income tax laws on an investment in Simon Group, including any reporting requirements, as well as the tax treatment of such an investment under their home country laws.

In general, Non-U.S. Stockholders will be subject to regular United States federal income tax with respect to their investment in Simon Group if such investment is "effectively connected" with the Non-U.S. Stockholder's conduct of a trade or business in the United States. A corporate Non-U.S. Stockholder that receives income that is (or is treated as) effectively connected with a United States trade or business may also be subject to the branch profits tax under section 884 of the Code, which is payable in addition to regular United States corporate income tax. The following discussion will apply to Non-U.S. Stockholders whose investment in Simon Group is not so effectively connected. Simon Group expects to withhold United States income tax, as described below, on the gross amount of any distributions paid to a Non-U.S. Stockholder

unless (i) a lower treaty rate applies and the required form evidencing eligibility for that reduced rate is filed with Simon Group, or (ii) the Non-U.S. Stockholder files an IRS Form 4224 with Simon Group, claiming that the distribution is "effectively connected" income.

A distribution by Simon Group that is not attributable to gain from the sale or exchange by Simon Group of a United States real property interest and that is not designated by Simon Group as a capital gain dividend will be treated as an ordinary income dividend to the extent made out of current or accumulated earnings and profits. Generally, an ordinary income dividend will be subject to a United States withholding tax equal to 30% of the gross amount of the distribution unless such tax is reduced or eliminated by an applicable tax treaty. A distribution of cash in excess of Simon Group's earnings and profits will be treated first as a return of capital that will reduce a Non-U.S. Stockholder's basis in its shares of the Simon Group Equity Stock (but not below zero) and then as gain from the disposition of such shares, the tax treatment of which is described under the rules discussed below with respect to dispositions of shares.

Distributions by Simon Group that are attributable to gain from the sale or exchange of a United States real property interest will be taxed to a Non-U.S. Stockholder under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). Beginning with payments made on or after January 1, 1999, newly issued Treasury Regulations require a corporation that is a REIT to treat as a dividend the portion of a distribution that is not designated as a capital gain dividend or return of basis and apply the 30% withholding tax (subject to any applicable deduction or exemption) to such portion, and to apply the provisions of the FIRPTA withholding rules discussed below with respect to the remainder of the distribution. Under FIRPTA, such distributions are taxed to a Non-U.S. Stockholder as if such distributions were gains "effectively connected" with a United States trade or business. Accordingly, a Non-U.S. Stockholder will be taxed at the normal capital gain rates applicable to a U.S. Stockholder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals). Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a foreign corporate stockholder that is not entitled to treaty exemption.

Simon Group will be required to withhold from distributions to Non-U.S. Stockholders, and remit to the IRS, (i) 35% of designated capital gain dividends (or, if greater, 35% of the amount of any distributions that could be designated as capital gain dividends) and (ii) 30% of ordinary dividends paid out of earnings and profits. In addition, if Simon Group designates prior distributions as capital gain dividends, subsequent distributions, up to the amount of such prior distributions not withheld against, will be treated as capital gain dividends for purposes of withholding. A distribution in excess of Simon Group earnings and profits may be subject to 30% dividend withholding if at the time of the distribution it cannot be determined whether the distribution will be in an amount in excess of Simon Group's current or accumulated earnings and profits. Tax treaties may reduce Simon Group's withholding obligations. If the amount withheld by Simon Group with respect to a distribution to a Non-U.S. Stockholder exceeds the stockholder's United States tax liability with respect to such distribution (as determined under the rules described in the two preceding paragraphs), the Non-U.S. Stockholder may file for a refund of such excess from the IRS. It should be noted that the 35% withholding tax rate on capital gain dividends currently corresponds to the maximum income tax rate applicable to corporations, but is higher than the 28% maximum rate on capital gains of individuals.

Unless the shares of Simon Group constitute a "United States real property interest" within the meaning of FIRPTA or are effectively connected with a U.S. trade or business, a sale of such shares by a Non-U.S. Stockholder generally will not be subject to United States taxation. The shares of Simon Group will not constitute a United States real property interest if Simon Group is a "domestically controlled REIT." A domestically controlled REIT is a REIT in which at all times during a specified testing period less than 50% in value of its shares is held directly or indirectly by Non-U.S. Stockholders. It is currently anticipated Simon Group will be a domestically controlled REIT, and therefore that the sale of shares in Simon Group will not be subject to taxation under FIRPTA. However, because the shares of Simon Group are publicly traded, no assurance can be given that Simon Group will continue to be a domestically controlled REIT. Notwithstanding the foregoing, capital gain not subject to FIRPTA will be taxable to a Non-U.S. Stockholder if the Non-U.S. Stockholder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions apply, in which case the nonresident alien individual will

be subject to a 30% tax on such individual's capital gains. If Simon Group did not constitute a domestically controlled REIT, whether a Non-U.S. Stockholder's sale of shares of Simon Group would be subject to tax under FIRPTA as a sale of a United States real property interest would depend on whether the shares were "regularly traded" (as defined by applicable Treasury Regulations) on an established securities market (e.g., the NYSE, on which the shares of Simon Group Common Stock are listed) and on the size of the selling stockholder's interest in Simon Group (i.e., 5% or greater ownership). If the gain on the sale of Simon Group's shares were subject to taxation under FIRPTA, the Non-U.S. Stockholder would be subject to the same treatment as a U.S. Stockholder with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In any event, a purchaser of shares of the Simon Group Common Stock from a Non-U.S. Stockholder will not be required under FIRPTA to withhold on the purchase price if the purchased shares of the Simon Group Common Stock are "regularly traded" on an established securities market or if Simon Group is a domestically controlled REIT. Otherwise, under FIRPTA the purchaser of shares of the Simon Group Common Stock may be required to withhold ten percent of the purchase price and remit such amount to the IRS.

INCOME TAXATION OF THE PARTNERSHIPS, THE PROPERTY PARTNERSHIPS AND THEIR PARTNERS

The following discussion summarizes certain federal income tax considerations applicable to Simon Group's investment in the SDG Operating Partnership and the Property Partnerships.

Classification of the Partnerships and the Property Partnerships as Partnerships

The REIT Members will be entitled to include in their income their distributive share of the income and to deduct their distributive share of the losses of SDG Operating Partnership and other partnerships in which they own interests only if such partnerships are classified for federal income tax purposes as partnerships rather than as associations taxable as corporations. Under applicable Treasury Regulations, such partnerships will be classified as partnerships for federal income tax purposes.

Partners, Not Partnerships, Subject to Tax

A partnership is not a taxable entity for federal income tax purposes. Rather, a partner is required to take into account its allocable share of a partnership's income, gains, losses, deductions, and credits for any taxable year of the partnership ending within or with the taxable year of the partner, without regard to whether the partner has received or will receive any distributions from the partnership.

Partnership Allocations

Although a partnership agreement will generally determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes under section 704(b) of the Code if they do not comply with the provisions of section 704(b) of the Code and the Treasury Regulations promulgated thereunder as to substantial economic effect.

If an allocation is not recognized for federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of the SDG Operating Partnership and property partnerships are intended to comply with the requirements of section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

Sale of Property

Generally, any gain realized on the sale of real property by a REIT Member will be capital gain, except for any portion of such gain that is treated as depreciation or cost recovery recapture. However, under the REIT Requirements, a REIT Member's share, as a partner, of any gain realized by SDG Operating Partnership (or any other partnership) on the sale of any property held as inventory or other property held primarily for sale to customers in the ordinary course of a trade or business will be treated as income from a

prohibited transaction that is subject to a 100% penalty tax. See "-- Taxation of Simon Group." Such prohibited transaction income will also have an adverse effect upon the REIT Member's ability to satisfy the income tests for REIT status. See "-- Requirements for Qualification -- Income Tests." Whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances with respect to the particular transaction. A safe harbor to avoid classification as a prohibited transaction exists as to real estate assets held for the production of rental income by a REIT for at least four years where in any taxable year the REIT has made no more than seven sales of property or, in the alternative, the aggregate of the adjusted bases of all properties sold does not exceed ten percent of the adjusted bases of all of the REIT's properties during the year and the expenditures includible in a property's basis made during the four-year period prior to disposition must not exceed 30% of the property's net sales price. Simon Group intends to hold the Portfolio Properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing, owning, operating and leasing the Portfolio Properties and to make such occasional sales of the Portfolio Properties, including peripheral land, as are consistent with its investment objectives. No assurance can be given, however, that every property sale by Simon Group will constitute a sale of property held for investment.

Information Reporting Requirement and Backup Withholding Tax

Simon Group will report to its U.S. Stockholders and the IRS the amount of distributions paid during each calendar year and the amount of tax withheld, if any. Under certain circumstances, U.S. Stockholders may be subject to backup withholding at a rate of 31% with respect to distributions paid. Backup withholding will apply only if the holder (i) fails to furnish its taxpayer identification number ("TIN") (which, for an individual, would be his Social Security number), (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed properly to report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. Backup withholding will not apply with respect to payments made to certain exempt recipients, such as corporations and tax-exempt organizations. U.S. Stockholders should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to a payment to a U.S. Stockholder will be allowed as a credit against such U.S. Stockholder's United States federal income tax liability and may entitle such U.S. Stockholder to a refund, provided that the required information is furnished to the IRS.

Additional issues may arise pertaining to information reporting and backup withholding with respect to Non-U.S. Stockholders. For example, Simon Group may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their non-foreign status to Simon Group. Non-U.S. Stockholders should consult their tax advisors with respect to any such information reporting and backup withholding requirements.

FEDERAL INCOME TAXATION CONSIDERATIONS RELATING TO PAIRED SHARES

Separate Taxation

Notwithstanding that Paired Shares may only be transferred as a unit, holders of Paired Shares will be treated for U.S. federal income tax purposes as holding equal numbers of shares of Simon Group Equity Stock and CRC Common Stock. It should also be noted that, although holders of Paired Shares own beneficial interests in CRC shares through the CRC Trusts, for federal income tax purposes such holders will be treated as owning the CRC shares underlying the CRC Trusts. The tax treatment of distributions to stockholders and of any gain or loss upon the sale or other disposition of the Paired Shares (as well as the amount of gain or loss) must therefore be determined separately with respect to each share of Simon Group Equity Stock and each share of CRC Common Stock contained within each Paired Share. The tax basis and holding period for each share of Simon Group Equity Stock and CRC Common Stock also must be determined separately. See "-- Tax Consequences of the Merger." Upon a taxable sale of a Paired Share, the amount realized should be allocated between the Simon Group and CRC stock based on their then-relative values. Since CRC is not a

REIT but is instead a regular C corporation, it will be subject to corporate level tax, without the benefit of the dividend paid deduction available to REITs. In addition, recently enacted legislation will adversely affect the treatment of CRC. See "RISK FACTORS -- Certain Tax Risks -- REIT Classification; Legislation Limiting Benefits of Paired Share Status."

Distributions from CRC up to the amount of CRC's current or accumulated earnings and profits (less any earnings and profits allocable to distributions on any preferred stock of CRC) will be taken into account by U.S. Stockholders as ordinary income and generally will be eligible for the dividends-received deduction for corporations (subject to certain limitations). Distributions in excess of CRC's current and accumulated earnings and profits will not be taxable to a holder to the extent that they do not exceed the adjusted tax basis of the holder's CRC Common Stock, but rather will reduce the adjusted tax basis of such CRC Common Stock. To the extent such distributions exceed the adjusted tax basis of a holder's CRC Common Stock, they will be included in income as long-term capital gain (or, in the case of individuals, trusts and estates, mid-term capital gain if the CRC Common Stock has been held for more than one year but not more than 18 months, and in the case of all taxpayers short-term capital gain if the CRC Common Stock has been held for one year or less), assuming the shares are a capital asset in the hands of the stockholder. Such capital gain will be long-term capital gain if the shares have been held for more than one year. Individual taxpayers are subject to a maximum tax rate of 28% on long-term capital gain (20% if the shares were held for more than 18 months).

A sale of CRC Common Stock, if considered a sale or exchange of a United States real property interest, will be taxed to a non-U.S. stockholder under FIRPTA. It is unclear whether the assets of CRC would cause CRC to constitute a real property holding company, thereby causing CRC stock to be United States real property interests. Even if CRC is considered a real property holding company, whether a Non-U.S. Stockholder's sale of shares of CRC would be subject to tax under FIRPTA as a sale of a United States real property interest would depend on whether the shares are "regularly traded" (as defined by applicable Treasury Regulations) on an established securities market (e.g., the NYSE, on which the shares of Simon Group Common Stock will be listed) and on whether the selling stockholder owns or owned more than 5% of the CRC Common Stock. See "-- Special Tax Consideration for Foreign Stockholders."

STATE AND LOCAL TAX CONSIDERATIONS

Simon Group is and its stockholders may be subject to state or local taxation in various state or local jurisdictions where Simon Group, its affiliates and its stockholders transact business or reside. The state and local tax treatment of the Simon Group and its stockholders may not conform to the federal income tax consequences discussed above. Consequently, prospective stockholders should consult their own tax advisors regarding the effect of state and local tax laws on their investment in the Simon Group.

POSSIBLE FEDERAL TAX DEVELOPMENTS

The rules dealing with federal income taxation are constantly under review by the IRS, the Treasury Department and Congress. New federal tax legislation or other provisions may be enacted into law or new interpretations, rulings or Treasury Regulations could be adopted, all of which could affect the taxation of Simon Group and its stockholders. See, for example, "RISK FACTORS -- Certain Tax Risks." No prediction can be made as to the likelihood of passage of any new tax legislation or other provisions either directly or indirectly affecting Simon Group or their stockholders. Consequently, the tax treatment described herein may be modified prospectively or retroactively by legislative action.

ACCOUNTING TREATMENT

Simon Group will account for the Merger between SDG and the CPI merger subsidiary as a reverse acquisition in accordance with Accounting Principles Board Opinion No. 16. Although Simon Group Equity Stock will be issued to SDG stockholders and SDG will become a substantially wholly owned subsidiary of Simon Group following the Merger, CPI is considered the business acquired for accounting purposes. SDG is the acquiring company because the SDG stockholders will represent in excess of a majority of the stockholders of Simon Group. The fair market value of the consideration given by the acquiring company will

be used as the valuation basis for the combination of SDG and CPI. The assets and liabilities of CPI will be revalued by SDG to their respective fair market values at the Effective Time.

The SDG Operating Partnership will contribute cash to CRC and the newly formed SRC Operating Partnership on behalf of the SDG stockholders and the limited partners of the SDG Operating Partnership to obtain the beneficial interests in CRC which will be paired with the shares to be issued by Simon Group and to obtain units in the SRC Operating Partnership so that the limited partners of the SDG Operating Partnership will hold the same proportionate interest in the SRC Operating Partnership as they hold in the SDG Operating Partnership at the Effective Time of the Merger. The cash contributed to CRC and the CRC Operating Partnership represent stock and partnership units for cash transactions. The assets and liabilities of CRC will not be adjusted to fair market value but will be reflected at historical cost because the SDG stockholders' beneficial interest in CRC will be less than 80%.

Following the Merger and related transactions, the separate consolidated financial statements will be filed pursuant to the Exchange Act for each of Simon Group (formerly CPI) and SPG Realty Consultants, Inc. (formerly CRC) as required under Rule 3-01 and Rule 3-02 of Regulation S-X of the Securities Act. Management plans to submit the separate financial statements of Simon Group and SRC Realty Consultants, Inc. in a joint filing and may also include combined financial statements of Simon Group and SRC Realty Consultants, Inc. in those filings. Since SDG is the predecessor to Simon Group, the historical financial statements of Simon Group will be the historical financial statements of SDG.

REGULATORY APPROVAL

Other than (i) the Commission's declaring effective the Registration Statement containing this Proxy Statement/Prospectus, (ii) approvals in connection with compliance with applicable blue sky or state securities laws, (iii) the filing of the articles of merger with the Maryland State Department, (iv) the filing of such reports under Section 13(a) of the Exchange Act, as may be required in connection with the Merger Agreement and related transactions, and (v) such filings as may be required in connection with the payment of any taxes or the transfer of properties, neither the management of SDG nor the management of CPI believes that any filing with or approval of any governmental authority is necessary in connection with the consummation of the Merger.

CERTAIN TRANSACTIONS AND AGREEMENTS RELATING TO THE MERGER

In connection with the Merger Agreement and the Merger, certain other transaction agreements have been or will be entered into on or prior to the Effective Time which provide for the consummation of the other transactions on or prior to the Effective Time.

CPI Stockholder Voting Agreements. At the time SDG and CPI entered into the Merger Agreement, certain stockholders of CPI, representing 15,811,456 shares (approximately 62.4%) of the CPI Common Stock and 153,450 shares (approximately 73.3%) of the CPI Series A Preferred Stock, entered into substantially similar Stockholder Voting Agreements as a condition to SDG entering into the Merger Agreement. The voting power of such stockholders represents more than the requisite number of votes necessary to approve and adopt the Merger Agreement and the transactions contemplated thereby, except that the adoption of the Simon Group Charter requires the vote of 80% of the voting power of the outstanding voting stock and is a condition to the Merger. The following discusses the material terms of the Stockholder Voting Agreements.

Stockholder Voting Agreements, dated as of February 18, 1998, were entered into by each of Stichting Pensioenfonds Voor De Gezondheid Geestelijke En Maatschappelijke Belangen ("PGGM"), the Kuwait Fund for Arab Economic Development, the Arab Fund for Economic and Social Development, the Kuwait Investment Authority, as Agent for the Government of Kuwait, and State Street Bank and Trust Company, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust (collectively, the "Stockholders"). The Stockholder Voting Agreements are applicable to all CPI Common Stock, CPI

Series A Preferred Stock and the related beneficial interests in shares of CRC Common Stock owned by each of the Stockholders (collectively, the "Owned Shares").

Until the expiration of the Voting Period (the earliest of (x) the Effective Time, (y) the termination of the Merger Agreement in accordance with its terms or (z) November 30, 1998), each of the Stockholders has agreed to vote its Owned Shares in favor of the Merger and the approval and adoption of the Merger Agreement and each of the transactions contemplated by the Merger Agreement. Each of the Stockholders also has agreed to vote its Owned Shares against any action or agreement that would result in a material breach of any covenant, representation or warranty or other obligation or agreement of CPI or CRC under the Merger Agreement or of the Stockholder under the Stockholder Voting Agreement. Finally, each Stockholder has agreed to vote against any extraordinary corporate transaction and certain other actions involving CPI or CRC. Each of the Stockholders has further agreed that until the expiration of the Voting Period, it will not (i) transfer any Owned Shares, (ii) grant any proxies or powers of attorney, deposit any Owned Shares into a voting trust or enter into a voting agreement, understanding or arrangement with respect to Owned Shares that would conflict with the proxy granted under the Stockholder Voting Agreement or (iii) take any action that would make any representation or warranty untrue or incorrect or would result in a breach by the Stockholder of its obligations under the Stockholder Voting Agreement; provided, however, that the Stockholder shall not be prevented from transferring its Owned Shares to any person who executes and delivers to SDG an agreement substantially the same as the Stockholder Voting Agreement.

Each of the Stockholders also has agreed that until the expiration of the Voting Period, the Stockholder and its affiliates (other than CPI, CRC and their respective Entities) shall not, and shall instruct their respective officers, directors, employees, agents or other representative not to (i) directly or indirectly solicit, initiate or encourage, or take any other action to facilitate, any inquiries or proposals from any person that constitute, or may be reasonably be expected to lead to, an Alternative Proposal for CPI or CRC; (ii) enter into, maintain, or continue discussions or negotiations with any party, other than SDG, in furtherance of such inquiries or to obtain an Alternative Proposal for CPI or CRC; (iii) agree to or endorse any Alternative Proposal for CPI or CRC; or (iv) authorize or permit the representatives of the Stockholder or any of its affiliates to take any such action; provided, however, that neither the Stockholder nor its representatives on the Board of Directors of CPI or CRC are prevented from taking actions to the same extent and in the same circumstances permitted for the Boards of Directors of CPI and CRC in the Merger Agreement. The Stockholder Voting Agreements assure that the transactions contemplated by the Merger Agreement, other than the adoption of the Simon Group Charter which requires the vote of 80% of the voting power of the outstanding voting stock and is a condition to the Merger, will be approved by CPI and CRC stockholders at a vote on the matter.

The Operating Partnerships After the Merger; Simon Group Contribution Agreement. Pursuant to the Contribution Agreement, at the Effective Time Simon Group will transfer, or direct the transfer of, substantially all of its assets and liabilities to the SDG Operating Partnership and one or more subsidiaries in consideration for limited partnership interests in the SDG Operating Partnership, as more fully described under "-- Structure of Simon Group."

Following the Merger and assuming the exercise of all CPI options and the contribution of assets and liabilities of Simon Group to the SDG Operating Partnership, Simon Group, directly and through its ownership of SDG, will own an approximate 71.4% interest in the SDG Operating Partnership and will be a general partner of the SDG Operating Partnership. The SDG Limited Partners will own beneficially, in the aggregate, a 28.6% limited partnership interest in the SDG Operating Partnership.

In connection with the Merger, CRC will contribute all of its assets and liabilities to the newly-formed SRC Operating Partnership, will own a 71.4% interest in the SRC Operating Partnership and will be the sole general partner of the CRC Operating Partnership. The SDG Limited Partners also will become limited partners of the SRC Operating Partnership and will own beneficially, in the aggregate, the remaining 28.6% limited partnership interest in the SRC Operating Partnership. The Amended SDG Operating Partnership Agreement will provide for the pairing of the SDG Units with the CRC Units. The SDG Operating

Partnership Agreement currently provides that the net proceeds of all offerings of shares of capital stock by SDG will be contributed to the SDG Operating Partnership in consideration for the issuance to SDG of additional interests in the SDG Operating Partnership. Following the Merger, the Amended SDG Operating Partnership Agreement and the SRC Operating Partnership Agreement will each provide that the net proceeds of all offerings of shares of capital stock by Simon Group, which shares (to the extent they consist of shares of Simon Group Equity Stock or convertible Simon Group Preferred Stock) will be paired with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock, will be contributed to the operating partnerships. Upon such contribution, the SDG Operating Partnership will issue to Simon Group, and the SRC Operating Partnership will issue to CRC, an additional number of paired Units in such operating partnerships equal to the number of such shares and beneficial trust interests issued by Simon Group and CRC, respectively. The Amended SDG Operating Partnership Agreement and the SRC Operating Partnership Agreement also will provide that the net proceeds of all incurrences of indebtedness by Simon Group (or its subsidiaries) or CRC will be loaned to the SDG Operating Partnership or the CRC Operating Partnership, as the case may be. The SDG Operating Partnership Agreement currently provides that holders of SDG Units have the right to exchange all or any portion of their SDG Units for SDG Common Stock on a one-for-one basis or, at SDG's option, cash equal to the then market value of such shares, as determined by SDG. Following the Merger, each SDG Unit together with the paired CRC Unit will be exchangeable for cash or for a share of Simon Group Common Stock and a beneficial interest in CRC Common Stock, as determined by Simon Group and CRC.

Under the provisions of SDG's existing registration rights agreements, holders of SDG Units who receive shares of SDG Common Stock in exchange for such SDG Units have the right, under certain circumstances and subject to certain conditions, to require that SDG register such shares for public distribution. As described below, New Registration Rights Agreements will be executed to provide that the holders of the SDG Units and CRC Units who receive shares of Simon Group Common Stock and beneficial trust interests in the CRC Common Stock owned by the CRC Trusts will have the right, under such circumstances and subject to such conditions, to require that Simon Group register the Simon Group Common Stock for public distribution.

Simon Group Issuance Agreement. In connection with the Merger, Simon Group and CRC will enter into the Issuance Agreement, the purpose of which is to ensure that a portion of the consideration paid for any newly issued Simon Group Equity Stock is transferred to CRC as consideration for the beneficial interests in the CRC Trusts paired with such newly issued stock. Pursuant to the Issuance Agreement, whenever Simon Group issues shares of Simon Group Common Stock or Simon Group Preferred Stock convertible into shares of Simon Group Equity Stock (but only to the extent such preferred stock is designated as "Special Preferred Stock"), CRC shall issue to the CRC Trusts a number of shares of CRC Common Stock such that, immediately after such issuance of CRC Common Stock, the CRC Proportionate Interest of each CRC Trust shall equal the Simon Group Proportionate Interest of the series of capital stock of Simon Group related to such CRC Trust. For purposes of the foregoing, the "CRC Proportionate Interest" for any CRC Trust at any date shall mean a fraction, the numerator of which shall be the number of shares of CRC Common Stock held in such CRC Trust and the denominator of which shall be the number of shares of CRC Common Stock outstanding, and the "Simon Group Proportionate Interest" shall mean (i) with respect to the Simon Group Equity Stock at any date, a fraction, the numerator of which shall be the number of shares of Simon Group Equity Stock outstanding at such date and the denominator of which shall be the sum of the number of shares of Simon Group Equity Stock outstanding and the aggregate number of shares of Simon Group Equity Stock issuable upon conversion of all outstanding shares of all series of Simon Group Special Preferred Stock, and (ii) with respect to any series of Simon Group Special Preferred Stock, a fraction, the numerator of which shall be the number of shares of Simon Group Equity Stock issuable upon conversion of such series of Special Preferred Stock and the denominator of which shall be the sum of the number of shares of Simon Group Equity Stock outstanding and the aggregate number of shares of Simon Group Equity Stock issuable upon conversion of all outstanding shares of all series of Simon Group Special Preferred Stock. Pursuant to the Issuance Agreement, whenever CRC shall issue shares of CRC Common Stock Simon Group shall simultaneously pay to CRC an amount equal to the greater of (i) the aggregate par value of the shares of CRC Common Stock issued and (ii) the amount determined in good faith by the Board of Directors of CRC

to represent the fair market net asset value of the shares of CRC Common Stock issued (less the aggregate consideration paid to CRC by parties other than Simon Group in connection with such issuance of CRC Common Stock). See "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK."

Issuance of Interests in CRC and SRC Operating Partnership. In accordance with the Issuance Agreement, the SDG Operating Partnership will arrange for cash to be contributed at the Effective Time on behalf of SDG's stockholders to CRC as payment (the "CRC Payment") for the beneficial interests in the CRC Trusts (which will be paired with the shares of Simon Group Equity Stock to be issued to SDG stockholders in the Merger). The SDG Operating Partnership will also simultaneously arrange for cash to be contributed at the Effective Time on behalf of the limited partners of the SDG Operating Partnership to the SRC Operating Partnership as payment (the "Operating Partnership Payment") for units of the SRC Operating Partnership which will, in turn, be received by the limited partners of the SDG Operating Partnership. This is intended to ensure that the limited partners of the SDG Operating Partnership have the same proportionate interest in the SRC Operating Partnership as they will have in the SDG Operating Partnership. The CRC Payment reflects the amount of cash required to be paid to CRC such that, following such contribution, SDG stockholders will hold the same proportionate interest in CRC as they will hold in Simon Group upon consummation of the Merger, without diluting the value of beneficial interests in the CRC Trusts paired with the previously outstanding shares of CPI Common Stock. Based upon a preliminary estimate of the value of CRC's net assets as determined by SDG's management, the amount of the CRC Payment is estimated to be approximately $14 million and the Operating Partnership Payment is estimated to be approximately $8 million. At the Effective Time, the Board of Directors of CRC will make a determination of the fair market value of CRC's net assets based upon information then available. SDG's management does not expect that the final amount will differ materially from the preliminary estimates. The CRC Payment will be contributed by CRC to the SRC Operating Partnership and all amounts will be used for working capital and general purposes, subject to restrictions described in the SRC Operating Partnership Agreement. See "CERTAIN PROVISIONS OF THE SDG OPERATING PARTNERSHIP AGREEMENT, THE SRC OPERATING PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW."

To implement the CRC Payment, the following actions will be taken by the SDG Operating Partnership and its general partners. Immediately prior to the Effective Time, the SDG Operating Partnership will distribute the CRC Payment to its general partners, SD Property Group, Inc. and SDG. SD Property Group, Inc. will, in turn, dividend the cash it receives from the SDG Operating Partnership to SDG and its other stockholders who own, in the aggregate, less than .01% of SD Property Group, Inc. The CRC Payment will be held by SDG, which will, at the Effective Time, transfer the cash dividend it holds to CRC as payment on behalf of its stockholders for the beneficial interests in the CRC Trusts to be paired with the shares of Simon Group Equity Stock to be issued to SDG stockholders in the Merger. Pursuant to the terms of the CRC Trusts, the beneficial interests of CRC will be automatically paired with the shares of Simon Group Equity Stock issued to SDG stockholders in the Merger. To implement the Operating Partnership Payment, the SDG Operating Partnership will make the Operating Partnership Payment in consideration for units of the SRC Operating Partnership, which will, in turn, be received by the limited partners of the SDG Operating Partnership.

New Registration Rights Agreements. Simon Group will enter into the New Registration Rights Agreements or amendments to existing registration rights agreements, granting registration rights with respect to shares of Simon Group Equity Stock and Simon Group Preferred Stock, as applicable, held by certain existing stockholders of CPI and issuable upon exchange of SDG Units held by existing stockholders of SDG, including Melvin Simon, Herbert Simon and David Simon. The terms and conditions of the New Registration Rights Agreements are substantially similar to those of SDG's existing registration rights agreements.

STRUCTURE OF SIMON GROUP

As of March 31, 1998, SDG owned or held interests in the SDG Portfolio Properties through its 63.1% general partnership interest in the SDG Operating Partnership. As of March 31, 1998, the Simons and the SDG Limited Partners held 64,059,705 SDG Units in the SDG Operating Partnership, representing the remaining 36.9% interest in the SDG Operating Partnership not held directly or indirectly by SDG. As of such date, the Simons beneficially owned 34,584,455 SDG Units, representing 19.9% of the outstanding SDG Units. The operations of SDG are carried on through the SDG Operating Partnership and the SDG Management Company. SDG Units held by SDG Limited Partners may be exchanged for shares of SDG Common Stock on a one-for-one basis or for cash at SDG's option (the "SDG Exchange Rights"). If all SDG Units held by SDG Limited Partners outstanding on March 31, 1998, including the Simons and the other SDG Limited Partners, were exchanged for SDG Common Stock, an aggregate 64,059,705 additional shares of SDG Common Stock would be issued.

CPI owns or holds interests in the CPI Portfolio Properties directly or indirectly through other subsidiaries. At March 31, 1998, on a pro forma basis assuming the exercise of all CPI options and after giving effect to the CPI Merger Dividends, CPI would have had outstanding 54,412,100 shares of CPI Common Stock, 209,249 shares of CPI Series A Preferred Stock and 4,966,038 shares of CPI Series B Preferred Stock. After giving effect to the Merger, the Simon Group Series A Preferred Stock will be convertible into approximately 7,950,492 shares of Simon Group Common Stock and the Simon Group Series B Preferred Stock will be convertible into approximately 12,842,426 shares of Simon Group Common Stock. See "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- PREFERRED STOCK -- Simon Group Convertible Preferred Stock -- Conversion Rights." Each outstanding share of Simon Group Common Stock from and after the Effective Time will be paired with beneficial interests in the CRC Trusts which own all of the outstanding shares of CRC Common Stock. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger" and "DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK."

The Merger will result in the combination of the existing businesses and properties of SDG, CPI and CRC. The businesses will be conducted and substantially all of such properties will be held through the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership. In the Merger, a substantially wholly owned subsidiary of CPI will merge with and into SDG, with SDG being the surviving company and becoming a subsidiary of Simon Group (with Simon Group owning in excess of 99.9% of its outstanding common shares). In exchange for each of their shares of SDG Common Stock, SDG Class B Common Stock and SDG Class C Common Stock, the stockholders of SDG will receive one share of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock, respectively. Based upon the capitalization of SDG and CPI on March 31, 1998, the stockholders of SDG would own in the aggregate approximately 67% of the outstanding shares of Simon Group Equity Stock following the Merger.

The SDG Operating Partnership will continue in existence after the Merger under the Amended SDG Operating Partnership Agreement. In accordance with the SDG Operating Partnership Agreement and the Amended SPG Operating Partnership Agreement, Simon Group is obligated to contribute substantially all of its assets and liabilities to the SDG Operating Partnership in exchange for additional Partnership units. The partnership units may be exchanged for shares of Simon Group Common Stock on a one-for-one basis or for cash at Simon Group's option. At the Effective Time, Simon Group will transfer, or direct the transfer of, substantially all of its assets (i.e., all the assets other than assets valued at approximately $153.1 million, including Ocean County Mall valued at approximately $145.8 million) and liabilities (except that Simon Group will remain a co-obligor with the SDG Operating Partnership under a $1.4 billion senior unsecured term loan pursuant to a commitment letter with The Chase Manhattan Bank and Chase Securities, Inc.) to the SDG Operating Partnership and one or more subsidiaries of the SDG Operating Partnership in consideration for 49,858,940 limited partnership interests (which equals the number of shares of CPI Common Stock outstanding after the Merger Dividends, less the number of shares equal to the value of the

former CPI assets and liabilities retained by Simon Group) and 5,175,287 preferred partnership interests (which equals the number of shares of CPI Series A Preferred Stock and CPI Series B Preferred Stock outstanding after the CPI Merger Dividends). The value of the assets and liabilities retained by Simon Group or transferred to the SDG Operating Partnership is based on the consideration to be received or retained by the stockholders of CPI in connection with the Merger and on a reported closing trading price per share of SDG Common Stock of 33 5/8 on February 18, 1998, the last trading date preceding public announcement of the Merger. The fair market value of the former CPI assets less liabilities to be transferred by Simon Group to the SDG Operating Partnership and one or more of its subsidiaries is estimated at approximately $2.4 billion. See "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA -- Note 3. Analysis of Stockholders' Equity." Such transfer will result in a reduction of the SDG Limited Partners' interests from 36.9% to 28.6%, assuming the Merger had occurred on March 31, 1998. On March 31, 1998, Melvin and Herbert Simon, Simon Group's Co-Chairmen, and David Simon, Simon Group's Chief Executive Officer, beneficially held 9.9%, 5.8% and 1.3%, respectively, of the SDG Operating Partnership, and after such transfer beneficially will hold 7.7%, 4.5% and 1.0%, respectively, assuming such transfer had occurred on March 31, 1998. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- The Operating Partnerships After the Merger; Simon Group Contribution Agreement." See also "RISK FACTORS -- Potential Conflicts of Interests Related to Operations," "-- Limits on Change of Control" and "-- Dependence on Key Personnel." Each of SDG and SD Property Group, Inc. (of which SDG owns in excess of 99.9% of its outstanding common stock) will continue as a general partner of the SDG Operating Partnership. Simon Group, both directly through its ownership of SDG will own an approximate 71.4% interest in the SDG Operating Partnership and will be a general partner of the SDG Operating Partnership assuming the Merger had occurred on March 31, 1998.

The businesses and the assets of CRC will be held by the SRC Operating Partnership, of which CRC will be the sole general partner. In connection with the formation of the SRC Operating Partnership, SDG, as a general partner of the SDG Operating Partnership, Simon Group, SRC and the SDG Limited Partners will enter into the SRC Operating Partnership Agreement, pursuant to which assuming the Merger had occurred on March 31, 1998 (i) CRC will contribute all of its assets and liabilities to the SRC Operating Partnership for a 71.4% interest in the SRC Operating Partnership and (ii) SDG Operating Partnership will contribute assets including, without limitation, land held for future development, to the SRC Operating Partnership for CRC Units representing the remaining 28.6% limited partnership interest in the SRC Operating Partnership. The SDG Operating Partnership will then distribute the CRC Units to the holders of SDG Units in proportion to their ownership interest in the SDG Operating Partnership, whereupon such holders also will become limited partners of the SRC Operating Partnership. Following the Merger, the CRC Units will be paired with the SDG Units and may be exchanged (together with the SDG Units) for shares of Simon Group Equity Stock (together with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock) on a one-for-one basis or for cash at Simon Group's option. Following the Merger, the SDG Units and CRC Units may not be exchanged or transferred separately, but only as a single unit.

After giving effect to the Merger and to the foregoing transactions, holders of SDG Equity Stock will own shares of Simon Group Equity Stock which are paired with beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock, and holders of SDG Units will own SDG Units which are paired with the CRC Units, and such paired Units will be exchangeable for shares of Simon Group Common Stock which are paired to beneficial interests in the CRC Trusts owning the outstanding shares of CRC Common Stock.

AMENDMENT TO THE SDG CHARTER

At the SDG Special Meeting, stockholders of SDG will be asked to vote upon and approve an amendment to the SDG Charter as follows:

> To provide certain voting rights (the "Voting Preferred Amendment") to holders of SDG's 8 3/4% Series B Cumulative Redeemable Preferred Stock ("SDG Series B Preferred Stock") and 7.89%

Series C Cumulative Step-Up Premium Rate Preferred Stock ("SDG Series C Preferred Stock" and together with the SDG Series B Preferred Stock, the "SDG Preferred Stock").

The following summary of the Voting Preferred Amendment does not purport to be complete and is qualified by reference to the proposed Voting Preferred Amendment to the SDG Charter, a copy of which is attached to this Proxy Statement/Prospectus as Annex F.

The Voting Preferred Amendment provides that holders of SDG Series B Preferred Stock and SDG Series C Preferred Stock will be granted the right to vote with the SDG Equity Stock (of which Simon Group will own in excess of 99.9% following the Merger) solely for the election of directors to the Board of Directors of SDG. For the purposes of such a vote, the holders of SDG Equity Stock, SDG Series B Preferred Stock and SDG Series C Preferred Stock shall vote together as one class. Accordingly, following the Merger, the holders of SDG Preferred Stock will be entitled to one vote per share, representing approximately 9.0% of the aggregate voting power when voting together as a class with the shares of SDG Equity Stock. The voting rights for the holders of SDG Series B Preferred Stock and SDG Series C Preferred Stock shall become effective immediately upon the filing of the Voting Preferred Amendment with the Maryland State Department (which is expected to be filed as soon as practicable after the SDG Meetings but prior to the consummation of the Merger) and accordingly the voting rights will not be exercisable in connection with any of the proposals at the SDG Meetings. Approval of the Voting Preferred Amendment is necessary for approval of the Merger Proposal. In structuring the Merger, a goal of the SDG Board of Directors was to have the Merger qualify as a tax-free reorganization for U.S. federal income tax purposes. The Voting Preferred Amendment, by converting the SDG Preferred Stock to "voting stock" for purposes of U.S. federal income tax analysis, will facilitate tax-free reorganization treatment. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Conditions to Consummation of the Merger." The affirmative vote of a majority of all the votes entitled to be cast by holders of the outstanding SDG Equity Stock is required to approve this amendment.

THE SDG BOARD OF DIRECTORS CONSIDERS THE VOTING PREFERRED AMENDMENT TO BE IN THE BEST INTEREST OF SDG AND ITS STOCKHOLDERS AND RECOMMENDS THAT STOCKHOLDERS VOTE FOR ITS APPROVAL AND ADOPTION.

THE MEETINGS OF STOCKHOLDERS OF SDG

INTRODUCTION

This Proxy Statement/Prospectus is being furnished in connection with the solicitation of proxies by the SDG Board of Directors for use in connection with the SDG Special Meeting and the SDG Annual Meeting and any adjournments or postponements of such meetings. It is anticipated that the mailing of the Proxy Statement/Prospectus to SDG stockholders will commence on August 13, 1998.

DATE, TIME AND PLACE OF SDG MEETINGS

The SDG Special Meeting will be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana, on September 23, 1998, at 10:00 a.m., Indianapolis time. The SDG Annual Meeting will be held immediately following the SDG Special Meeting at the same location as the SDG Special Meeting.

MATTERS TO BE CONSIDERED AT THE SDG MEETINGS

SDG Special Meeting

At the SDG Special Meeting, the holders of SDG Equity Stock, voting together as a single class, will be asked to consider and vote upon each of the SDG Proposals:

(1) The approval and adoption of an amendment to the SDG Charter to provide certain voting rights to the holders of SDG Preferred Stock effective immediately upon the filing of the Voting Preferred Amendment with the Maryland State Department (as more fully described under "AMENDMENT TO THE SDG CHARTER"). Approval of the Voting Preferred Amendment is a condition to the consideration of the Merger Proposal.

(2) The approval and adoption of the Merger Proposal, as more fully described under "THE MERGER AGREEMENT AND RELATED MATTERS."

(3) To transact such other business as may properly come before the SDG Special Meeting or any adjournment or postponement thereof.

SDG Annual Meeting

At the SDG Annual Meeting, the holders of SDG Equity Stock voting together as a single class, will be asked to consider the following proposals:

(1) The election of eleven directors (five to be elected by the holders of SDG Equity Stock, four to be elected by the holders of SDG Class B Common Stock and two to be elected by the holders of SDG Class C Common Stock) each to serve until their successors are elected and have qualified.

(2) To approve the 1998 Stock Incentive Plan.

(3) The ratification of the appointment of Arthur Andersen LLP as independent accountants for SDG for the fiscal year ended December 31, 1998.

(4) Such other business as may properly come before the SDG Annual Meeting or any adjournment or postponement thereof.

RECORD DATE AND VOTE REQUIRED

The SDG Board of Directors has fixed the close of business on July 20, 1998 as the Record Date for the SDG Annual Meeting and the SDG Special Meeting. At July 20, 1998, there were 110,482,334 shares of SDG Common Stock, 3,200,000 shares of SDG Class B Common Stock and 4,000 shares of SDG Class C Common Stock outstanding.

The Voting Preferred Amendment proposal requires approval by at least a majority of the aggregate votes entitled to be cast by holders of the outstanding SDG Equity Stock, voting together as a single class. The Merger Proposal requires approval by at least 66 2/3% of the aggregate votes entitled to be cast by holders of the outstanding SDG Equity Stock, voting together as a single class. The approval of the Merger Proposal is contingent upon approval of the Voting Preferred Amendment. Therefore, a vote against the Voting Preferred Amendment is effectively a vote against the Merger Proposal. At the SDG Annual Meeting, directors will be elected by a plurality of the votes cast for the election of directors. The approval of the 1998 Stock Incentive Plan and the ratification of the appointment of independent accountants each will require the affirmative vote of a majority of the votes cast on the matter at the SDG Annual Meeting.

In the event that there are not a sufficient number of votes to approve the Voting Preferred Amendment or the Merger Proposal at the time of the SDG Special Meeting, the persons present or named as proxies by a stockholder may propose and vote for one or more adjournments of the SDG Special Meeting to permit further solicitation of proxies. A proxy that withholds discretionary authority or that is voted against the Voting Preferred Amendment or the Merger Proposal will not be voted in favor of any adjournment or postponement of the SDG Special Meeting. The SDG Special Meeting may be adjourned by the affirmative vote of a majority of the votes present in person or by proxy.

The presence, in person or by proxy, of SDG stockholders owning shares of SDG Equity Stock representing a majority of all the votes entitled to be cast by holders of SDG Equity Stock at the SDG Special Meeting and the SDG Annual Meeting, respectively, is necessary to constitute a quorum at each such meeting. As of July 31, 1998, directors and executive officers of SDG as a group beneficially held shares of SDG Equity Stock representing 32.7% of all the votes entitled to be cast by holders of SDG Equity Stock at the SDG Meetings and each such person has advised SDG that he or she intends to vote to approve and adopt the SDG Proposals.

A proxy may indicate that all or a portion of the shares represented by such proxy are not being voted with respect to a specific proposal. This could occur, for example, when a broker is not permitted to vote shares held in street name on certain proposals in the absence of instructions from the beneficial owner. Broker non-votes and abstentions will be considered present for purposes of determining a quorum. BECAUSE APPROVAL OF THE PROPOSALS AT THE SDG SPECIAL MEETING REQUIRES THE AFFIRMATIVE VOTE OF A PROPORTION OF THE OUTSTANDING SHARES OF SDG EQUITY STOCK AS DESCRIBED ABOVE, ANY BROKER NON-VOTES OR ABSTENTIONS ON THE PROPOSAL WILL HAVE THE SAME EFFECT AS VOTES "AGAINST" THE PROPOSAL. NONE OF THE MATTERS TO BE CONSIDERED AT THE SDG ANNUAL MEETING -- THE ELECTION OF DIRECTORS, THE APPROVAL OF THE 1998 STOCK INCENTIVE PLAN AND THE RATIFICATION OF THE APPOINTMENT OF INDEPENDENT ACCOUNTANTS -- REQUIRES THE AFFIRMATIVE VOTE OF A SPECIFIED PROPORTION OF THE OUTSTANDING SHARES OF SDG EQUITY STOCK. ACCORDINGLY, BROKER NON-VOTES AND ABSTENTIONS WILL HAVE NO EFFECT ON THE RESULT OF THE VOTE ON SUCH MATTERS.

PROXY

Enclosed is a form of proxy which should be completed, dated, signed and returned by each SDG stockholder before the SDG Meetings to ensure that such stockholder's shares will be voted at the meetings. Any SDG stockholder signing and delivering a proxy has the power to revoke the proxy at any time prior to its use by filing with the Corporate Secretary of SDG a written revocation of the proxy or a duly executed proxy bearing a later date or by attending and voting in person at the meetings.

Shares represented by a properly executed proxy will be voted in accordance with the instructions indicated on such proxy with respect to the proposals at the SDG Special Meeting and the election of directors and the ratification of the appointment of independent accountants at the SDG Annual Meeting, and, at the discretion of the proxy holders, on all other matters to come properly before either meeting. If a stockholder executes a proxy with no instructions indicated thereon, shares represented by such proxy will be voted in favor of the proposals at the SDG Special Meeting and, at the SDG Annual Meeting, for the election as directors of all nominees listed on the form of proxy and for the ratification of the appointment of Arthur Andersen LLP as independent accountants for SDG for 1998.

SOLICITATION OF PROXIES

SDG will bear the expense of the proxy solicitation. Such solicitation will be by mail but also may be by telephone or in person by the directors, officers or employees of SDG who will not receive any additional compensation. In addition, SDG retained MacKenzie Partners, Inc., a proxy soliciting firm, to assist in the solicitation of proxies. SDG anticipates that the cost of such proxy soliciting firm to SDG will not exceed $12,500, plus expenses. The telephone number of MacKenzie Partners, Inc. is (212) 929-5500.

OTHER MATTERS

The SDG Board of Directors knows of no matters, other than those described in this Proxy Statement/Prospectus, which are to be brought before the SDG Special Meeting or the SDG Annual Meeting. However, if any other matters properly come before either meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their discretion on such matters.

PLEASE DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY CARD. IF THE MERGER IS APPROVED AND ADOPTED BY THE STOCKHOLDERS AND THE MERGER IS CONSUMMATED, YOU WILL RECEIVE A TRANSMITTAL FORM AND INSTRUCTIONS FOR THE SURRENDER OF THE CERTIFICATES PREVIOUSLY REPRESENTING YOUR SHARES OF SDG EQUITY STOCK.

POLICIES OF SIMON GROUP FOLLOWING THE MERGER

The following is a discussion of dividend and distribution policies, investment policies, financing policies, conflicts of interest policies and policies with respect to certain other activities of SDG which Simon Group expects to continue following the Merger. The policies may be amended or rescinded from time to time following the Merger at the discretion of the Board of Directors of Simon Group without a vote of the stockholders of Simon Group.

DIVIDEND AND DISTRIBUTION POLICIES

It is intended that following the Merger Simon Group will operate so as to qualify as a REIT under sections 856 through 860 of the Code and applicable Treasury Regulations. To obtain and maintain its status as a REIT, Simon Group generally will be required each year to distribute to its stockholders at least 95% of its taxable income after certain adjustments. In the event that Funds From Operations are insufficient to meet these distribution requirements, Simon Group could be required to borrow the amount of the deficiency or sell assets to obtain the cash necessary to make distributions required to retain REIT status.

While Simon Group does not intend to reduce quarterly distributions as a result of the Merger, future distributions paid by Simon Group will be at the discretion of its Board of Directors and will depend on its actual cash flow, financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Code and such other factors as the Simon Group Board of Directors deems relevant. The next full quarterly dividend paid by Simon Group will be adjusted to take into account the Special Distribution to be declared by each of SDG and CPI prior to the Merger, the record date for which shall be the close of business on the last business day prior to the Effective Time. "Special Distribution" means the distribution to be made by each of SDG and CPI to their respective stockholders in amounts proportional to dividends paid to SDG's or CPI's (as the case may be) stockholders for the last full quarter preceding the Effective Time prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time. Assuming Simon Group continues to make regular quarterly distributions at the rate currently paid by SDG ($0.5050 per share), following the Merger each former stockholder of SDG, as a stockholder of Simon Group, would be entitled to receive a quarterly distribution from Simon Group equivalent to $0.5050 per share of SDG Equity Stock held prior to the Merger.

It is anticipated that Funds From Operations of Simon Group will exceed earnings and profits due to non-cash expenses, primarily depreciation and amortization, to be incurred by Simon Group. Distributions by Simon Group to the extent of current or accumulated earnings and profits for federal income tax purposes, other than capital gains dividends, will be taxable to stockholders as ordinary dividend income. Any dividend designated by Simon Group as a capital gain dividend generally will give rise to capital gain for stockholders. Distributions in excess of Simon Group's current or accumulated earnings and profits will be treated as a non-taxable reduction of a stockholder's adjusted tax basis in its share of Simon Group Equity Stock to the extent thereof, and thereafter as capital gain. Distributions treated as non-taxable reductions in adjusted tax basis will have the effect of deferring taxation until the sale of a stockholder's shares of Simon Group Equity Stock or future distributions in excess of the stockholder's basis in such share of Simon Group Equity Stock.

Simon Group will maintain a distribution reinvestment plan under which stockholders may elect to reinvest their distributions automatically in additional shares of Simon Group Equity Stock. To fulfill its obligations under the distribution reinvestment plan, Simon Group may, from time to time, elect to purchase shares of Simon Group Equity Stock in the open market on behalf of participating stockholders or issue new shares of Simon Group Equity Stock to such stockholders. Simon Group may suspend or amend such plan at any time. This Proxy Statement/Prospectus does not constitute an offer of any shares of Simon Group Equity Stock that may be issued by Simon Group in connection with a distribution reinvestment program, and such shares may be purchased only pursuant to a separate prospectus contained in an effective registration statement.

INVESTMENT POLICIES

Simon Group will conduct all its investment activities through the SDG Operating Partnership for as long as such partnership exists. Simon Group's primary business objective will be to increase Funds From Operations per share and the value of its properties and operations. It is intended that Simon Group will achieve these objectives by pursuing an aggressive leasing strategy; continuing to improve the performance of the Portfolio Properties through both traditional and innovative management techniques; where appropriate, renovating and/or expanding Portfolio Properties; developing new shopping centers whenever such development meets the economic criteria of Simon Group; and acquiring additional shopping centers and the portfolios of other retail real estate companies that meet its investment criteria, although no assurance can be given that Simon Group will achieve such objectives. Simon Group's policy will be to develop and acquire properties primarily for generation of current income and long-term value appreciation. Simon Group will not have a policy limiting the amount or percentage of assets that may be invested in any particular property or type of property or in any geographic area.

Simon Group may purchase or lease properties for long-term investment, develop or redevelop its properties or sell such properties, in whole or in part, when circumstances warrant. Simon Group currently participates and Simon Group may continue to participate with other entities in property ownership, through joint ventures or other types of co-ownership. Equity investments may be subject to existing mortgage financing and other indebtedness that have priority over the equity interest of Simon Group.

While Simon Group emphasizes equity real estate investments, Simon Group may, in its discretion, invest in mortgages (which may or may not be insured by a governmental agency) and other real estate interests consistent with its qualification as a REIT. It is not intended that Simon Group invest to a significant extent in mortgages or deeds of trust, but it may invest in participating or convertible mortgages if Simon Group concludes that it may benefit from the cash flow or any appreciation in the value of the property.

Subject to the percentage ownership limitations and gross income tests necessary for REIT qualification, Simon Group may also invest in securities of other entities engaged in real estate activities or securities of other issuers. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Considerations Relating to Simon Group -- Requirements for Qualification." Simon Group may invest in the securities of other issuers in connection with acquisitions of indirect interests in real estate (normally general or limited partnership interests in special purpose partnerships owning one or more properties). Simon Group may in the future acquire all or substantially all of the securities or assets of other REITs, management companies or similar entities where such investments would be consistent with its investment policies. It is not intended that Simon Group invest in securities of other issuers (other than the SDG Operating Partnership and certain wholly-owned subsidiaries and to acquire interests in real estate) for the purpose of exercising control. It is not intended that Simon Group's investments in securities will require it to register as an "investment company" under the Investment Company Act of 1940, as amended, and it is intended that Simon Group divest securities before any such registration would be required.

FINANCING POLICIES

Similar to SDG, Simon Group will not maintain a policy of limiting its ratio of debt to Total Market Capitalization. Certain agreements relating to indebtedness of Simon Group and SDG do, however, set forth restrictions on the amount of indebtedness that each will be permitted to incur. If SDG's pro rata share of indebtedness of all unconsolidated Joint Venture Properties were included, Simon Group's ratio of debt to total market capitalization, including a pro rata share of joint venture indebtedness, would have been 49.8% on a pro forma basis as compared to 50.1% for SDG on an historical basis as of March 31, 1998. See "RISK FACTORS -- Indebtedness of Simon Group."

To the extent that its Board of Directors determines to seek additional capital, Simon Group may raise such capital through additional equity offerings, debt financing or retention of cash flow (subject to provisions in the Code requiring the distribution by a REIT of a certain percentage of taxable income and taking into account taxes that would be imposed on undistributed taxable income), or a combination of these methods. If Simon Group's Board of Directors determines to raise additional equity capital, it may, without stockholder

approval, issue additional shares of Simon Group Common Stock or other capital stock of Simon Group up to the amount of its authorized capital in any manner (and on such terms and for such consideration) as it deems appropriate, including in exchange for property. Such securities may be senior to the outstanding classes of Simon Group common stock and may include additional classes of preferred stock (which may be convertible into SDG Common Stock). Existing stockholders will have no preemptive right to purchase shares in any subsequent offering of securities by Simon Group, and any such offering could cause a dilution of a stockholder's investment in Simon Group.

Following the Merger, as long as the SDG Operating Partnership is in existence, the proceeds of the sale of any common or preferred securities by Simon Group (after transferring a portion of such consideration to CRC in accordance with the Issuance Agreement) will be contributed to the SDG Operating Partnership in exchange for Units, which will dilute the ownership interest, if any, of the SDG Limited Partners. Any amounts received upon such issuance by CRC will, so long as the SRC Operating Partnership Agreement is in existence, be contributed to the SRC Operating Partnership in exchange for Units, which will dilute the ownership interest, if any, of the CRC Limited Partners. It is anticipated that, following the Merger, any additional borrowings would be made through the SDG Operating Partnership, although Simon Group might incur borrowings that would be reloaned to the SDG Operating Partnership. Borrowings may be in the form of bank borrowings, publicly and privately placed debt instruments, or purchase money obligations to the sellers of properties, any of which indebtedness may be unsecured or may be secured by any or all of the assets of Simon Group, CRC, the SDG Operating Partnership, the SRC Operating Partnership, or any existing or new property-owning partnership and may have full or limited recourse to all or any portion of the assets of any of the foregoing. Although Simon Group may borrow to fund the payment of dividends, it currently has no intention or expectation that it will do so.

Simon Group may seek to obtain unsecured or secured lines of credit or may determine to issue debt securities (which may be convertible into capital stock or be accompanied by warrants to purchase capital stock) or to sell or securitize its lease receivables. The proceeds from any borrowings may be used to finance acquisitions, to develop or redevelop properties, to refinance existing indebtedness, for working capital or capital improvements, or for meeting the income distribution requirements applicable to REITs if Simon Group has income without the receipt of cash sufficient to enable it to meet such distribution requirements. Simon Group also may determine to finance acquisitions through the exchange of properties or issuance of additional SDG Units in the SDG Operating Partnership, shares of Simon Group Common Stock, shares of preferred stock or other securities. The ability to offer SDG Units to transferors may result in a beneficial structure for the transferors because the exchange of SDG Units for properties may defer the recognition of gain for tax purposes by the transferor and may be an advantage for Simon Group since certain investors may be limited in the number of shares of Simon Group common stock that they may purchase. To the extent that Simon Group's Board of Directors determines to obtain additional debt financing, it is intended that Simon Group (or an entity owned or controlled by Simon Group) do so generally through mortgages on properties and drawings against revolving lines of credit in a manner consistent with its debt capitalization policy. These mortgages may be recourse, non-recourse or cross-collateralized. Simon Group will not have a policy limiting the number or amount of mortgages that may be placed on any particular property, but mortgage financing instruments usually limit additional indebtedness on such properties.

CONFLICTS OF INTEREST POLICIES

Simon Group will maintain certain policies of SDG and enter into certain agreements designed to reduce or eliminate potential conflicts of interest. Any transaction between Simon Group and the Simons or the DeBartolos (including property acquisitions, service and property management agreements and retail space leases) must be approved by a majority of Simon Group's Independent Directors. The SDG Management Company has agreed with SDG that if in the future Simon Group is permitted by applicable tax law and regulations to conduct any or all of the activities that are now being conducted by the SDG Management Company, the SDG Management Company will not compete with SDG or Simon Group with respect to new or renewal business of this nature.

A majority of the members of Simon Group's Board of Directors (of which six must be Independent Directors) have the power to authorize and require the sale of any Portfolio Property because the sale of Portfolio Properties may have an adverse tax impact on the Simons or the DeBartolos and the other SDG Limited Partners and therefore may involve conflicts of interest that could have an adverse impact on the stockholders of Simon Group. The exercise of such powers is subject to applicable agreements with third parties. In addition, decisions with respect to the exercise of the options to acquire from the Simons or the DeBartolos and the enforcement of contracts between Simon Group and the Simons or the DeBartolos, will be made by the Independent Directors. The noncompetition agreements between SDG and each of Melvin Simon, Herbert Simon and David Simon contain covenants limiting the ability of the Simons to participate in certain shopping center activities in North America.

POLICIES WITH RESPECT TO CERTAIN OTHER ACTIVITIES

It is not intended that Simon Group make investments other than as previously described. It is intended that Simon Group make investments in such a manner as to be consistent with the REIT Requirements, unless, because of changing circumstances or changes in the REIT Requirements, Simon Group's Board of Directors determines that it is no longer in the best interests of Simon Group to qualify as a REIT. Simon Group has authority to offer shares of its capital stock or other securities in exchange for property and to repurchase or otherwise reacquire its shares or any other securities and may engage in such activities in the future. Simon Group may in the future issue shares of Simon Group Common Stock to holders of SDG Units in the SDG Operating Partnership and CRC Units in the SRC Operating Partnership upon exercise of their rights under the SDG Operating Partnership. Simon Group has not made loans to other entities or persons, including its officers and directors, other than the SDG Management Company. Simon Group may in the future make loans to joint ventures in which it participates. It is not intended that Simon Group engage in (i) trading, underwriting or agency distribution or sale of securities of other issuers and (ii) the active trade of loans and investments.

CERTAIN ACTIVITIES OF CPI PRIOR TO THE MERGER

The following were certain of CPI's activities prior to the Merger: During the past three years, CPI issued (i) 91,701 shares of CPI Common Stock pursuant to a plan under which distributions are used to purchase shares, (ii) 75,131 shares of CPI Common Stock in an original issuance for cash, (iii) 7,487,183 shares of CPI Common Stock in exchange for various partnership interests, (iv) 7,000 shares upon exercise of an employee's stock options and (v) $250 million of 7 7/8% Notes due 2016 in accordance with Rule 144A of the Securities Act. CPI also sold 3,550 shares of CPI Common Stock held in its treasury and issued 2,041 shares of CPI Common Stock from its treasury in connection with distributions under its Trustees' and Executives' Deferred Remuneration Plan during that same period. During the past three years, the maximum amount that CPI borrowed under the Revolving Credit Agreement, dated as of June 26, 1996 among CPI, the Chase Manhattan Bank and Morgan Guaranty Trust Company of New York and the lenders party thereto (the "CPI Revolving Credit Agreement") was $40,000,000. During that period, joint ventures in which CPI is a participant have also borrowed money in mortgage refinancing transactions aggregating approximately $92,100,000. In the ordinary course of business during the past three years, CPI has extended loans to various tenants in the aggregate amount of approximately $800,000. CPI also refinanced approximately $15.7 million of loans under CPI's Employee Share Purchase Plan, as amended, during that same time. CPI has not invested in the securities of other issuers for the purpose of exercising control. CPI has not underwritten securities of other issuers. During the past three years, CPI has not engaged in the purchase and sale (or turnover) of investments. During the past three years, CPI has acquired various partnership interests in exchange for 7,487,183 shares of CPI Common Stock. During the past three years, CPI has repurchased (i) 81,677 shares of CPI Common Stock from participants in CPI's Employee Share Purchase Plan, (ii) 2,603,158 shares of CPI Common Stock in exchange for property and (iii) 628,524 shares of CPI Common Stock for cash. CPI also reacquired 59,684 shares of CPI Common Stock in adjustment of an earlier issuance of CPI Common Stock in exchange for property. During the past three years, CPI has provided annual reports containing financial statements certified by independent public accountants and quarterly reports containing unaudited financial statements to its security holders.

MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER

BOARD OF DIRECTORS OF SIMON GROUP AND CRC

The following table sets forth the proposed composition of the Board of Directors of Simon Group and CRC at the Effective Time of the Merger if the Merger Proposal is approved and adopted.

NAME	AGE	CLASS OF SIMON GROUP STOCK ELECTING DIRECTORSHIP OF SUCCESSOR(1)
Robert E. Angelica	51	Equity Stock
Birch Bayh	70	Equity Stock
Hans C. Mautner	60	Equity Stock
G. William Miller	73	Equity Stock
J. Albert Smith, Jr	58	Equity Stock
Pieter S. van den Berg	52	Equity Stock
Philip J. Ward	49	Equity Stock
David Simon	36	Class B Common Stock
Herbert Simon	63	Class B Common Stock
Melvin Simon	71	Class B Common Stock
Richard S. Sokolov	48	Class B Common Stock
Frederick W. Petri	51	Class C Common Stock
M. Denise DeBartolo York	47	Class C Common Stock

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(1) The directors of CRC are elected by all holders of CRC Common Stock.

Ms. M. Denise DeBartolo York and Messrs. William T. Dillard II, G. William Miller, Frederick W. Petri, David Simon, Herbert Simon, Melvin Simon, J. Albert Smith, Jr., Richard S. Sokolov and Philip J. Ward are currently directors of SDG, Mr. Hans C. Mautner is currently a director of CPI and CRC, Mr. Robert E. Angelica is currently a director of CPI and Mr. Pieter S. van den Berg is a CPI designee.

Set forth below is a summary of the business experience of the nominees for directorships.

Robert E. Angelica, 51, has been a director of CPI since 1997. He is President and Chief Investment Officer of the AT&T Investment Management Corporation, a position he has held since 1992. Mr. Angelica is also a board member of The Emerging Markets Growth Fund, Inc. and The India Magnum Fund, Ltd.

Birch Bayh, 70, has been a director of SDG since 1993. He has been a partner in the Washington, D.C. law firm of Oppenheimer, Wolff, Donnelly & Bayh LLP (formerly Bayh, Connaughton & Stewart P.C.) for more than five years. He served as a United States Senator from Indiana from 1963 to 1981. Mr. Bayh also serves as a director of ICN Pharmaceuticals, Inc. and Acordia, Inc.

Hans C. Mautner, 60, is Chairman of the Board of Directors and Chief Executive Officer of CPI and CRC. He has been a director of CPI since 1973 and of CRC since 1975. He served as Vice President of CPI from 1972 until 1973, when he was appointed Executive Vice President. Mr. Mautner was elected President of CPI and CRC in 1976, was elected Chairman and President in 1988, and was elected Chairman, President and Chief Executive Officer of CPI and CRC in 1989. Prior to joining CPI, he was a General Partner of Lazard Freres. Mr. Mautner is currently a director of Cornerstone Properties Inc. and a board member for seven funds in The Dreyfus Family of Funds.

G. William Miller, 73, has been a director of SDG since the DeBartolo Merger. He has been Chairman of the Board and Chief Executive Officer of G. William Miller & Co. Inc., a merchant banking firm, since 1983. He is a former Secretary of the U.S. Treasury and a former Chairman of the Federal Reserve Board. From January 1990 until February 1992, he was Chairman and Chief Executive Officer of Federated Stores,

Inc., the parent company of predecessors to Federated Department Stores, Inc. Mr. Miller is Chairman of the Board and a director of Waccamaw Corporation. He is also a director of GS Industries, Inc., Kleinwort Benson Australian Income Fund, Inc. and Repligen Corporation.

Fredrick W. Petri, 51, has been a director of SDG since the DeBartolo Merger. He is a partner of Petrone, Petri & Company, a real estate investment firm he founded in 1993, and an officer of Housing Capital Company since its formation in 1994. Prior thereto, he was an Executive Vice President of Wells Fargo Bank, where for over 18 years he held various real estate positions. Mr. Petri is currently a trustee of the Urban Land Institute and a director of Storage Trust Realty. He previously was a member of the Board of Governors and a Vice President of the National Association of Real Estate Investment Trusts and a director of the National Association of Industrial and Office Park Development. He is a director of the University of Wisconsin's Real Estate Center.

David Simon, 36, is the Chief Executive Officer of SDG and has been a director since SDG's incorporation. Mr. Simon served as President of SDG from SDG's incorporation until 1996 and was appointed Chief Executive Officer on January 3, 1995. In addition, he has been Executive Vice President, Chief Operating Officer and Chief Financial Officer of Melvin Simon & Associates, Inc. ("MSA") since 1990. From 1988-1990, Mr. Simon was Vice President of Wasserstein Perella & Company, a firm specializing in mergers and acquisitions. In addition, Mr. Simon serves as a member of the Board of Governors of NAREIT and the Urban Land Institute, and is a trustee and member of the International Council of Shopping Centers. He is the son of Melvin Simon, the nephew of Herbert Simon and a director of Healthcare Compare Corp.

Herbert Simon, 63, is the Co-Chairman of the Board of SDG and has been a director since SDG's incorporation. Mr. Simon served as Chief Executive Officer from SDG's incorporation through January 2, 1995, when he was appointed Co-Chairman of the Board. In addition, Mr. Simon is the Co-Chairman of the Board of MSA. Mr. Simon is also a director of Kohl's Corporation, a specialty retailer.

Melvin Simon, 71, is the Co-Chairman of the Board of SDG and has been a director since SDG'S incorporation. In addition, he is the Co-Chairman of the Board of MSA, a company he founded in 1960 with his brother, Herbert Simon.

J. Albert Smith, Jr., 58, has been a director of SDG since 1993. He is the President of Bank One, Indianapolis, NA, a commercial bank, a position he has held since September 30, 1994. Prior to his current position, he was the President of Banc One Mortgage Corporation, a mortgage banking firm, a position he held since 1975.

Richard S. Sokolov, 48, has been a director of SDG since the DeBartolo Merger. He served as the President and Chief Executive Officer and a director of DeBartolo Realty Corporation ("DRC") from its incorporation until the DeBartolo Merger. Prior to that he had served as Senior Vice President, Development of EJDC since 1986 and as Vice President and General Counsel since 1982. In addition, Mr. Sokolov is a trustee, the incoming chairman (commencing May 1998) and a member of the Executive Committee of the International Council of Shopping Centers.

Pieter S. van den Berg, 52, has been Director Controller of PGGM, a Dutch pension fund, since 1991.

Philip J. Ward, 49, has been a director of SDG since the DeBartolo Merger. He has been Senior Managing Director, Head of Real Estate Investments, for CIGNA Investments, Inc., a wholly owned subsidiary of CIGNA Corporation since 1985. He is a member of the International Council of Shopping Centers, the Urban Land Institute, the National Association of Industrial and Office Parks and the Society of Industrial and Office Realtors. He is a director of the Connecticut Investment Fund and Wyndham Hotel Corporation.

M. Denise DeBartolo York, 47, has been a director of SDG since the DeBartolo Merger. She served as a director of DRC from February 1995 until the DeBartolo Merger. She serves as Chairman of the Board of EJDC and DeBartolo, Inc. Ms. DeBartolo York previously served EJDC as Executive Vice President of Personnel/Communications and has been associated with EJDC in an executive capacity since 1975. She is the daughter of the late Edward J. DeBartolo.

EXECUTIVE COMMITTEE APPOINTED BY THE BOARD OF DIRECTORS OF SIMON GROUP

The powers and duties of the Executive Committee are as follows: (1) developing a strategy for acquisitions and dispositions and overseeing the implementation of that strategy; (2) approving the acquisition and disposition of real property; (3) reviewing and approving all development, expansion and renovation projects; (4) developing financing and dividend strategies and policies; (5) approving material capital expenditures and the execution of certain contracts and agreements, including those related to the borrowing of money; (6) developing and reviewing new strategic initiatives, e.g., international investments, sponsorships and Simon Brand Venture projects; (7) developing all major human resource decisions/policies, i.e., pension plans, stock plans, bonus pools, executive compensation and employment policies; (8) developing strategies for, and approving, anchor store transactions and other material tenant matters; and (9) exercising all other powers of the Simon Group Board of Directors between meetings, except where action of the entire Board of Directors is required by the Simon Group Charter, Simon Group By-laws, applicable law or Simon Group's conflict of interest policies.

The Executive Committee will be comprised of Messrs. Hans Mautner, Melvin Simon, Herbert Simon, David Simon, Richard S. Sokolov and Mark S. Ticotin.

MANAGEMENT OF SIMON GROUP AND CRC

The following table sets forth certain information with respect to the proposed executive officers of Simon Group and CRC at the Effective Time of the Merger if the Merger Proposal is approved and adopted.

NAME	AGE	POSITION
Melvin Simon(1)	71	Co-Chairman
Herbert Simon(1)	63	Co-Chairman
Hans C. Mautner	60	Vice Chairman
David Simon(1)	36	Chief Executive Officer
Richard S. Sokolov	48	President and Chief Operating Officer
Mark S. Ticotin	49	Senior Executive Vice President
Randolph L. Foxworthy	53	Executive Vice President -- Corporate Development
William J. Garvey	59	Executive Vice President -- Property Development
James A. Napoli	51	Executive Vice President -- Leasing
John R. Neutzling	45	Executive Vice President -- Property Management
James M. Barkley	46	General Counsel; Secretary
Stephen E. Sterrett	43	Treasurer
John Rulli	41	Senior Vice President -- Human Resources & Corporate Operations
James R. Giuliano, III	40	Senior Vice President

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

Set forth below is a summary of the business experience of the proposed executive officers of Simon Group. The executive officers will serve at the pleasure of the Simon Group Board of Directors. For biographical information of Melvin Simon, Herbert Simon, Hans C. Mautner, David Simon and Richard S. Sokolov, see "-- Board of Directors of Simon Group and CRC."

Mark S. Ticotin is President and Chief Operating Officer of CPI and CRC. Mr. Ticotin served as Senior Vice President of CPI from 1988 to 1997 and was responsible for the Leasing and Marketing Departments. He joined CPI in 1983 as Vice President of Asset Management. Prior to joining CPI, Mr. Ticotin was an attorney with the law firm of Cravath, Swaine & Moore.

Mr. Foxworthy is the Executive Vice President -- Corporate Development of SDG. He served as a Director of SDG from the initial public offering of common stock of Simon Property Group, Inc. in December 1993 until the DeBartolo Merger. Mr. Foxworthy joined MSA in 1980 and has been an Executive Vice

President in charge of Corporate Development of MSA since 1986 and has held the same position with SDG since the initial public offering of common stock of Simon Property Group, Inc. in December 1993.

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

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

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

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

Mr. Sterrett serves as SDG's Treasurer. He joined MSA in 1989 and has held various positions with MSA.

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

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

PRIOR COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS OF CPI AND CRC

CPI and CRC Executive Compensation

The following table sets forth information concerning compensation for services in all capacities to CPI for the Chief Executive Officer and the four other most highly compensated executive officers of CPI (the "CPI Named Executives") for the year ended December 31, 1997. For compensation arrangements of executive officers of SDG who will become executive officers of Simon Group at the Effective Time of the Merger, if the Merger Proposal is approved and adopted, see "SDG ANNUAL MEETING MATTERS -- Executive Compensation."

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS(1)	OTHER ANNUAL COMPENSATION	RESTRICTED STOCK AWARDS	SECURITIES UNDERLYING OPTIONS/SARS	LTIP PAYOUTS	ALL OTHER COMPENSATION
Hans C. Mautner..... Chief Executive Officer	1997	$550,000	$325,000	--	N/A	60,000	N/A	$119,585(2)
Mark S. Ticotin.....	1997	$367,311	$273,000	--	N/A	50,000	N/A	71,993(3)
G. Martin Fell.....	1997	$330,000	$215,000	--	N/A	40,000	N/A	59,816(4)
J. Michael Maloney...	1997	$330,000	$215,000	--	N/A	40,000	N/A	61,260(5)
Michael L. Johnson...	1997	$315,000	$225,000	--	N/A	40,000	N/A	103,057(6)

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(1) Bonus awards were earned in 1997 but were not paid until 1998.

(2) Represents (i) $96,293 payable under the CPI Simplified Employee Pension Plan, as amended and restated effective January 1, 1993 (the "SEPP") and the Amended and Restated Supplemental Executive Retirement Plan of CPI, as amended and restated, effective as of August 1, 1997 (the "SERP"), (ii) $2,092 in insurance premiums paid with respect to term life insurance and (iii) $21,200 in reimbursement for officer's tax preparation and financial planning advice.

(3) Represents (i) $68,393 payable under the SEPP and the SERP, (ii) $1,350 in insurance premiums paid with respect to term life insurance and (iii) $2,250 in reimbursement for officer's tax preparation and financial planning advice.

(4) Represents (i) $57,661 payable under the SEPP and the SERP and (ii) $2,155 in insurance premiums paid with respect to term life insurance.

(5) Represents (i) $57,859 payable under the SEPP and the SERP, (ii) $1,601 in insurance premiums paid with respect to term life insurance and (iii) $1,800 in reimbursement for officer's tax preparation and financial planning advice.

(6) Represents (i) $57,156 payable under the SEPP and the SERP, (ii) $901 in insurance premiums paid with respect to term life insurance and (iii) $45,000 in reimbursement for officer's tax preparation and financial planning advice.

CPI's Board of Directors (with the approval of more than 75% of CPI's stockholders) has authorized the payment prior to the Effective Time of cash bonuses to Hans C. Mautner and Mark S. Ticotin in the respective amounts of $9,375,000 and $5,625,000.

The following table sets forth information with respect to the unexercised stock options granted to the CPI Named Executives for the year ended December 31, 1997.

1997 OPTION GRANTS

NAME	NUMBER OF SHARES OF CPI COMMON STOCK UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 1997	EXERCISE PRICE	EXPIRATION DATE	POTENTIAL REALIZED VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM 5%	10%
Hans C. Mautner	60,000	12.8%	$120.50	March 5, 2007	$4,546,908	$11,522,758
Mark S. Ticotin	50,000	10.6%	$120.50	March 5, 2007	$3,789,090	$9,602,298
G. Martin Fell	40,000	8.5%	$120.50	March 5, 2007	$3,031,272	$7,681,839
J. Michael Maloney	40,000	8.5%	$120.50	March 5, 2007	$3,031,272	$7,681,839
Michael L. Johnson	40,000	8.5%	$120.50	March 5, 2007	$3,031,272	$7,681,839

CRC has no employees and paid no consideration to its executive officers for the year ended December 31, 1997.

CPI and CRC Director Compensation and Compensation Committee Members

Each CPI director currently receives compensation of $1,500 per month and $2,000 per CPI Board meeting. In addition, each non-employee director of CPI who is a member of the Audit Committee, Compensation Committee, Executive Committee, Investment Committee or Nominating Committee of the CPI Board currently receives compensation of $1,500 per committee meeting attended by such director.

David P. Feldman and Andrea Geisser, CRC's non-employee directors, receive annual compensation of $2,500 per year for being directors of CRC. Messrs. Feldman and Geisser also receive additional compensation of $300 per CRC Board of Directors meeting. Hans C. Mautner receives no compensation for serving on CRC's Board of Directors.

CPI and CRC Compensation Committee Interlocks and Insider Participation

The members of the compensation committee of the CPI Board during the year ended December 31, 1997 were David P. Feldman, Damon Mezzacappa and Daniel Rose.

CRC did not have a compensation committee for the year ended December 31, 1997.

For compensation arrangements of executive officers of SDG who will become executive officers of Simon Group at the Effective Time of the Merger if the Merger Proposal is approved and adopted, see "SDG ANNUAL MEETING MATTERS -- Executive Compensation."

EMPLOYMENT AGREEMENTS

Employment Agreement between CPI and Hans C. Mautner

CPI and Hans C. Mautner will enter into an employment agreement prior to the Effective Time, which shall become effective as of the Effective Time and shall be assumed by Simon Group (the "Mautner Agreement"). The Mautner Agreement will have a term of five years following the Effective Time.

Under the Mautner Agreement, Mautner will receive an annual base salary of $762,000 and will be eligible to receive an annual bonus in an amount up to 135% of his annual base salary. The severance provisions in the Mautner Agreement provide that, in the event Mautner is terminated by Simon Group other than for "Cause", death or disability, or by Mautner for "Good Reason" (as such terms are defined therein), Simon Group will pay Mautner an amount equal to the product of three times the sum of (i) Mautner's then annual base salary and (ii) his then annual bonus and will contribute an amount to the CPI Supplemental Executive Retirement Plan, as amended and restated effective as of August 1, 1997 (the "SERP") equal to 33% of the sum of his annual base salary and bonus, as well as continue to provide certain employee benefits. In addition, all then outstanding unvested options granted to Mautner under the CPI Option Plan, or any other option plan, shall become immediately vested and exercisable and remain exercisable for their original term.

Simon Group will grant Mautner an option to acquire 237,500 shares of Simon Group Common Stock as of the Effective Time with an option price equal to the fair market value of SDG Common Stock on the date of grant. The stock option agreements provide that the stock options vest in equal installments on each of the first, second and third anniversaries of the date of grant. All outstanding options become immediately vested and exercisable in the event of Mautner's death, disability, discharge without "Cause," voluntary termination for "Good Reason" (as such terms are defined therein) or retirement from Simon Group after attaining age 62.

In addition, at or within one year of the Effective Time, Simon Group will grant Mautner an option to acquire 62,500 shares of Simon Group Common Stock with an option price equal to the fair market value of such stock on the date of grant. Such option shall vest in installments within three years of the date of grant.

The Mautner Agreement contains a golden parachute excise tax gross-up provision, under which Mautner will be entitled to be made whole on excise taxes imposed under Section 4999 of the Code.

As of the Effective Time, the Mautner Agreement will supersede the Executive Agreement between Mautner and CPI. See "-- Other Employment Agreements."

Employment Agreement between CPI and Mark Ticotin

CPI and Mark S. Ticotin will enter into an employment agreement prior to the Effective Time, which shall become effective as of the Effective Time and shall be assumed by Simon Group (the "Ticotin Agreement"). The Ticotin Agreement will have a term of five years following the Effective Time and provides for automatic one-year extensions of the term each December 31 unless either party gives the other party notice that the term will not be extended.

Under the Ticotin Agreement, Ticotin will receive an annual base salary of $500,000 and will be eligible to receive an annual bonus in an amount not less than 100% of his base salary.

The severance provisions in the Ticotin Agreement provide that, in the event Ticotin is terminated by Simon Group other than for "Cause", death or disability, or by the Executive for "Good Reason" (as such terms are defined therein), Simon Group will pay Ticotin an amount equal to the product of three times the sum of (i) Ticotin's then annual base salary and (ii) his then annual bonus, and will contribute an amount to the SERP equal to 33% of the sum of his annual base salary and bonus as well as continue to provide certain employee benefits. In addition, all then outstanding unvested options granted to Ticotin shall become immediately vested and exercisable and remain exercisable for their original term.

Simon Group will grant Ticotin an option to acquire 142,500 shares of Simon Group Common Stock as of the Effective Time with an option price equal to the fair market value of SDG Common Stock on the date

of grant. The stock option agreements provide that the stock options vest in equal installments on each of the first, second and third anniversaries of the date of grant. All outstanding options will become immediately vested and exercisable in the event of Ticotin's death, disability, discharge without "Cause," voluntary termination for "Good Reason" (as such terms are defined therein) or retirement from Simon Group after attaining age 62.

In addition, at or within one year of the Effective Time, Simon Group will grant Ticotin an option to acquire 37,500 shares of Simon Group Common Stock with an option price equal to the fair market value of such stock on the date of grant. Such option shall vest in installments within three years of the date of grant.

The Ticotin Agreement contains a golden parachute excise tax gross-up provision, under which Ticotin will be entitled to be made whole on excise taxes imposed under Section 4999 of the Code.

As of the Effective Time, the Ticotin Agreement will supersede the Executive Agreement between Ticotin and CPI. See "-- Other Employment Agreements."

Other Employment Agreements

CPI entered into an identical executive agreement (the "Executive Agreement") effective August 7, 1997 with each of the following individuals: G. Martin Fell, Michael L. Johnson, J. Michael Maloney, Hans C. Mautner, Harold E. Rolfe and Mark S. Ticotin (each, an "Executive"). The Executive Agreement provides for the terms and conditions of the Executive's employment following a "Change in Control" (as defined therein). The Merger will constitute a Change in Control.

In the event the Executive is terminated by CPI other than for "Cause", death or "Incapacity", or by the Executive for "Good Reason" (as such terms are defined in the Executive Agreement) following a Change in Control, CPI will pay the Executive, in a lump sum, the aggregate of (i) any accrued but unpaid annual base salary, a pro-rata portion of the Executive's annual bonus (the "Pro-Rata Bonus"), accrued vacation pay to the extent not paid, and (ii) an amount equal to the product of three times the sum of (A) Executive's current annual base salary and (B) Executive's then annual bonus (not less than the highest annual bonus paid with respect to the three years prior to a Change in Control). In addition, CPI will continue to provide certain employee benefits for three years post-termination of employment (including an immediate lump sum contribution to the SERP equal to 11% of the amount determined in the preceding sentence (other than accrued vacation pay)), and all outstanding unvested options granted to the Executive under the CPI Option Plan, or any other option plan, shall become immediately vested and exercisable and remain exercisable for their original term.

The Executive Agreements contain a golden parachute excise tax gross-up provision, under which the Executives will be entitled to be made whole on excise taxes imposed under Section 4999 of the Code.

It is anticipated that each Executive, other than Messrs. Mautner and Ticotin, will terminate employment at or prior to the Effective Time under circumstances that will entitle them to the amounts payable upon termination under their respective Executive Agreements.

CPI SEVERANCE PLANS

CPI Executive Severance Policy

The CPI Executive Severance Policy (the "Executive Policy") applies to two tiers of employees: (a) officers with the title of Chairman, President, Senior Vice President, Vice President or Treasurer (each, a "Class 1 Employee") and (b) employees who are not Class 1 Employees and who hold the title of Assistant Controller, Assistant Secretary, Assistant Treasurer, Chief Information Officer, Director of Development, Executive Director of Leasing, Regional Marketing Manager or Regional Property Manager (each, a "Class 2 Employee").

A Class 1 Employee who has had a "Termination" (as defined in the Executive Policy) will receive a cash severance payment as soon as practicable following such Termination equal to three times such Employee's "Annual Compensation" (defined in the Executive Policy as current salary plus largest bonus in

last three years). A Class 2 Employee who has had a Termination will receive a cash severance payment as soon as practicable following such Termination equal to two times such employee's Annual Compensation; provided, however, that if such employee has less than three years of "Service" (as defined in the Executive Policy), such employee shall instead receive a cash payment equal to such employee's Annual Compensation.

Employees eligible for severance benefits under the Executive Policy and an individual written contract with CPI will not be entitled to benefits under the Executive Policy unless the individual contract expressly states otherwise.

CPI may amend or terminate the Executive Policy with respect to any person who was not an employee prior to the date of such amendment or termination. As to any other employee, no amendment or termination that is adverse to the interests of the employee will be effective until February 18, 2001.

CPI Staff Severance Policy

The CPI Staff Severance Policy (the "Staff Policy") was established in order to provide severance benefits to certain employees not covered under the Executive Policy in the event of their "Termination" (as defined in the Staff Policy). The Staff Policy applies to any employee who is not entitled to benefits under the Executive Policy and (a) whose principal workplace is the New York City headquarters, a regional leasing office or construction office of CPI, or (b) whose title is Building Manager, Mall Manager, General Manager or Marketing Director or Secretary ("Eligible Employees").

An Eligible Employee with respect to whom a "Termination" has occurred shall receive a cash severance payment equal to the product of (a) such Eligible Employee's "Annual Compensation" (defined in the Staff Policy as current salary and largest bonus in last three years) times (b) a fraction, the numerator of which is the lesser of such Eligible Employee's "Service" (as defined in the Staff Policy) and 24, and the denominator of which is 12.

Employees eligible for severance benefits under the Staff Policy and an individual written contract with CPI will not be entitled to benefits under the Staff Policy unless the individual contract expressly states otherwise.

CPI may amend or terminate the Staff Policy with respect to any person who was not an employee prior to the date of such amendment or termination. As to any other employee, no amendment or termination that is adverse to the interests of the employee will be effective until February 18, 2001.

CPI AND SIMON GROUP BENEFIT PLANS

After the Effective Time, Simon Group expects to freeze certain of the CPI benefit plans described below and pay all benefits then accrued thereunder in accordance with the terms thereof. All further benefits to be provided to CPI's employees will be provided under comparable SDG benefit plans, descriptions of which also are set forth below.

SDG Employee Plan

General. Under the SDG Operating Partnership's Employee Stock Plan (the "Employee Plan") a maximum of 4,595,000 shares of SDG Common Stock (subject to adjustment) are available for issuance to eligible officers and key employees. The Employee Plan is administered by the Compensation Committee of the Board of Directors (the "SDG Compensation Committee") which consists of persons not eligible to participate in the Employee Plan. During the ten-year period following the adoption of the Employee Plan, the SDG Compensation Committee may, subject to the terms of the Employee Plan, grant to key employees (including officers and directors who are employees) of the SDG Operating Partnership or its "affiliates" (as defined in the Employee Plan) the following types of awards: incentive stock options ("ISOs") within the meaning of section 422 of the Code, "nonqualified stock options" ("NQSOs"), stock appreciation rights ("SARs"), performance units and shares of restricted or unrestricted SDG Common Stock.

Any stock option granted under the Employee Plan may be exercised over a period determined by the SDG Compensation Committee in its discretion. The exercise price of an option (the "Option Price") may not be less than the fair market value of the shares of the SDG Common Stock on the date of grant. The SDG Compensation Committee may, in its discretion, with the grantee's consent, amend, cancel, substitute, accelerate the exercisability of or extend the scheduled expiration date of any award, provided however, that no award may be exercisable more than ten years after the date of grant. The Board of Directors of SDG in its capacity as a general partner of the SDG Operating Partnership may amend, suspend or discontinue the Employee Plan at any time. Certain specified amendments must be approved by stockholders.

Option Grants. No options were granted under the Employee Plan during 1997. All options granted to date under the Employee Plan are exercisable at the fair market value of the SDG Common Stock on the date of grant, have a ten-year term, generally vest 40% on the first anniversary of the grant date and an additional 30% on the second anniversary of the grant date, and generally become 100% vested three years after the grant date.

Stock Incentive Program. Under SDG's five-year stock-based incentive program (the "Stock Incentive Program"), an aggregate of 1,000,000 restricted shares of SDG Common Stock were allocated in March 1995 under the Employee Plan to a total of 50 executive officers and key employees. A percentage of the total number of shares allocated, ranging from 15% to 25%, may be earned in each of the five years of the program only if SDG attains annual and cumulative targets for growth in Funds From Operations. The determination of whether SDG has achieved its targets for a particular year is made in March of the following year (the "Determination Date") and, to the extent the targets have been achieved, a portion of the allocation of shares of restricted stock is deemed to be earned and is awarded as of the Determination Date. Although the participant is entitled to vote all earned shares and receive distributions paid thereon as of the Determination Date, earned shares vest in four installments of 25% each on January 1, of each year following the year in which the Determination Date occurs. The participant must be employed by SDG on the day prior to the vesting date to receive such shares, otherwise the earned shares are forfeited.

1998 Stock Incentive Plan. At the SDG Annual Meeting, SDG stockholders are being asked to approve the 1998 Stock Incentive Plan. If the 1998 Stock Incentive Plan is approved, after the Effective Time, no further awards will be made under the SDG Employee Plan; however, key employees of the SDG Operating Partnership and its affiliates will be eligible to receive similar awards under the 1998 Stock Incentive Plan. See "APPROVAL OF 1998 STOCK INCENTIVE PLAN."

SDG Incentive Bonus Plan

The Incentive Bonus Plan (the "Bonus Plan") is intended to provide senior executives and key employees with opportunities to earn incentives based upon the performance of SDG, the participant's business unit and the individual participant. At the beginning of a year, the Committee specifies the maximum incentive pool available for distributions and approves performance measures for each participant and three levels of performance that must be attained in order to trigger the award of the bonuses. Each participant's bonus award for the year is expressed as a percentage of base salary, a fixed dollar amount, or a percentage of the available incentive pool. Bonus amounts for each year are determined in the following February with disbursement in March.

SDG Deferred Compensation Plan

The SDG Operating Partnership has a non-qualified deferred compensation plan (the "Deferred Compensation Plan") that provides deferred compensation to certain executives and key employees. Under the Deferred Compensation Plan, a participant may defer all or a part of his compensation. SDG, at its discretion, may contribute a matching amount equal to a rate selected by SDG, and an additional incentive contribution amount on such terms as SDG may specify. All participant deferrals and SDG matching and incentive contributions are credited to a participant's account and remain general assets of SDG. A participant's elective deferrals are fully vested. Except in the case of death or disability of the participant or insolvency or a change in control of SDG, a participant becomes vested in SDG matching and incentive

contributions 20% after one year of service and an additional 20% for each year thereafter. Upon death or disability of the participant or insolvency or a change in control of SDG, a participant becomes 100% vested in his account.

All contributions under the Deferred Compensation Plan are deposited in what is commonly referred to as a "rabbi trust" arrangement pursuant to which the assets of the trust are subject to the claims of SDG's general creditors in the event of SDG's insolvency. The trust assets are invested by the trustee in its sole discretion. Payments of a participant's elective deferrals and vested matching contributions are made as elected by the participant. These amounts would be paid earlier in the event of termination of employment or death of the participant, an unforeseen emergency affecting the participant or a change in control of SDG.

SDG Retirement Plans

The SDG Operating Partnership and certain related entities maintain a tax-qualified retirement savings plan for eligible employees which contains a cash or deferred arrangement described in section 401(k) of the Code. Under the plan eligible employees may defer up to a maximum of 12% of their compensation (as defined in the plan), subject to certain limits imposed by the Code. Participants' salary deferrals are matched by participating employers in an amount equal to 100% of the first 2% of such deferrals and 50% of the next 4% of such deferrals. In addition, participating employers contribute annually 3% of eligible employees' compensation (as defined in the plan). Amounts deferred by employees are immediately vested; amounts contributed by participating employers become vested 30% after the completion of three years of service, 40% after the completion of four years of service and an additional 20% after the completion of each additional year of service until 100% vested after the completion of seven years of service.

CPI 1993 Share Option Plan

CPI maintains the 1993 Share Option Plan of CPI (the "CPI Option Plan") to provide for the grant of share options to directors, officers and salaried employees of CPI. The general purpose of the CPI Option Plan is to promote the interests of CPI by providing to directors and employees additional incentives to continue and increase their efforts with respect to, and in the case of employees, to remain in the employ of, CPI.

Under the CPI Option Plan 1,000,000 Series A Common Shares of beneficial interest in CPI (and related interests in CRC) are reserved for issuance to employees and directors upon exercise of options. The option prices are to be equal to the "Fair Market Value" (as defined in the CPI Option Plan) of the optioned shares at the date of grant. The term of each option is to be for such period as the Compensation Committee of the CPI Board (the "CPI Compensation Committee") will determine, but not more than ten years. The CPI Option Plan will terminate on, and no option will be granted after, December 1, 1998.

The CPI Option Plan is administered by the CPI Compensation Committee. Unless the CPI Compensation Committee otherwise determines, any option granted under the CPI Option Plan will become exercisable in equal installments on each of the first three or four anniversaries of the date of grant, such annual installments to be cumulative. All options granted pursuant to the CPI Option Plan are fully vested.

The CPI Option Plan provides that options may be exercised through use of a full recourse note.

CPI Employee Share Purchase Plan

The Employee Share Purchase Plan (the "ESPP") provides for the issuance of rights to purchase Series A Common Shares of Beneficial Interest of CPI (and related interests in CRC) at "Fair Market Value" (as defined in the ESPP). The consideration for each unit purchased is a combination of all or some of cash, or a recourse note receivable from the employee and a "Permanent Restriction" (as defined in the ESPP) payable to CPI upon transfer of the unit. All rights to purchase CPI Common Stock under the ESPP are now fully vested. Upon a transfer of CPI Common Stock, the transferor shall either pay CPI the amount of the permanent restriction or cause the transferee to pay such amount or obtain a comparable undertaking by the transferee upon any subsequent transfer.

CPI Employee 401(k) Savings Plan

The primary purpose of the CPI Employee 401(k) Savings Plan (the "401(k) Plan"), as amended and restated effective January 1, 1998, is to provide full-time employees with retirement benefits in recognition of the contribution of the employees to the successful operation of CPI. The 401(k) Plan is intended to be a profit-sharing plan, qualified under Section 401(a) of the Code which permits salary deferral contributions as provided by Section 401(k) of the Code and may provide discretionary matching contributions. Its affiliated trust (the "Trust") is intended to be exempt from tax under Section 501(a) of the Code. The 401(k) Plan is a prototype plan sponsored by Merrill Lynch.

CPI has overall responsibility for the termination, administration, and operation of the 401(k) Plan. CPI may at any time terminate the 401(k) Plan and Trust in accordance with the express provisions of the 401(k) Plan. CPI may at any time amend any options in the adoption agreement under the 401(k) Plan and may amend the prototype plan although, except for limited amendments, such an amendment would convert the plan to an individually designed plan.

CPI Amended and Restated Supplemental Executive Retirement Plan

The SERP is intended to provide selected executives with benefits that are supplemental to those provided under CPI's Simplified Employee Pension Plan (the "SEPP"). The SERP is intended to be a "top-hat" plan as described in ERISA.

CPI determines whether or not a contribution will be made under the SERP for each calendar year. If a contribution is to be made, CPI will contribute, on behalf of each participant, an amount equal to:

(x) 7 1/2% of the participant's "Compensation" (as defined in the SERP) for such calendar year, up to the taxable wage base determined under Section 230 of the Social Security Act with respect to determining taxes under Section 3101(a) of the Code for such year (the "Taxable Wage Base"), plus 11% of Compensation for such year in excess of such Taxable Wage Base; reduced by

(y) the amount contributed on behalf of the participant under the SEPP for such year, and in the case of a participant who deferred compensation under the Trustees' and Executives' Deferred Remuneration Plan of CPI (the "DRP") for such year, any contribution to the DRP by CPI equivalent to amounts that would have been contributed under the SEPP on behalf of the participant for such year if such compensation had not been so deferred.

A participant entitled to a contribution under the SERP may elect that such contribution will be paid to him or her in cash on the contribution date so long as the participant furnishes proof satisfactory to the CPI Compensation Committee that such amounts (after being reduced by taxes) will be used to purchase an annuity, life insurance policy or similar investment vehicle approved by the CPI Compensation Committee. A participant's benefit under the SERP is fully vested and nonforfeitable at all times. All amounts owed under the SERP are or will be funded through a rabbi trust. The SERP is administered by the CPI Compensation Committee, and may not be amended without the consent of an affected participant, including with respect to the right to investment options.

CPI Trustees' and Executives' Deferred Remuneration Plan

The Trustees' and Executives' Deferred Remuneration Plan of CPI, as amended and restated effective August 1, 1997 (the "DRP"), allows a Trustee and each employee of CPI whose annual remuneration rate is $100,000 (or such other amount determined by the CPI Compensation Committee to comply with regulations issued by the Department of Labor for "top-hat" plans) or more to elect to have a percentage of remuneration to be earned by him during each Fiscal Year or portion thereof deferred in accordance with the terms and conditions of the DRP.

In addition to elected deferrals, on December 31 of each calendar year (or such later date as is elected by the CPI Compensation Committee), the following amount will be credited to each participant's account(s) under the DRP:

(a) the amount that would have been contributed for such calendar year on such participant's behalf under the SEPP had such participant's compensation, as determined for purposes of the SEPP, included amounts deferred pursuant to the DRP; reduced by

(b) the amount actually contributed for such calendar year on such participant's behalf under the SEPP.

The DRP is unfunded (although CPI has periodically delineated specific assets to finance liabilities under the DRP) and is intended to be a "top-hat" plan as described in ERISA. The DRP is administered by the Committee, and may not be amended without the consent of an affected participant, including with respect to investment options.

CPI Simplified Employee Pension Plan

CPI's Simplified Employee Pension Plan, as amended and restated effective January 1, 1993 (the "SEPP"), is intended to provide simplified employee pensions to eligible employees in accordance with Section 408(k) of the Code. For each plan year, CPI determines whether a contribution will be made under the SEPP for that year. If a contribution is to be made, then the following will be contributed on behalf of each participant: (a) 7-1/2% of a participant's "Compensation" (as defined in the SEPP) for such plan year up to the Taxable Wage Base, plus (b) 11% of his Compensation for such plan year in excess of such Taxable Wage Base but subject to limitations on Compensation under the Code (currently $160,000 per annum). The contribution will be either paid directly to a participant's individual retirement account that meets the requirements of Section 408(a) of the Code ("IRA") or delivered to the participant by check made payable to the trustee of the participant's IRA. All contributions made on behalf of a participant are fully vested and nonforfeitable at all times.

CPI has reserved the right to terminate the SEPP at any time. In the event of a dissolution, merger, consolidation or reorganization of CPI, the SEPP will terminate unless it is continued by a successor to CPI in accordance with the terms of the SEPP.

CRC has no employees, and accordingly, no employee benefit plans.

FEDERAL SECURITIES LAW CONSEQUENCES

All Simon Group Equity Stock newly-issued in connection with the Merger will be freely transferable, except that any Simon Group Equity Stock received by persons who are deemed to be "affiliates" (as such term is defined under the Securities Act) of SDG prior to the Merger may be sold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act ("Rule 145") with respect to affiliates of SDG, or Rule 144 under the Securities Act ("Rule 144") with respect to persons who become affiliates of Simon Group, or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of SDG or Simon Group generally include individuals or entities that control, are controlled by or are under common control with, such person and generally include the executive officers and directors of such person as well as principal stockholders of such person.

In general, Rule 145 provides that for one year following the Effective Time an affiliate (together with certain related persons) of the acquired entity would be entitled to sell Simon Group Equity Stock acquired in connection with the Merger only through unsolicited "broker transactions" or in transactions directly with a "market maker," as such terms are defined in Rule 144. Additionally, the number of shares to be sold by an affiliate (together with certain related persons and certain persons acting in concert) within any three-month period for purposes of Rule 145 may not exceed the greater of 1% of the outstanding class of Simon Group Equity Stock or the average weekly trading volume of such shares during the four calendar weeks preceding such sale. Rule 145 will remain available to affiliates if Simon Group remains current with its informational filings with the Commission under the Exchange Act. One year after the Effective Time, an affiliate will be able to sell such Simon Group Equity Stock without being subject to such manner of sale or volume limitations provided that Simon Group is current with its Exchange Act informational filings and such person is not then an affiliate of Simon Group. 3,781,493 shares of Simon Group Equity Stock will be subject to Rule 145 immediately following the Merger. Two years after the Effective Time, an affiliate will be able to sell such Simon Group Equity Stock without any restrictions so long as such person had not been an affiliate of Simon Group for at least three months prior to the date of such sale. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Accounting Treatment."

The 52,732,845 shares of Simon Group Common Stock, 209,249 shares of Simon Group Series A Preferred Stock which will be retained by the stockholders of CPI and 4,812,777 shares of Simon Group Series B Preferred Stock which will be held by the stockholders of CPI immediately after the Merger (assuming no options are exercised prior to the Merger) will be "restricted securities" within the meaning of Rule 144. As discussed below, 22,635,977 shares of Simon Group Common Stock, 55,799 shares of Simon Group Series A Preferred Stock and 2,065,921 shares of Simon Group Series B Preferred Stock will be immediately tradeable after the consummation of the Merger pursuant to Rule 144(k). The remaining 30,096,868 shares of Simon Group Common Stock, 153,450 shares of Simon Group Series A Preferred Stock and 2,746,856 shares of Simon Group Series B Preferred Stock retained by stockholders of CPI after the Merger, which includes shares held by persons who will be affiliates of Simon Group at the Effective Time, will be subject to Rule 144 immediately following the Merger. Similar to the resale restrictions discussed above under Rule 145, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate of Simon Group, who has beneficially owned shares for at least one year generally is entitled to sell, within any three-month period a number of shares that may not exceed the greater of 1% of the outstanding shares of such class or the average weekly trading volume of such shares during the four calendar weeks preceding such sale, subject to the filing of a Form 144 with respect to such sale and certain other limitations and restrictions. A person who is not deemed to have been an affiliate of Simon Group at any time during the three month period preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years will be entitled to sell such shares under Rule 144(k) without regard to the requirements described above. Pursuant to certain agreements, certain of such holders have certain rights to cause Simon Group to register such shares of Simon Group Common Stock under the Securities Act. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- The Operating Partnerships After the Merger; Simon Group Contribution Agreement" and "-- New Registration Rights Agreements." All share numbers provided in this section entitled "FEDERAL SECURITIES LAWS CONSEQUENCES" assume no options to purchase shares of CPI Common Stock are exercised prior to the Merger.

PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA

SIMON GROUP PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The accompanying financial statements prepared by SDG present the pro forma combined condensed Balance Sheets of SDG, CPI and CRC, hereafter referred to as Simon Group, as of March 31, 1998 and the pro forma combined condensed Statements of Operations of Simon Group for the three months ended March 31, 1998 and for the year ended December 31, 1997. SDG's management has also included a pro forma combined condensed Balance Sheet of Simon Group as of December 31, 1997 which is in addition to the requirements of Rule 11 of Regulation S-X promulgated under the Securities Act of 1933, as amended. The pro forma combined condensed Balance Sheet as of December 31, 1997 and the related pro forma Statement of Operations have been examined by Arthur Andersen LLP, for which their report can be found elsewhere in this Proxy Statement/Prospectus. An examination may only be performed when the historical financial information from which the pro forma financial information is derived has been audited. The most recent audited period is the period ended December 31, 1997. In light of the fact that in connection with the Merger and related transactions, CPI and CRC, previously private companies not subject to public disclosure requirements or reporting obligations, become the new public registrants, and the fact that the Merger of CPI and SDG is accounted for as a reverse merger and the assets and liabilities of CRC are reflected at historical cost, management believes that examined pro forma financial information enhances the reliability of pro forma data made available to assist stockholders in understanding and evaluating the effects of the Merger.

The pro forma combined condensed Balance Sheet as of March 31, 1998 is presented as if (i) the CPI Merger Dividends and the Merger of SDG, CPI and CRC and cash contributed by the SDG Operating Partnership to CRC and CRC's newly formed operating partnership on behalf of the SDG stockholders and limited partners of the SDG Operating Partnership, (ii) the sale by CPI of the General Motors Building had occurred as of March 31, 1998. The pro forma combined condensed Balance Sheet as of December 31, 1997 is presented by SDG as if (i) the CPI Merger Dividends, the Merger of SDG, CPI and CRC and cash contributed by the SDG Operating Partnership to CRC and CRC's newly formed operating partnership on behalf of the SDG stockholders and limited partners of the SDG Operating Partnership, (ii) the January 1998 acquisition by CPI of Phipps Plaza, (iii) the January 1998 sale by CPI of Burnsville Mall, (iv) the January 1998 acquisition by SDG of Cordova Mall, (v) the February 1998 acquisition by SDG of a 50% interest in a portfolio of twelve regional malls and (vi) the sale by CPI of the General Motors Building had occurred on December 31, 1997. The pro forma combined condensed Statement of Operations for the year ended December 31, 1997 is presented by SDG as if (i) the Merger of SDG, CPI and CRC and cash contributed by the SDG Operating Partnership to CRC and CRC's newly formed operating partnership on behalf of the SDG stockholders and limited partners of the SDG Operating Partnership, (ii) the September and November 1997 transactions by SDG to acquire ten portfolio properties and a 50% ownership interest in an eleventh property of RPT, (iii) the December 1997 acquisition by SDG of the Fashion Mall at Keystone at the Crossing, (iv) the January 1998 acquisition by CPI of Phipps Plaza, (v) the January 1998 sale by CPI of Burnsville Mall, (vi) the January 1998 acquisition by SDG of Cordova Mall, (vii) the February 1998 acquisition by SDG of a 50% interest in a portfolio of twelve regional malls and (viii) the sale by CPI of the General Motors Building had occurred as of January 1, 1997 (collectively, the "Other Property Transactions").

Preparation by SDG of the pro forma financial information was based on assumptions deemed appropriate by the management of SDG. These assumptions give effect to the Merger being accounted for as a reverse purchase in accordance with generally accepted accounting principles and the cash contributed to CRC and the CRC Operating Partnership as stock and partnership units for cash transactions. CRC assets and liabilities will continue to be reflected at historical costs as the SDG stockholders' beneficial interest in CRC will be less than 80% and the combined entity qualifying as a REIT, distributing all of its taxable income and, therefore, incurring no Federal income tax expense during the periods presented. The pro forma financial information is not necessarily indicative of the results which actually would have occurred if the transactions had been consummated at the beginning of the period presented, nor does it purport to represent the future financial position and results of operations for future periods. The pro forma information should be read in conjunction with the historical financial statements of SDG incorporated by reference into this Proxy Statement/Prospectus and of CPI and CRC included elsewhere in this Proxy Statement/Prospectus.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Management of
Simon DeBartolo Group, Inc.:

We have examined the pro forma adjustments reflecting the Merger and Other Property Transactions described in Note 1 and the application of those adjustments to the historical amounts in the accompanying pro forma combined condensed balance sheet of Simon Property Group, Inc. as of December 31, 1997, and the pro forma combined condensed statement of operations for the year then ended. The historical condensed financial statements are derived from the historical financial statements of Simon DeBartolo Group, Inc., which were audited by us and are incorporated by reference herein, and of Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc., which were audited by Ernst & Young LLP, and appear elsewhere herein. Such pro forma adjustments are based upon Simon DeBartolo Group, Inc. management's assumptions described in the notes to the pro forma financial statements. Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary in the circumstances.

The objective of this pro forma financial information is to show what the significant effects on the historical information might have been had the transactions occurred at an earlier date. However, the pro forma combined condensed financial statements are not necessarily indicative of the results of operations or related effects on financial position that would have been attained had the Merger and Other Property Transactions actually occurred earlier.

In our opinion, Simon DeBartolo Group, Inc. management's assumptions provide a reasonable basis for presenting the significant effects directly attributable to the Merger and Other Property Transactions described in Note 1, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma combined condensed balance sheet as of December 31, 1997, and the pro forma combined condensed statement of operations for the year then ended.

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Indianapolis, Indiana
August 12, 1998

SIMON GROUP

PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF MARCH 31, 1998
(UNAUDITED, IN THOUSANDS)

				PRO FORMA		
	SDG (HISTORICAL)(A)	CPI (HISTORICAL)(A)	CRC (HISTORICAL)(A)	SALE OF GM BUILDING(B)	MERGER AND RELATED TRANSACTIONS ADJUSTMENTS	TOTAL
ASSETS:						
Investment in properties, partnerships and joint ventures, net	$7,303,529	$2,651,323	$41,012	$(585,000)	$2,869,735(D)	$12,280,599
Goodwill	--	--	--	--	99,898(D)	99,898
Cash and cash equivalents and short-term investments	101,997	16,196	3,900	782,024	(789,101)(D)	115,016
Receivables, net	179,371	61,311	1,044	--	(34,308)(D)	207,418
Investment, notes receivable and advances from management company and affiliate	102,746	--	--	--	--	102,746
Other assets	246,773	42,866	1,252	--	1,848(D)	292,739
Total assets	$7,934,416	$2,771,696	$47,208	$ 197,024	$2,148,072	$13,098,416
LIABILITIES:						
Mortgages and other indebtedness	$5,329,707	$ 857,648	$ 1,121	$ (11,976)	$1,558,000(D)	$ 7,734,500
Accounts payable, accrued expenses and other liabilities	329,260	85,896	42,085	(4,000)	85,100(D)	538,341
Total liabilities	5,658,967	943,544	43,206	(15,976)	1,643,100(D)	8,272,841
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	718,264	--	--	--	305,413(G)	1,023,677
PREFERRED STOCK OF SUBSIDIARY	--	--	--	--	339,128(E)	339,128
STOCKHOLDERS' EQUITY (NOTES 3 AND 4):						
SDG Preferred Stock	339,128	--	--	--	(339,128)(E)	--
Series A Convertible Preferred Stock	--	209,249	--	--	60,080(D)	269,329
Series B Convertible Preferred Stock	--	--	--	--	496,611(D)	496,611
Common stock and beneficial interests	11	26,415	268	--	(26,410)(D) 11(F) (263)(I)	32 2,148,072
Capital in excess of par and other	1,524,746	1,602,067	13,351	--	178,112(D) (305,413)(G) 13,989(F) 263(I)	3,027,115
Accumulated (deficit) surplus	(294,817)	104,390	(9,617)	213,000	(317,390)(D) (14,000)(F)	(318,434)
Unamortized restricted stock award	(11,883)	--	--	--	--	(11,883)
Treasury stock	--	(113,969)	--	--	113,969(D)	--
Total stockholders' equity	1,557,185	1,828,152	4,002	213,000	(139,569)	3,462,770
Total liabilities and stockholders' equity	$7,934,416	$2,771,696	$47,208	$ 197,024	$2,148,072	$13,098,416

The accompanying notes and SDG management's assumptions are an integral part of this statement.

SIMON GROUP
PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF DECEMBER 31, 1997
(IN THOUSANDS)

	SDG (HISTORICAL)(A)	CPI (HISTORICAL)(A)	CRC (HISTORICAL)(A)	PRO FORMA SALE OF GM BUILDING(B)
ASSETS:				
Investment in properties, partnerships and joint ventures, net	$6,997,139	$2,490,862	$39,540	$(580,000)
Goodwill	--	--	--	--
Cash and cash equivalents and short-term investments	109,699	164,808	4,147	780,770
Receivables, net	188,359	71,363	983	--
Investment, notes receivable and advances from management company and affiliate	97,001	--	--	--
Other assets	249,906	47,587	1,393	--
Total assets	$7,642,104	$2,774,620	$46,063	$ 200,770
LIABILITIES:				
Mortgages and other indebtedness	$5,077,990	$ 859,060	$ 1,184	$ (13,230)
Accounts payable, accrued expenses and other liabilities	312,815	112,946	40,563	(4,000)
Total liabilities	5,390,805	972,006	41,747	(17,230)
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	694,437	--	--	--
PREFERRED STOCK OF SUBSIDIARY	--	--	--	--
STOCKHOLDERS' EQUITY (NOTES 3 AND 4):				
SDG Preferred Stock	339,061	--	--	--
Series A Convertible Preferred Stock	--	209,249	--	--
Series B Convertible Preferred Stock	--	--	--	--
Common stock and beneficial interest	11	26,419	268	--
Capital in excess of par and other	1,494,328	1,602,111	13,352	--
Accumulated (deficit) surplus	(263,308)	78,851	(9,304)	218,000
Unamortized restricted stock award	(13,230)	--	--	--
Treasury stock	--	(114,016)	--	--
Total stockholders' equity	1,556,862	1,802,614	4,316	218,000
Total liabilities and stockholders' equity	$7,642,104	$2,774,620	$46,063	$ 200,770

	PRO FORMA		
	MERGER AND RELATED TRANSACTIONS ADJUSTMENTS	OTHER PROPERTY TRANSACTIONS(H)	TOTAL
ASSETS:			
Investment in properties, partnerships and joint ventures, net	$2,909,359(D)	$ 456,926	$12,313,826
Goodwill	94,025(D)	--	94,025
Cash and cash equivalents and short-term investments	(789,411)(D)	(120,876)	149,137
Receivables, net	(39,209)(D)	--	221,496
Investment, notes receivable and advances from management company and affiliate	--	--	97,001
Other assets	1,652(D)	--	300,538
Total assets	$2,176,416	$ 336,050	$13,176,023
LIABILITIES:			
Mortgages and other indebtedness	$1,558,000(D)	$ 270,935	$ 7,753,939
Accounts payable, accrued expenses and other liabilities	92,600(D)	9,592	564,516
Total liabilities	1,650,600	280,527	8,318,455
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	279,640(G)	55,523	1,029,600
PREFERRED STOCK OF SUBSIDIARY	339,061(E)	--	339,061
STOCKHOLDERS' EQUITY (NOTES 3 AND 4):			
SDG Preferred Stock	(339,061)(E)	--	--
Series A Convertible Preferred Stock	60,080(D)		269,329
Series B Convertible Preferred Stock	496,676(D)		496,676
Common stock and beneficial interest	(26,414)(D) 11(F) (263)(I)	--	32
Capital in excess of par and other	178,309(D) (279,640)(G)	--	3,022,712

	13,989(F)		
	263(I)		
Accumulated (deficit) surplus.....	(296,851)(D)	--	(286,612)
	(14,000)(F)		
Unamortized restricted stock award.....	--	--	(13,230)
Treasury stock.....	114,016(D)	--	--
Total stockholders' equity.....	(92,885)	--	3,488,907
Total liabilities and stockholders' equity.....	$2,176,416	$ 336,050	$13,176,023

The accompanying notes and SDG management's assumptions are an integral part of this statement.

SIMON GROUP -- NOTES AND SDG MANAGEMENT'S ASSUMPTIONS TO PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS, MARCH 31, 1998 INFORMATION UNAUDITED)

1. Basis of Presentation

SDG is a self-administered and self-managed REIT which through its subsidiaries is engaged primarily in the ownership, development, management, leasing, acquisition and expansion of income-producing properties, primarily regional malls and community shopping centers. At March 31, 1998 and December 31, 1997, it owned or had an interest in 217 and 202 properties, respectively. SDG, CPI and CRC entered into the Merger Agreement, which provides for the Merger of a substantially wholly owned subsidiary of CPI with and into SDG. Legally, SDG will become a majority-owned subsidiary of CPI. Pursuant to the Merger Agreement, the outstanding shares of SDG Common Stock will be exchanged for like shares of CPI. Beneficial interests in CRC will be acquired for cash. CPI's name will be changed to Simon Group. Immediately prior to the consummation of the Merger, the holders of CPI Common Stock will receive a dividend per share consisting of $90 in cash, 1.0818 shares of CPI Common Stock and 0.19 shares of Series B Convertible Preferred Stock of CPI. The aggregate purchase price is estimated by SDG to be approximately $5.9 billion. See "THE PROPOSED MERGER AND RELATED MATTERS."

CPI is a self-administered and self-managed privately held REIT which invests in income-producing properties. At March 31, 1998 and December 31, 1997, CPI owned or held interests in 30 properties, 23 shopping centers and seven commercial properties. CRC is engaged in the ownership, operation, acquisition and development of income producing properties directly or through interests in joint ventures and other non-REIT qualifying activities.

Simon Group will account for the Merger between SDG and the CPI merger subsidiary as a reverse acquisition in accordance with Accounting Principles Board Opinion No. 16. Although Simon Group Equity Stock will be issued to SDG stockholders and SDG will become a substantially wholly owned subsidiary of Simon Group following the Merger, CPI is considered the business acquired for accounting purposes. SDG is the acquiring company because the SDG stockholders will represent in excess of a majority of the stockholders of Simon Group. The fair market value of the consideration given by the acquiring company will be used as the valuation basis for the combination of SDG and CPI. The assets and liabilities of CPI will be revalued by SDG to their respective fair market values at the Effective Time.

The SDG Operating Partnership will contribute cash to CRC and the newly formed SRC Operating Partnership on behalf of the SDG stockholders and the limited partners of the SDG Operating Partnership to obtain the beneficial interests in CRC which will be paired with the shares to be issued by Simon Group and to obtain units in the SRC Operating Partnership so that the limited partners of the SDG Operating Partnership will hold the same proportionate interest in the SRC Operating Partnership as they hold in the SDG Operating Partnership at the Effective Time of the Merger. The cash contributed to CRC and the CRC Operating Partnership represent stock and partnership units for cash transactions. The assets and liabilities of CRC will not be adjusted to fair market value but will be reflected at historical cost because the SDG stockholders' beneficial interest in CRC will be less than 80%.

Following the Merger and related transactions, the separate consolidated financial statements will be filed pursuant to the Exchange Act for each of Simon Group (formerly CPI) and SPG Realty Consultants, Inc. (formerly CRC) as required under Rule 3-01 and Rule 3-02 of Regulation S-X of the Securities Act. Management plans to submit the separate financial statements of Simon Group and SRC Realty Consultants, Inc. in a joint filing and may also include combined financial statements of Simon Group and SRC Realty Consultants, Inc. in those filings. Since SDG is the predecessor to Simon Group, the historical financial statements of Simon Group will be the historical financial statements of SDG.

Upon completion of the Merger and related transactions, the common stockholders of Simon Group will own a share of common stock of Simon Group and a beneficial interest in CRC. The shareholders' beneficial interests in CRC are in direct proportion to their ownership of Simon Group. The beneficial interest in CRC will be stapled to a share of Simon Group. Accordingly, a share of Simon Group cannot be transferred without a corresponding transfer of the beneficial interest in CRC. Simon Group and CRC will operate as a paired-share REIT structure for income tax purposes.

In addition to the CPI Merger Dividends and the Merger, the following transactions (the "Other Property Transactions") have been reflected in the accompanying unaudited pro forma financial statements using the purchase method of accounting. Investments in non-controlled joint ventures are reflected using the equity method. Controlled properties have been consolidated.

- On September 29, 1997, SDG completed its cash tender offer for all of the outstanding shares of beneficial interests of The Retail Property Trust ("RPT"). RPT owned 98.8% of Shopping Center Associates ("SCA"), which owned or had interests in twelve regional malls and one community shopping center. Following the completion of the tender offer, the SCA portfolio was restructured. SDG exchanged its 50% interest in two SCA properties with a third party for similar interests in two other SCA properties, in which SDG had 50% interests, with the result that SCA now owns interests in a total of eleven properties. Effective November 30, 1997, SDG also acquired the remaining 50% interest in another of the SCA properties. In addition, SDG acquired the remaining 1.2% interest in SCA. At the completion of these transactions, SDG held a 100% interest in ten of the eleven properties, and a noncontrolling 50% ownership interest in the remaining property. The total cost for the acquisition of RPT and related transactions was approximately $1,300,000, which includes SDG common stock issued valued at approximately $50,000, units of the SDG Operating Partnership valued at approximately $25,300, and the assumption of consolidated debt and SDG's pro rata share of joint venture indebtedness of approximately $475,300. The balance of the transaction costs was borrowed under SDG Operating Partnership's credit facility.

- On December 29, 1997, SDG completed the acquisition of the Fashion Mall at Keystone at the Crossing, a regional mall located in Indianapolis, Indiana, for $124,500. The purchase price was financed by additional borrowings under SDG's credit facility of approximately $59,700 and the assumption of approximately $64,800 in mortgage debt. The mortgage debt bears interest at 7.85%.

- In January 1998, CPI acquired Phipps Plaza, a super regional mall located in Atlanta, Georgia, for approximately $198,800. The transaction was financed with cash of $158,800 and debt of $40,000.

- In January 1998, CPI sold one of its shopping centers (Burnsville Mall) for $80,672 cash. The selling price exceeded Burnsville Mall's historical net assets of $37,581 at December 31, 1997, by $43,091. A portion ($40,000) of the proceeds received in the Burnsville transaction was used to repay the amount borrowed in connection with the acquisition of Phipps Plaza.

- In January 1998, SDG acquired Cordova Mall, a regional mall in Pensacola, Florida, for $94,000. This acquisition was financed by issuing units of the SDG Operating Partnership valued at $55,523, the assumption of mortgage debt of $28,935 and other liabilities of $6,842 and cash of $2,700. The mortgage debt, which bore interest at 12.125%, has been refinanced through the SDG Operating Partnership's credit facility.

- In February 1998, SDG, through a joint venture with another REIT, acquired an interest in a portfolio of twelve regional malls comprising approximately 10.7 million square feet of GLA. SDG's non-controlling 50% share of the total purchase price of $487,250 was financed with a $242,000 unsecured loan which bears interest at 6.4% per annum, accrued payables of $2,750 and the assumption of $242,500 of mortgage debt. The weighted average interest rate on the mortgage debt assumed was 6.94%.

- In May 1998, CPI entered into a contract to sell the General Motors Building for $800,000. The net proceeds of $798,000 will be used to pay off certain liabilities ($4,000) and the building's mortgage balance ($11,976 and $13,230 as of March 31, 1998 and December 31, 1997, respectively) with the remainder available to partially finance a portion of the CPI Merger Dividends.

Further, since the beneficial interests in CRC are stapled to the common stock of Simon Group and can only be transferred in tandem, the accompanying pro forma financial statements include the balance sheet and operating results of CRC on a combined basis. The accompanying pro forma combined condensed Balance Sheets were prepared by SDG as if the CPI Merger Dividends, the Merger and the Other Property Transactions described above which occurred subsequent to the balance sheet date had occurred as of March 31, 1998 and December 31, 1997. The accompanying pro forma combined condensed Statements of Operations are presented by SDG as if the CPI Merger Dividends, the Merger and the Other Property Transactions previously described had occurred on January 1, 1997, and the combined entity qualified as a REIT, distributed all of its taxable income and, therefore, incurred no federal income tax for the period presented. Certain reclassifications have been made in CPI's and CRC's historical financial statements to conform them

to SDG's historical presentation and certain reclassifications have been made in each companies' historical financial statements to conform them to the condensed combined pro forma presentation.

These pro forma financial statements should be read in conjunction with the historical financial statements and notes thereto of SDG, CPI and CRC. In the opinion of management of SDG, all adjustments necessary to reflect the effects of the Merger and related transactions and the Other Property Transactions previously described have been made. Certain adjustments have been estimated by SDG based on information currently available. Final adjustments are not expected by SDG to materially impact the pro forma results reported.

The pro forma financial statements are not necessarily indicative of the actual financial position at March 31, 1998 and December 31, 1997, or what the actual results of operations would have been assuming the Merger and the Other Property Transactions had been completed as of January 1, 1997, nor are they indicative of the results of operations for future periods.

2. Pro Forma Adjustments by SDG to Pro Forma Combined Condensed Balance Sheets

(A) Certain reclassifications have been made by SDG to the SDG, CPI and CRC historical balance sheets to conform to the pro forma combined condensed balance sheet presentation.

(B) Adjustments to reflect the sale of the General Motors Building for $800,000, and $2,000 of transaction costs, resulting in net proceeds of $798,000. The historical carrying value of the building and improvements was $585,000 at March 31, 1998 and $580,000 at December 31, 1997. A portion of the net proceeds of $798,000 will be used to pay off certain liabilities ($4,000) and the building's mortgage balance ($11,976 and $13,230 as of March 31, 1998 and December 31, 1997, respectively) yielding net cash of $782,024 and $780,077 as of March 31, 1998 and December 31, 1997, respectively.

(C) Determination of Combined Purchase Price of CPI:

As described in "THE MERGER AGREEMENT AND RELATED MATTERS -- Terms of the Merger -- The Merger Consideration," the stockholders of CPI will receive consideration in the Merger aggregating approximately $179 for each share of CPI common stock. The $179 consideration includes a $90 cash dividend, approximately $70 of value of Simon Group common stock and approximately $19 of value of Simon Group 6.5% Series B Preferred Stock. The common stock component of the Merger consideration is based upon a fixed exchange ratio using SDG's February 18, 1998 closing price of $33 5/8 per share and is subject to a 15% symmetrical collar based upon the price of SDG's common stock determined on the fifth trading day prior to closing. In the event SDG's stock price is outside the collar, an adjustment will be made in the cash dividend component of CPI Merger Dividends which will be increased or reduced by an amount equal to 2.0818 times the amount the SDG stock price at the measurement date falls outside the collar. As of March 31, 1998 and December 31, 1997, there were 25,323,409 and 25,326,855 shares of CPI common stock outstanding, respectively. As of both March 31, 1998 and December 31, 1997, there were approximately 814,000 exercisable options. The following recap of the Merger consideration assumes the options are exercised, therefore, 26,137,409 and 26,140,855 shares are assumed to be outstanding as if the Merger occurred on March 31, 1998 and December 31, 1997, respectively. The Series A Convertible Preferred Stock will remain outstanding after the completion of the Merger. The Series A Convertible Preferred Stock was convertible into 1,505,000 shares of CPI common stock pre-Merger. In connection with the Merger, they have been valued by multiplying the per-share Merger consideration of $179 by the number of shares of common stock issuable upon conversion. At the Effective Time, the Series A Convertible Preferred Stock will be convertible into 7,950,492 shares of Simon Group Common Stock.

	AS OF MARCH 31, 1998	AS OF DECEMBER 31, 1997
Merger Consideration distributed to CPI stockholders (assuming outstanding shares of 26,137,409 and 26,140,855, respectively)		
Cash Dividend	$2,352,367	$2,352,677
Common Stock (54,412,100 and 54,420,032 shares and beneficial interests issued, respectively)	1,829,619	1,829,860
Series B Preferred Stock (4,966,038 and 4,966,762 shares issued, respectively)	496,611	496,676
Fair Value of Series A Preferred Stock	269,329	269,329
Fair Value of mortgages and other indebtedness	904,672	904,830
Other liabilities	142,996	177,546
SDG Merger costs (see below)	24,000	24,000
Less:		
$90 cash portion of the Merger Consideration retained as an offset to proceeds due upon exercise of option shares	(73,260)	(73,260)
Notes receivable issued by CPI in connection with the exercise of 814,000 options at an average exercise price of $127.39 per share less $90 cash portion of the Merger Consideration	(30,435)	(30,435)
Permanent restrictions to notes receivable from former CPI stockholders	(19,000)	(19,000)
Other	(107)	(417)
Total Purchase Price	$5,896,792	$5,931,806

Estimated fees and expenses of the Merger are as follows: Of these expenses, approximately $7,500 have been incurred by CPI during the period ended March 31, 1998.

Advisory fees	$ 27,000
Legal and accounting	12,600
Severance, transfer taxes and related costs	53,000
	92,600
Less: CPI expenses	(68,600)
SDG Merger costs	$ 24,000

(D) Allocation of purchase price of CPI:

The following pro forma adjustments are necessary as of March 31, 1998 and December 31, 1997 in the opinion of SDG to reflect the assets and liabilities of CPI at fair value. The purchase price has been allocated utilizing the purchase method of accounting.

AS OF MARCH 31, 1998:

	ALLOCATION OF PURCHASE PRICE(DA)	LESS CPI HISTORICAL, AS ADJUSTED FOR THE SALE OF THE GM BUILDING(B)	MERGER AND RELATED TRANSACTIONS PRO FORMA ADJUSTMENT
ASSETS:			
Investment in properties, partnership and joint ventures, net	$4,936,058	$2,066,323	$2,869,735
Goodwill	99,898	--	99,898
Cash and cash equivalents and short-term investments	789,119	798,220	(9,101)(Db)
Receivables, net	27,003	61,311	(34,308)(Dc)
Investment, notes receivable and advances from management company and affiliate	--	--	--
Other assets	44,714	42,866	1,848(Dd)
Total assets	$5,896,792	$2,968,720	$2,928,072
LIABILITIES:			
Mortgages and other indebtedness	$3,183,672	$ 845,672	$2,338,000(De)
Accounts payable, accrued expenses and other liabilities	166,996	81,896	85,100(Df)
Total liabilities	3,350,668	927,568	2,423,100
STOCKHOLDERS' EQUITY:			
Series A Preferred Stock	269,329	209,249	60,080
Series B Preferred Stock	496,611	--	496,611
Common stock	5	26,415	(26,410)
Capital in excess of par and other	1,780,179	1,602,067	178,112
Accumulated (deficit) surplus	--	317,390	(317,390)
Treasury stock	--	(113,969)	113,969
Total stockholders' equity	2,546,124	2,041,152	504,972
Total liabilities and stockholders' equity	$5,896,792	$2,968,720	$2,928,072

AS OF DECEMBER 31, 1997:

	ALLOCATION OF PURCHASE PRICE(DA)	LESS CPI HISTORICAL, AS ADJUSTED FOR THE SALE OF THE GM BUILDING (B)	MERGER AND RELATED TRANSACTIONS PRO FORMA ADJUSTMENT
ASSETS:			
Investment in properties, partnership and joint ventures, net	$4,820,221	$1,910,862	$2,909,359
Goodwill	94,025	--	94,025
Cash and cash equivalents and short-term investments	936,167	945,578	(9,411)(Db)
Receivables, net	32,154	71,363	(39,209)(Dc)
Investment, notes receivable and advances from management company and affiliate	--	--	--
Other assets	49,239	47,587	1,652(Dd)
Total assets	$5,931,806	$2,975,390	$2,956,416
LIABILITIES:			
Mortgages and other indebtedness	$3,183,830	$ 845,830	$2,338,000(De)
Accounts payable, accrued expenses and other liabilities	201,546	108,946	92,600(Df)
Total liabilities	3,385,376	954,776	2,430,600
STOCKHOLDERS' EQUITY:			
Series A Preferred Stock	269,329	209,249	60,080
Series B Preferred Stock	496,676	--	496,676
Common stock	5	26,419	(26,414)
Capital in excess of par and other	1,780,420	1,602,111	178,309
Accumulated (deficit) surplus	--	296,851	(296,851)
Treasury stock	--	(114,016)	114,016
Total stockholders' equity	2,546,430	2,020,614	525,816
Total liabilities and stockholders' equity	$5,931,806	$2,975,390	$2,956,416

(Da) The purchase price has been allocated based on the estimated fair market value of the assets and liabilities of CPI using information currently available.

	MARCH 31, 1998	DECEMBER 31, 1997
(Db) To reflect the decrease in cash and cash equivalents related to the CPI Merger Dividends and the Merger:		
Proceeds of indebtedness incurred in conjunction with the Merger	$ 1,499,000	$ 1,499,000
Cash proceeds from the sale of GM Building used to finance a portion of the CPI Merger Dividends	780,000	780,000
Debt issuance costs	(8,994)	(8,994)
Cash portion of CPI Merger Dividends	(2,352,367)	(2,352,677)
Proceeds from exercise of CPI stock options	73,260	73,260
	$ (9,101)	$ (9,411)
Less: Cash used to pay portion of CPI Merger Dividends(De)	(780,000)	(780,000)
	$ (789,101)	$ (789,411)

	MARCH 31, 1998	DECEMBER 31, 1997
(Dc) To reflect the adjustment by SDG to eliminate CPI's deferred asset related to the straight-lining of rent related to leases	$ (34,308)	$ (39,209)
(Dd) Adjustments to other assets:		
To eliminate historical unamortized deferred financing costs of CPI	$ (7,146)	$ (7,342)
To record deferred financing cost related to $1,499,000 assumed borrowed to finance the cash portion of the Merger consideration	8,994	8,994
	$ 1,848	$ 1,652
(De) Adjustments to mortgages and other indebtedness:		
To record a premium required to adjust CPI mortgage and other indebtedness to fair value using an estimated discount rate available to SDG on an instrument by instrument basis	$ 59,000	$ 59,000
To record the debt required to finance the cash portion of the CPI Merger Dividends consisting of:		
Binding commitment from a lender, two-year term loan, interest at LIBOR plus 80 basis points	1,400,000	1,400,000
Borrowing under SDG's credit facility, interest at LIBOR plus 65 basis points	99,000	99,000
Net cash proceeds from contract to sell the General Motors Building see item	780,000	780,000
	2,279,000	2,279,000
	$2,338,000	$2,338,000
Less: Net cash used to pay portion of CPI Merger Dividends from the sale of the GM Building (Db)	(780,000)	(780,000)
	$1,558,000	$1,558,000
(Df) To accrue Merger expenses and severance costs related to the Merger	$ 85,100	$ 92,600

(E) Adjustment required to reduce equity of the combined entity Simon Group by $339,128 as of March 31, 1998 and $339,061 as of December 1997 to reflect SDG preferred stockholders' interest in SDG as minority interest (preferred stock of subsidiary). SDG preferred stockholders hold an interest in SDG not in the combined entity. As a result of the Merger, SDG becomes a subsidiary of the combined entity.

(F) Adjustment required to reflect $22,000 cash contributed by the SDG Operating Partnership on behalf of the SDG stockholders ($14,000) and the limited partners of the SDG Operating Partnership ($8,000) to obtain beneficial interests in CRC to be paired with shares of common stock issued by Simon Group and to obtain units in the CRC Operating Partnership whereby the limited partners of the SDG Operating Partnership will hold the same proportionate interest in the CRC Operating Partnership as they hold in the SDG Operating Partnership. The amount of cash is based on a preliminary estimate of the fair value of the net assets of CRC. At the Effective Time, the Board of Directors of CRC will make a determination of the fair market value of CRC's net assets based upon information then available. SDG management does not expect that the final amount will differ materially from the preliminary estimates.

	SDG	CRC	COMBINED PRO FORMA ADJUSTMENT
Cash and Cash Equivalents	$(22,000)	$22,000	$ --
Limited Partners' Interest	(8,000)	8,000	--
Common Stock and Beneficial Interests	--	11	11
Capital in Excess of Par	--	13,989	13,989
Accumulated Deficit	(14,000)	--	(14,000)

(G) To adjust the Limited Partners' interest (before preferred units) in the Operating Partnerships and Stockholders' Equity to reflect the CPI Merger Dividends, the Merger and Other Property Transactions:

	AS OF MARCH 31, 1998		
	DOLLAR AMOUNTS (IN THOUSANDS)	OUTSTANDING SHARES/UNITS	OWNERSHIP PERCENTAGE
Common Stockholders' Equity Before Unamortized Restricted Stock Award -- SDG Historical	$1,229,940	109,694,509	
Common Equity issued in connection with the Merger	1,780,184	54,412,100	
Simon Group	3,010,124	164,106,609	
Less: Equity in assets held by Simon Group	(153,100)	(4,553,160)	
Simon Group before adjustments and Limited Partners' Interest	2,857,024	159,553,449	71.4%
Limited Partners' Interest -- SDG Historical	718,264	64,059,705	28.6%
Total Equity of the SDG Operating Partnerships Before Preferred Units and adjustment	$3,575,288	223,613,154	100%
Pro forma adjustment (F)	(14,000)		
Adjusted Equity of CRC Operating Partnership - Historical	18,002		
Adjusted Equity of the SDG Operating Partnership	$3,579,290		
Limited Partners' Pro Forma Ownership Interest	28.6%		
Pro Forma Limited Partners' Equity Interest	$1,023,677		
Less: Historical Values	(718,264)		
Pro Forma Adjustment	$ 305,413		

	AS OF DECEMBER 31, 1997		
	DOLLAR AMOUNTS (IN THOUSANDS)	OUTSTANDING SHARES/UNITS	OWNERSHIP PERCENTAGE
Common Stockholders' Equity Before Unamortized Restricted Stock Award -- SDG Historical	$1,231,031	109,643,001	
Common Equity issued in connection with the Merger	1,780,425	54,420,032	
Simon Group	3,011,456	164,063,033	
Less: Equity in assets held by Simon Group	(153,100)	(4,553,160)	
Simon Group before adjustments and Limited Partners' Interest	2,858,356	159,509,873	71.5%
Limited Partners' Interest -- SDG Historical	694,437	61,850,762	
Other Property Transaction: Units issued to acquire Cordorva Mall	55,523	1,713,016	
Limited Partner	749,960	63,563,778	28.5%
Total Equity of the SDG Operating Partnerships Before Preferred Units and adjustment	$3,608,316	223,073,651	100%
Pro forma adjustment (F)	(14,000)		
Adjusted Equity of CRC Operating Partnership - Historical	18,316		
Adjusted Equity of the SDG Operating Partnership	$3,612,632		
Limited Partners' Pro Forma Ownership Interest	28.5%		
Pro Forma Limited Partners' Equity Interest	$1,029,600		
Less: Historical Values	(694,437)		
Less: Other Pro Forma Adjustments	(55,523)		
Pro Forma Adjustment	$ 279,640		

Generally accepted accounting principles, as specified in Financial Accounting Standards Board Emerging Issues Task Force ("EITF") 94-2 ("Treatment of Minority Interests in Certain Real Estate investment Trusts")

and 95-7 ("Implementation Issues Relating to the Treatment of Minority Interests in Certain Real Estate Investment Trusts"), provide for the allocation of the pro forma financial reporting amounts of Simon Group Stockholder's Equity and the respective interests of Simon Group and the limited partners in the Operating Partnerships based upon their respective ownership percentages. The above tables compute the financial reporting pro forma equity amounts and allocations thereof in accordance with GAAP resulting in, for financial reporting purposes, an increase in the limited partners' minority interests and a reduction in capital in excess of par value in the amount of $305,413 at March 31, 1998 and $279,640 as of December 31, 1997. That financial reporting allocation is not determinative of the future allocation of the Operating Partnerships' distributions or the number of shares of Simon Group Common Stock into which the SDG Units are convertible, both of which will be determined by the actual number of SDG Units held by Simon Group and the SDG Limited Partners.

(H) The following adjustments by SDG are necessary to reflect the Other Property Transactions:

	AS OF DECEMBER 31, 1997				
	ALLOCATION OF PURCHASE PRICE		FINANCING		
	INVESTMENT IN PROPERTIES, PARTNERSHIPS AND JOINT VENTURES	ACCOUNTS PAYABLE AND OTHER LIABILITIES	CASH	DEBT	SDG OPERATING PARTNERSHIP UNITS
Acquisition of Phipps Plaza	$ 198,848	$ --	$(158,848)	$ 40,000	$ --
Sale of Burnsville Mall	(80,672)	--	40,672	(40,000)	--
Cordova Mall	94,000	6,842	(2,700)	28,935	55,523
Acquisition of 50% Joint Venture interest	244,750	2,750	--	242,000	--
Pro Forma Adjustments	$ 456,926	$9,592	$(120,876)	$270,935	$55,523

(I) Pro forma adjustment to reflect the adjustment to the par value of CRC stock from a par value of $.10 per share to $.0001 per share resulting in a reclassification of $263 from Common Stock to Capital in Excess of Par and Other as of March 31, 1998 and December 31, 1997.

3. Analysis of Stockholders' Equity

The following analysis reflects the individual equity accounts of Simon Group and CRC on a pro forma basis.

	MARCH 31, 1998		
	SIMON GROUP	CRC	PRO FORMA COMBINED TOTAL
Series A Convertible Preferred Stock	$ 269,329	$ --	$ 269,329
Series B Convertible Preferred Stock	496,611	--	496,611
Common Stock	16	16	32
Capital in Excess of Par and Other	2,998,949	28,166	3,027,115
Accumulated Deficit	(308,817)	(9,617)	(318,434)
Unrestricted Stock Award	(11,883)	--	(11,883)
Total Stockholders' Equity	$3,444,205	$18,565	$3,462,770

	DECEMBER 31, 1997		
	SIMON GROUP	CRC	PRO FORMA COMBINED TOTAL
Series A Convertible Preferred Stock	$ 269,329	$ --	$ 269,329
Series B Convertible Preferred Stock	496,676	--	496,676
Common Stock	16	16	32
Capital in Excess of Par and Other	2,994,609	28,103	3,022,712
Accumulated Deficit	(277,308)	(9,304)	(286,612)
Unrestricted Stock Award	(13,230)	--	(13,230)
Total Stockholders' Equity	$3,470,092	$18,815	$3,488,907

4. Outstanding Shares of Capital Stock

Following is an analysis of the number of authorized and issued shares of capital stock of SDG Historical and Simon Group Pro Forma as of March 31, 1998 and December 31, 1997.

	MARCH 31, 1998		DECEMBER 31, 1997	
	HISTORICAL	PRO FORMA	HISTORICAL	PRO FORMA
Common Stock				
Authorized	387,800,000	387,800,000	387,800,000	387,800,000
Issued	109,694,509	164,106,609	109,643,001	164,063,033
Series B Cumulative Redeemable Preferred Stock				
Authorized	9,200,000	9,200,000	9,200,000	9,200,000
Issued	8,000,000	8,000,000	8,000,000	8,000,000
Series C Cumulative Redeemable Preferred Stock				
Authorized	3,000,000	3,000,000	3,000,000	3,000,000
Issued	3,000,000	3,000,000	3,000,000	3,000,000
Series A Convertible Preferred Stock				
Authorized	--	209,249	--	209,249
Issued	--	209,249	--	209,249
Series B Convertible Preferred Stock				
Authorized	--	4,966,038	--	4,966,762
Issued	--	4,966,038	--	4,966,762

The Common Stock share information includes share information for all classes of Common Stock authorized and issued. Additionally, as a result of the Merger, a beneficial interest in CRC is stapled to each pro forma share of common stock of Simon Group. As of March 31, 1998 and December 31, 1997, Simon Group and SDG, on a pro forma and a historical basis, had no treasury shares outstanding.

SIMON GROUP

PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1998
(UNAUDITED, IN THOUSANDS EXCEPT UNIT AND PER UNIT AMOUNTS)

				PRO FORMA	
	SDG (HISTORICAL)	CPI (HISTORICAL)	CRC (HISTORICAL)	SALE OF GM BUILDING (HISTORICAL)	MERGER AND RELATED TRANSACTIONS ADJUSTMENTS
REVENUE					
Minimum rent	$ 184,460	$ 85,481	$ 782	$(19,920)	$ 750(A)
Overage rent	9,782	3,098	--	(164)	--
Tenant reimbursements	90,160	36,973	212	(3,474)	--
Other income	15,855	2,852	148	187	(200)(B)
Total revenue	300,257	128,404	1,142	(23,371)	550
EXPENSES					
Property & other expenses	108,285	57,934	690	(9,718)	(7,539)(I)
Depreciation and amortization	58,305	22,334	229	(2,921)	10,850(C)
Total expenses	166,590	80,268	919	(12,639)	3,311
INCOME BEFORE ITEMS BELOW	133,667	48,136	223	(10,732)	(2,761)
INTEREST EXPENSE	91,910	16,474	338	(142)	21,917(D)
INCOME BEFORE MINORITY INTEREST	41,757	31,662	(115)	(10,590)	(24,678)
MINORITY PARTNERS' INTEREST	(1,442)	--	--	--	--
GAIN ON SALES OF ASSETS	0	44,311	--	--	--
INCOME BEFORE UNCONSOLIDATED ENTITIES	40,315	75,973	(115)	(10,590)	(24,678)
INCOME FROM UNCONSOLIDATED ENTITIES	4,809	5,554	70	--	--
INCOME OF THE OPERATING PARTNERSHIPS AND OTHER	45,124	81,527	(45)	(10,590)	(24,678)
LESS LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	13,842	--	--	--	5,686(G)
PREFERRED DIVIDENDS	7,334	3,428	--	--	8,070(E)
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS BEFORE EXTRAORDINARY ITEMS	$ 23,948	$ 78,099	$ (45)	$(10,590)	$(38,434)
NET INCOME PER SHARE -- BASIC AND DILUTED	$ 0.22				
WEIGHTED AVERAGE SHARES OUTSTANDING	109,684,252				

	PRO FORMA	
	OTHER PROPERTY TRANSACTIONS(F)	TOTAL
REVENUE		
Minimum rent	$ (248)	$ 251,305
Overage rent	33	12,749
Tenant reimbursements	(616)	123,255
Other income	(71)	18,771
Total revenue	(902)	406,080
EXPENSES		
Property & other expenses	(613)	149,039
Depreciation and amortization	439	89,236
Total expenses	(174)	238,275
INCOME BEFORE ITEMS BELOW	(728)	167,805
INTEREST EXPENSE	2,827	133,324
INCOME BEFORE MINORITY INTEREST	(3,555)	34,481
MINORITY PARTNERS' INTEREST	--	(1,442)
GAIN ON SALES OF ASSETS	--	44,311
INCOME BEFORE UNCONSOLIDATED ENTITIES	(3,555)	77,350
INCOME FROM UNCONSOLIDATED ENTITIES	1,879	12,312
INCOME OF THE OPERATING PARTNERSHIPS AND OTHER	(1,676)	89,662
LESS LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	--	19,528
PREFERRED DIVIDENDS	--	18,832
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS BEFORE EXTRAORDINARY ITEMS	$ (1,676)	$ 51,302
NET INCOME PER SHARE -- BASIC AND DILUTED		$ 0.31

WEIGHTED AVERAGE SHARES OUTSTANDING.....	164,096,352(H)

The accompanying notes and SDG management's assumptions are an integral part of this statement.

SIMON GROUP
PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1997
(IN THOUSANDS EXCEPT UNIT AND PER UNIT AMOUNTS)

				PRO FORMA		
	SDG (HISTORICAL)	CPI (HISTORICAL)	CRC (HISTORICAL)	SALE OF GM BUILDING (HISTORICAL)	MERGER AND RELATED TRANSACTIONS ADJUSTMENTS	OTHER PROPERTY TRANSACTIONS(F)
REVENUE						
Minimum rent	$ 641,352	$319,862	$3,108	$(77,707)	$ 3,000(A)	$ 88,305
Overage rent	38,810	10,489	--	(536)	--	5,119
Tenant reimbursements	322,416	138,579	968	(12,297)	--	49,251
Other income	51,589	24,858	2,539	(962)	(800)(B)	4,463
Total revenue	1,054,167	493,788	6,615	(91,502)	2,200	147,138
EXPENSES						
Property & other expenses	376,237	199,503	5,592	(40,420)	--(I)	53,779
Depreciation and amortization	200,900	91,312	889	(17,764)	38,400(C)	28,866
Total expenses	577,137	290,815	6,481	(58,184)	38,400	82,645
INCOME BEFORE ITEMS BELOW	477,030	202,973	134	(33,318)	(36,200)	64,493
INTEREST EXPENSE	287,823	69,562	1,365	(716)	87,668(D)	82,870
INCOME BEFORE MINORITY INTEREST	189,207	133,411	(1,231)	(32,602)	(123,868)	(18,377)
MINORITY PARTNERS' INTEREST	(5,270)	--	--	--	--	--
GAINS ON SALE OF ASSETS	20	122,410	1,259	--	--	--
INCOME BEFORE UNCONSOLIDATED ENTITIES	183,957	255,821	28	(32,602)	(123,868)	(18,377)
INCOME FROM UNCONSOLIDATED ENTITIES	19,176	21,390	1,149	--	--	8,770
INCOME OF THE OPERATING PARTNERSHIPS AND OTHER	203,133	277,211	1,177	(32,602)	(123,868)	(9,607)
LESS LIMITED PARTNERS' INTEREST IN THE SDG OPERATING PARTNERSHIPS	65,954	--	--	--	2,677(G)	--
PREFERRED DIVIDENDS	29,248	13,712	--	--	32,284(E)	--
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS BEFORE EXTRAORDINARY ITEMS	$ 107,931	$263,499	$1,177	$(32,602)	$(158,829)	$ (9,607)
NET INCOME PER SHARE -- BASIC AND DILUTED	$ 1.08					
WEIGHTED AVERAGE SHARES OUTSTANDING	99,920,280					

	PRO FORMA
	TOTAL
REVENUE	
Minimum rent	$ 977,920
Overage rent	53,882
Tenant reimbursements	498,917
Other income	81,687
Total revenue	1,612,406
EXPENSES	
Property & other expenses	594,691
Depreciation and amortization	342,603
Total expenses	937,294
INCOME BEFORE ITEMS BELOW	675,112
INTEREST EXPENSE	528,572
INCOME BEFORE MINORITY INTEREST	146,540
MINORITY PARTNERS' INTEREST	(5,270)
GAINS ON SALE OF ASSETS	123,689
INCOME BEFORE UNCONSOLIDATED ENTITIES	264,959
INCOME FROM UNCONSOLIDATED	

ENTITIES	50,485
INCOME OF THE OPERATING PARTNERSHIPS AND OTHER	315,444
LESS LIMITED PARTNERS' INTEREST IN THE SDG OPERATING PARTNERSHIPS	68,631
PREFERRED DIVIDENDS	75,244
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS BEFORE EXTRAORDINARY ITEMS	$ 171,569
NET INCOME PER SHARE -- BASIC AND DILUTED	$ 1.10
WEIGHTED AVERAGE SHARES OUTSTANDING	155,773,755(H)

The accompanying notes and SDG management's assumptions are an integral part of this statement.

5.Pro forma Adjustments by SDG to Unaudited Pro Forma Combined Condensed Statements of Operations

In connection with the Merger, CPI will incur $68,600 of expenses which have not been included in the Pro Forma Combined Condensed Statement of Operations. Further, the estimated gain of $213,000 and $218,000, respectively, related to the probable sale of the General Motors Building has been excluded from the unaudited Pro Forma Combined Condensed Statement of Operations.

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	FOR THE YEAR ENDED DECEMBER 31, 1997
(A) To recognize revenue from straight-lining rent related to leases which will be reset in connection with the Merger...	$ 750	$ 3,000
(B) To reflect a reduction in interest income due to forgiveness of Notes Receivable from CPI employees ($13,200 multiplied by 6%).....	$ (200)	$ (800)
(C) To reflect the increase in depreciation and amortization as a result of recording the investment properties at acquisition value, allocating 20% of the premium to land, versus historical cost and utilizing an estimated useful life of 35 years for investment properties and goodwill....	$10,850	$ 38,400
(D) To reflect the following adjustments to interest expense:		
(1) To reflect the elimination of amortization of deferred financing costs related to CPI written off in connection with the Merger.....	$ (217)	$ (868)
(2) To reflect the amortization of the estimated costs incurred to finance the cash portion of the Merger consideration.....	225	899
(3) To reflect the amortization of the premium required to adjust mortgages and other notes payable to fair value.....	(2,225)	(8,900)
(4) To reflect interest expense for debt borrowed to finance the CPI Merger Dividends:		
Term loan commitment $1,400,000 at LIBOR plus 80 basis points -- 6.45%.....	22,575	90,300
Revolving credit facility at LIBOR plus 65 basis points -- 6.30%.....	1,559	6,237
	24,134	96,537
	$21,917	$ 87,668
(A 1/8% change in the LIBOR rate would change the annual pro forma adjustment to interest expense by $1,875.)		
(E) To reflect annual dividends on 6.5% Series B Convertible Preferred Stock issued in connection with the Merger.....	$ 8,070	$ 32,284

(F) Other Property Transactions represent the historical operating results of the properties for the appropriate period to reflect a full year of activities in the unaudited pro forma statements of operations. The pro forma adjustments by SDG give effect when applicable to:

(1) An increase in depreciation expense as a result of recording the properties at SDG's estimate of fair value

(2) An increase in interest expense primarily resulting from debt incurred to finance the transactions

(3) The elimination of expenses included in the historical results incurred by the seller directly related to the transaction

(4) The elimination of the historical results to reflect the sale of Burnsville Mall

The Other Property Transactions include:

(1) The acquisition of the RPT portfolio in September and November 1997

(2) The acquisition of Fashion Mall Keystone at the Crossing in December 1997

(3) The acquisition of Phipps Plaza in January 1998

(4) The sale of Burnsville Mall in January 1998

(5) The acquisition of Cordova Mall January 1998

(6) The acquisition of a 50% interest in a portfolio of twelve properties in February 1998

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	FOR THE YEAR ENDED DECEMBER 31, 1997
(G) To adjust the allocation of the Limited Partners' interest in the net income of the Operating Partnerships, after consideration of the preferred unit distributions. The Limited Partners' weighted average pro forma ownership interest in the Operating Partnerships for the three months ended March 31, 1998 and for the year ended December 31, 1997 were 28.6% and 29.6%, respectively	$ 5,686	$ 2,677
(H) The pro forma weighted average shares outstanding is computed as follows:		
SDG Historical Weighted Average Shares Outstanding	109,684,252	99,920,280
Pro forma adjustments:		
Common stock issued related to RPT transaction	--	1,433,443
Common stock issued related to the Merger	54,412,100	54,420,032
Pro forma weighted average shares and beneficial interests outstanding	164,096,352	155,773,755
(I) To eliminate Merger expenses incurred by CPI during the period	$ (7,539)	$ --

6. New Accounting Pronouncement

On May 21, 1998, the Emerging Issues Task Force reached a final consensus regarding Issue 98-9, "Accounting for Contingent Rent in Interim Financial Periods." The final consensus requires that the lessor should defer recognition of contingent rental income (overage rent) until the specified targets are met. This consensus is not expected to have a material impact on Simon Group's annual results.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF PRO FORMA FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PRO FORMA RESULTS OF OPERATIONS FOR SIMON GROUP (DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Pro forma results of operations are not necessarily indicative of what Simon Group's, including CRC, results of operations would have been had the Merger and Other Property Transactions been consummated on the dates indicated, nor do they purport to project future results of operations. The pro forma financial information is based on assumptions deemed appropriate by the management of SDG. The following discussion and analysis of pro forma financial condition and results of operations has been prepared by management of SDG and reflects such pro forma financial information.

The following discussion should be read in conjunction with the information set forth under PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA and SDG's, CPI's and CRC's historical financial statements and notes thereto incorporated by reference or included elsewhere herein. Certain statements made in this section may constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Simon Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, without limitation, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and availability of financing; adverse changes in the real estate markets including, without limitation, competition with other companies; risks of real estate development and acquisition; risks relating to Year 2000 issues; governmental actions and initiatives; and environmental/safety requirements.

PRO FORMA FOR THE THREE MONTHS ENDED MARCH 31, 1998

On a pro forma basis for the three months ended March 31, 1998 revenues for Simon Group were $406,080. Total revenues include minimum rent, overage rent, tenant reimbursements and other income of $251,305, $12,749, $123,255, and $18,771, respectively.

Pro forma operating expenses for the quarter ended March 31, 1998 of $238,275 includes depreciation and amortization of $89,236.

Pro forma operating income and earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled $167,805 and $257,041 for the quarter March 31, 1998, respectively. Simon Group's consolidated pro forma operating margin (before depreciation and amortization) for the period was 63.3%.

Pro forma interest expense of $133,324 includes interest costs of $24,359 incurred to finance the CPI Merger Dividends.

Income of the SDG Operating Partnership of $89,662 includes a non-recurring gain on the sale of real estate of Burnsville Mall of $44,311. Income of the SDG Operating Partnership was allocated to Simon Group based on Simon Group's preferred unit preference and ownership interest in the Operating Partnerships during the period.

Pro forma preferred dividends of $18,832 include $8,070 of dividends associated with the issuance of the Series B Preferred Stock.

Pro forma net income on a per share basis (basic and diluted) for the period was $.31 for the three month period ended March 31, 1998. Excluding the gain on the sale of real estate, pro forma net income per share would have been $.12 as compared to historical earnings per share of $.22.

PRO FORMA FOR THE YEAR ENDED DECEMBER 31, 1997

On a pro forma basis for the year ended December 31, 1997 revenues for Simon Group were $1,612,406. Total revenues include minimum rent, overage rent, tenant reimbursements and other income of $977,920, $53,882, $498,917, and $81,687, respectively.

Pro forma operating expenses for the year ended December 31, 1997 of $937,294 includes depreciation and amortization of $342,603.

Pro forma operating income and earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled $675,112 and $1,017,715 for the year ended December 31, 1997, respectively. Simon

Group's consolidated pro forma operating margin (before depreciation and amortization) for the period was 63.1%.

Pro forma interest expense of $528,572 includes interest costs of $97,436 incurred to finance the CPI Merger Dividends.

Income of the SDG Operating Partnership of $315,444 includes gains on sale of assets of $123,689. Income of the Operating Partnerships was allocated to Simon Group based on Simon Group's preferred unit preference and ownership interest in the operating partnerships during the period.

Pro forma preferred dividends of $75,244 include $32,284 of dividends associated with the issuance of the Series B Preferred Stock.

Pro forma net income on a per share basis (basic and diluted) for the period was $1.10 for the year ended December 31, 1997. Excluding the gain on the sale of real estate, pro forma net income per share would have been $.54 as compared to historical earnings per share of $1.08.

Liquidity and Capital Resources

As of March 31, 1998, the Simon Group's pro forma balance of unrestricted cash and cash equivalents was $115,016. In addition to the cash balance, the Simon Group has unsecured revolving credit facilities (the "Credit Facilities") aggregating $1,550,000 which had $245,800 available after outstanding borrowings and letters of credit at March 31, 1998 on a pro forma basis. After taking into account $1,062,000 of net proceeds of SDG's $1,075,000 private offering and the cancellation of a $300,000 credit facility and on a pro forma basis, the Credit Facilities had $1,007,800 available after outstanding borrowings and letters of credit at March 31, 1998. Simon Group expects to have access to public and private equity and debt markets.

SDG management anticipates that cash generated from operating performance will provide the necessary funds on a short- and long-term basis for its operating expenses, interest expense on outstanding indebtedness, recurring capital expenditures, and distributions to shareholders in accordance with REIT requirements. Sources of capital for nonrecurring capital expenditures, such as major building renovations and expansions, as well as for scheduled principal payments, including balloon payments, on outstanding indebtedness are expected to be obtained from: (i) excess cash generated from operating performance; (ii) working capital reserves; (iii) additional debt financing; and (iv) additional equity raised in the public markets.

Financing and Debt

At March 31, 1998, the Simon Group had consolidated pro forma debt of $7,734,500, which includes $2.405 billion of indebtedness associated with the assumption of CPI and CRC's indebtedness and financing of the CPI Merger Dividends. Of this pro forma amount, $4,329,332 is fixed-rate debt and $3,405,168 is variable-rate debt. At March 31, 1998, the Simon Group had consolidated pro forma fixed-rate debt, after considering the net proceeds from the $1,075,000 debt offering, of $5,391,332 and consolidated variable-rate debt of $2,343,168.

On a pro forma basis, $245,800 was available under the Credit Facilities as of March 31, 1998. On June 22, 1998, the SDG Operating Partnership consummated a private placement of $1,075,000 aggregate principal amount of notes, the net proceeds of $1,062,000 were used primarily to repay amounts outstanding under the Credit Facilities. In connection with this transaction, a Credit Facility of $300,000 was cancelled. The combination of these transactions would have increased the amount available under the Credit Facilities to $1,007,800 on a pro forma basis.

Scheduled principal payments of pro forma consolidated mortgages and indebtedness after considering the $1,075,000 debt offering but prior to considering the fair value premium over the next five years is $3,599,826, with $4,077,946 thereafter. Simon Group's pro forma ratio of debt to market capitalization, excluding a pro rata share of joint venture indebtedness, was 46.4% at March 31, 1998.

New Accounting Pronouncement

On May 21, 1998, the Emerging Issues Task Force reached a final consensus regarding Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods." The final consensus requires that the lessor should defer recognition of contingent rental income (overage rent) until the specified targets are met. This consensus is not expected to have a material impact on Simon Group's annual results.

SELECTED HISTORICAL FINANCIAL DATA OF SDG

The following table sets forth selected consolidated financial data for SDG and combined historical financial data of the Predecessor. The information under Balance Sheet Data as at March 31, 1998 and 1997 and all other selected financial data for the three months ended March 31, 1998 and 1997 have been derived from the unaudited consolidated financial statements of SDG incorporated herein by reference. The selected historical balance sheet data of SDG as at December 31, 1993, 1994, 1995, 1996 and 1997 and all other selected historical financial data for SDG and the Predecessor, as applicable, for the years ended December 31, 1994, 1995, 1996 and 1997 and the periods ended December 19, 1993 and December 31, 1993 are derived from the audited financial statements of SDG and the Predecessor, as applicable, incorporated herein by reference. The financial data should be read in conjunction with the financial statements and notes thereto and other financial data of SDG and the Predecessor incorporated herein by reference.

Other data management believes is important in understanding trends in the SDG's business is also included in the table.

	SDG					
	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,			
	1998	1997	1997(1)	1996(1)	1995(1)	1994
	(IN THOUSANDS, EXCEPT PER SHARE DATA)					
OPERATING DATA:						
Total revenue	$ 300,257	$ 242,414	$1,054,167	$ 747,704	$ 553,657	$ 473,676
Income (loss) of the SDG Operating Partnership before extraordinary items	45,124	43,062	203,133	134,663	101,505	60,308
Net income (loss) available to common shareholders	$ 23,948	$ 8,233	$ 107,989	$ 72,561	$ 57,781	$ 23,377
BASIC EARNINGS PER COMMON SHARE(2):						
Income before extraordinary items	$ 0.22	$ 0.23	$ 1.08	$ 1.02	$ 1.08	$ 0.71
Extraordinary items	--	(0.15)	--	(0.03)	(0.04)	(0.21)
Net income (loss)	$ 0.22	$ 0.08	$ 1.08	$ 0.99	$ 1.04	$ 0.50
Weighted average shares outstanding	109,684	96,973	99,920	73,586	55,312	47,012
DILUTED EARNINGS PER COMMON SHARE(2):						
Income before extraordinary items	$ 0.22	$ 0.23	$ 1.08	$ 1.01	$ 1.08	$ 0.71
Extraordinary items	--	(0.15)	--	(0.03)	(0.04)	(0.21)
Net income (loss)	$ 0.22	$ 0.08	$ 1.08	$ 0.98	$ 1.04	$ 0.50
Diluted weighted average shares outstanding	110,071	97,370	100,304	73,721	55,422	47,214
Distributions per common share(3)	$ 0.5050	$ 0.4925	$ 2.01	$ 1.63	$ 1.97	$ 1.90
BALANCE SHEET DATA:						
Cash and cash equivalents	$ 101,997	$ 41,946	$ 109,699	$ 64,309	$ 62,721	$ 105,139
Total assets	7,956,808	5,908,896	7,662,667	5,895,910	2,556,436	2,316,860
Mortgages and other indebtedness	5,329,707	3,746,992	5,077,990	3,681,984	1,980,759	1,938,091
Shareholders' equity	$1,557,185	$1,265,466	$1,556,862	$1,304,891	$ 232,946	$ 57,307
OTHER DATA:						
Cash flow provided by (used in):						
Operating activities	$ 119,472	$ 89,517	$ 370,907	$ 236,464	$ 194,336	$ 128,023
Investing activities	(251,481)	(72,040)	(1,243,804)	(199,742)	(222,679)	(266,772)
Financing activities	124,307	(39,840)	918,287	(35,134)	(14,075)	133,263
Funds from Operations (FFO) of the SDG Operating Partnership(4)	$ 108,907	$ 87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
FFO allocable to SDG (4)	$ 69,015	$ 53,992	$ 258,049	$ 172,468	$ 118,376	$ 92,604

	SDG	PREDECESSOR
	DECEMBER 20 TO DECEMBER 31, 1993	JANUARY 1 TO DECEMBER 19, 1993
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
OPERATING DATA:		
Total revenue	$ 18,424	$ 405,869
Income (loss) of the SDG Operating Partnership before extraordinary items	8,707	6,912
Net income (loss) available		

to common shareholders.....	$ (11,366)	$ 33,101
BASIC EARNINGS PER COMMON SHARE(2):		
Income before extraordinary items.....	$ 0.11	N/A
Extraordinary items.....	(0.39)	N/A
Net income (loss).....	$ (0.28)	N/A
Weighted average shares outstanding.....	40,950	N/A
DILUTED EARNINGS PER COMMON SHARE(2):		
Income before extraordinary items.....	$ 0.11	N/A
Extraordinary items.....	(0.39)	N/A
Net income (loss).....	$ (0.28)	N/A
Diluted weighted average shares outstanding.....	40,957	N/A
Distributions per common share(3).....	--	N/A
BALANCE SHEET DATA:		
Cash and cash equivalents....	$ 110,625	N/A
Total assets.....	1,793,654	N/A
Mortgages and other indebtedness.....	1,455,884	N/A
Shareholders' equity.....	$ 29,521	N/A
OTHER DATA:		
Cash flow provided by (used in):		
Operating activities.....	N/A	N/A
Investing activities.....	N/A	N/A
Financing activities.....	N/A	N/A
Funds from Operations (FFO) of the SDG Operating Partnership(4).....	N/A	N/A
FFO allocable to SDG (4).....	N/A	N/A

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(1) Refer to Note 3 to SDG's audited financial statements included in SDG's Form 10-K and Form 10-K/A for the year ended December 31, 1997 which are incorporated by reference herein to describe the DeBartolo Merger, which occurred on August 9, 1996, and the 1997, 1996, and 1995 real estate acquisitions and development.

(2) Per share data is reflected only for SDG, because the historical combined financial statements of the Predecessor are a combined presentation of partnerships and corporations.

(3) Represents distributions declared per period. A distribution of $0.1515 per share was declared on August 9, 1996, in connection with the DeBartolo Merger, designated to align the time periods of distributions of the merged companies. The current annual distribution rate is $2.02 per share.

(4) FFO, as defined by NAREIT, means the consolidated net income of the SDG Operating Partnership and its subsidiaries without giving effect to real estate related depreciation and amortization, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses on investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the SDG Operating Partnership's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles. Management believes that FFO is an important and the widely used measure of the operating performance of REITs, which provides a relevant basis for comparison among REITs. FFO is presented to assist investors in analyzing the performance of SDG. SDG's method of calculating FFO may be different from the methods used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of SDG's operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of SDG's liquidity. In March 1995, NAREIT modified its definition of FFO. The modified definition provides that amortization of deferred financing costs and depreciation of nonrental real estate assets are no longer to be added back to net income in arriving at FFO. This modification was adopted by SDG beginning in 1996. Additionally the FFO for prior periods has been restated to reflect the modification in order to make the amounts comparative. Under the previous definition, FFO for the years ended December 31, 1995 and 1994, was $208.3 million and $176.4 million, respectively.

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

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,			
	1998	1997	1997	1996	1995	1994
			(IN THOUSANDS)			
FFO of SDG Operating Partnership	$108,907	$87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
Increase in FFO from prior period	23.8%	80.6%	47.5%	42.2%	18.0%	N/A
Reconciliation:						
Income of SDG Operating Partnership before extraordinary items	$ 45,124	$43,062	$ 203,133	$ 134,663	$ 101,505	$ 60,308
Plus:						
Depreciation and amortization from consolidated properties	58,079	43,312	200,084	135,226	92,274	75,663
SDG Operating Partnership's share of depreciation and amortization from unconsolidated affiliates	14,804	8,858	46,760	20,159	6,466	7,251
Merger integration costs	--	--	--	7,236	--	--
SDG Operating Partnership's share of (gains) or losses on sales of real estate	--	(37)	(20)	(88)	2,054	--
Unusual item	--	--	--	--	--	27,184
Less:						
Minority interest portion of depreciation and amortization	(1,766)	(850)	(5,581)	(3,007)	(2,900)	(2,645)
Preferred dividends	(7,334)	(6,406)	(29,248)	(12,694)	(1,490)	--
FFO of SDG Operating Partnership	$108,907	$87,939	$ 415,128	$ 281,495	$ 197,909	$ 167,761
FFO allocable to SDG	$ 69,015	$53,992	$ 258,049	$ 172,468	$ 118,376	$ 92,604

SELECTED HISTORICAL FINANCIAL DATA OF CPI

The following table sets forth selected historical financial data for CPI and should be read in conjunction with the audited and unaudited consolidated financial statements of CPI and the related notes, included elsewhere herein. The information under Balance Sheet Data as at March 31, 1998 and all other selected financial information for the three months ended March 31, 1998 and 1997 has been derived from the unaudited consolidated financial statements of CPI included herein. The information under Balance Sheet Data as at December 31, 1997 and 1996 and all other selected financial information for the years ended December 31, 1997, 1996 and 1995 has been derived from the annual audited consolidated financial statements of CPI included herein. Such statements account for the investments in real estate joint ventures under the equity method of accounting. The audited financial statements for other years and years-end were based on pro rata consolidation of CPI's investment in real estate joint ventures. The financial information presented below for such years has been derived from the audited financial statements after adjustments to reflect the investments in real estate joint ventures under the equity method. The information under Balance Sheet Data as of March 31, 1997 has been derived from the unaudited consolidated financial statements of CPI.

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			(IN THOUSANDS EXCEPT PER SHARE)				
INCOME STATEMENT DATA:							
Total revenue	$128,404	$ 119,090	$ 493,788	$ 349,109	$ 308,232	$ 298,150	$ 284,557
Gain on sale of properties	$ 44,311	$ 116,522	$ 122,410	$ 74,084	$ 398	$ 85,090	$ 13,316
Income before extraordinary items	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355	$ 137,224	$ 99,984
Net income available to common shareholders	$ 78,099	$ 148,530	$ 263,499	$ 170,659	$ 105,713	$ 132,835	$ 92,670
BASIC EARNINGS PER COMMON SHARE:							
Income before extraordinary items(1)	$ 3.08	$ 5.70	$ 10.20	$ 7.74	$ 5.00	$ 6.28	$ 4.72
Extraordinary items	--	--	--	--	--	--	(0.35)
Net income	$ 3.08	$ 5.70	$ 10.20	$ 7.74	$ 5.00	$ 6.28	$ 4.37
Weighted average shares outstanding	25,353	26,066	25,835	22,045	21,160	21,157	21,200
DILUTED EARNINGS PER COMMON SHARE:							
Income before extraordinary items(2)	$ 3.01	$ 5.51	$ 10.14	$ 7.74	$ 5.00	$ 6.28	$ 4.72
Extraordinary items	--	--	--	--	--	--	(0.35)
Net income	$ 3.01	$ 5.51	$ 10.14	$ 7.74	$ 5.00	$ 6.28	$ 4.37
Diluted weighted average shares outstanding	27,095	27,571	27,348	23,550	22,667	21,637	21,200
Distributions per common share(3)	$ 1.94	$ 1.865	$ 7.685	$ 7.3825	$ 7.0625	$ 7.80	$ 6.80

	MARCH 31,		DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			(IN THOUSANDS)				
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 16,196	$ 95,745	$ 124,808	$ 106,495	$ 82,838	$ 46,640	$ 49,834
Total assets	$2,808,756	$2,932,808	$2,810,254	$3,114,910	$1,988,810	$2,010,354	$1,832,988
Mortgages and notes and bonds payable	$ 857,648	$ 863,337	$ 859,060	$ 964,690	$ 695,562	$ 695,966	$ 696,418
Shareholders' equity	$1,828,152	$1,909,733	$1,802,614	$1,955,778	$1,176,393	$1,198,482	$1,033,572

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
			($ IN THOUSANDS EXCEPT PER SHARE DATA)				
OTHER DATA:							
Cash flow provided by (used in):							
Operating activities	$ 46,501	$ 26,266	$ 219,492	$ 124,030	$ 128,359	$ 117,017	$ 102,814
Investing activities	$(97,764)	$ 119,649	$ 194,514	$ (161,287)	$ 49,196	$ (147,658)	$ (46,287)
Financing activities	$(57,349)	$ (156,665)	$ (395,693)	$ 60,914	$ (141,357)	$ 27,447	$ (140,413)
Funds from Operations (FFO)(4):							
Net income	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355	$ 137,224	$ 92,670
Plus:							
Depreciation of real estate and amortization of department store and tenant inducements and leasing costs	24,324	24,701	99,515	82,124	73,395	74,146	68,461
Merger-related costs	7,539	--	--	--	--	--	--
Write-down of real estate and related assets and provision for possible real estate losses	--	--	--	8,200	--	44,972	10,100
Provision for retirement benefits	--	--	--	--	--	4,000	--
Prepayment penalties on refinancing of mortgage debt	--	--	--	--	--	88	7,432
Less:							
Gain on sales of properties	(44,311)	(116,522)	(122,410)	(74,084)	(398)	(85,090)	(13,316)
Preference share dividends earned	(3,428)	(3,428)	(13,712)	(13,712)	(13,642)	(4,389)	--
FFO allocable to holders of CPI Common Stock	$ 65,651	$ 56,709	$ 240,604	$ 186,899	$ 178,710	$ 170,951	$ 165,347

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(1) Includes gain on sales of properties of $1.75 and $4.47 for the three months ended March 31, 1998 and 1997, respectively, and $4.74, $3.36, $.02, $4.02 and $.63 for the years ended December 31, 1997, 1996, 1995, 1994 and 1993, respectively.

(2) Includes gain or sales of properties of $1.64 and $4.23 for the three months ended March 31, 1998 and 1997, respectively, and $4.48, $3.15, $.02, $3.93, $.63 for the years ended December 31, 1997, 1996, 1995, 1994 and 1993, respectively.

(3) During 1994 a $1.00 extraordinary distribution relating to the sale of properties was paid.

(4) FFO, as used in the above table and as defined by NAREIT, means the consolidated net income of CPI without giving effect to depreciation and amortization (excluding amortization of deferred financing costs or assets other than those uniquely significant to the real estate industry and depreciation of non-rental real estate assets), gains or losses from extraordinary items, gains or losses on sales of real estate and gains or losses on investments in marketable securities, plus the allocable portion, based on CPI's ownership interest, of FFO of unconsolidated entities, all determined on a consistent basis in accordance with generally accepted accounting principles. CPI's management believes that FFO is a widely used supplemental measure of the operating performance of REITs which provides a relevant basis for comparison of REITs. FFO is presented to assist investors with such comparisons and in analyzing the operating performance of CPI. CPI's method of calculating FFO may be different from the methods used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

Selected Historical Financial Data of CRC

The following table sets forth summary historical financial data for CRC and should be read in conjunction with the audited and unaudited consolidated financial statements of CRC and the related notes, included elsewhere herein. The information under Balance Sheet Data as at March 31, 1998 and all other summary financial information for the three months ended March 31, 1998 and 1997 has been derived from the unaudited consolidated financial statements of CRC included herein. The information under Balance Sheet Data as December 31, 1997 and 1996 and all other summary financial information for the years ended December 31, 1997, 1996 and 1995 has been derived from the annual audited consolidated financial statements of CRC included herein. The information under Balance Sheet Data as at March 31, 1997 and December 31, 1995, 1994 and 1993 and all other summary financial information for the years ended December 31, 1994 and 1993 has been derived from the unaudited consolidated financial statements of CRC.

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS EXCEPT PER SHARE)						
OPERATING DATA:							
Total revenue	$ 1,065	$ 1,725	$ 6,214	$ 9,805	$10,423	$11,184	$12,216
Net income (loss) available to common shareholders	$ (45)	$ (21)	$ 1,177	$ (920)	$ (6)	$ 387	$(2,029)
EARNINGS PER COMMON SHARE:							
Net income (loss) per share -- basic and diluted	$ (0.02)	$ (0.01)	$ 0.43	$ (0.39)	$ Nil	$ 0.18	$ (0.96)
Basic weighted average shares outstanding	2,684	2,755	2,732	$ 2,353	$ 2,264	$ 2,163	$ 2,120
Diluted weighted average shares outstanding	2,708	2,755	2,733	2,353	2,264	2,163	2,120
Distributions per common share	$ 0.10	$ 0.10	$ 0.40	$ 0.425	$ 0.625	$ 1.00	$ 1.00

	MARCH 31,		DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS)						
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 3,900	$ 4,558	$ 4,147	$ 4,797	$ 2,759	$ 4,588	$ 4,439
Total assets	$47,208	$30,250	$46,063	$31,054	$30,929	$32,239	$33,560
Mortgages and notes payable	$38,181	$21,931	$36,818	$21,988	$22,208	$22,409	$22,595
Shareholders' equity	$ 4,002	$ 4,263	$ 4,316	$ 5,039	$ 4,320	$ 5,650	$ 6,726

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(IN THOUSANDS)						
OTHER DATA:							
Cash flow provided by (used in):							
Operating activities	$ 213	$ 231	$ 493	$ 769	$ 271	$ 1,790	$ 1,044
Investing activities	$(1,090)	$ 342	$(12,970)	$ (150)	$ (575)	$ 8	$ (526)
Financing activities	$ 630	$(812)	$ 11,827	$1,419	$(1,525)	$(1,649)	$(2,278)
Funds from Operations(1):							
Net income (loss)	$ (45)	$ (21)	$ 1,177	$ (920)	$ (6)	$ 387	$(2,029)
Plus:							
Depreciation and amortization	229	213	889	938	920	1,483	1,582
Write-down of investment	--	--	--	1,100	--	--	1,500
Less:							
Gain on sale of partnership interests	--	--	(1,259)	--	--	--	--
Funds from Operations	$ 184	$ 192	$ 807	$1,118	$ 914	$ 1,870	$ 1,053

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(1) CRC is not a REIT and accordingly it is a taxable entity. CRC computes Funds from Operations, as used in the above table, as consolidated net income without giving effect to depreciation and amortization (excluding amortization of deferred financing costs or assets other than those uniquely significant to the real estate industry and depreciation of non-rental real estate assets), gains or losses from extraordinary items, gains or losses on sales of real estate plus the allocable portion, based on CRC's ownership interest, of Funds from Operations of unconsolidated entities, all determined on a consistent basis in accordance with generally accepted accounting principles. CRC's management believes that Funds from Operations is a widely used supplemental measure of the operating performance of real estate companies which provides a relevant basis for comparison among real

estate companies. Funds from Operations is presented to assist investors in analyzing the performance of CRC. CRC's method of calculating Funds from Operations may be different from the methods used by other real estate companies and is different from the method used by CPI and SDG because a provision for income taxes is deducted from net income. Funds from Operations: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

CPI MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information set forth under "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA" and CPI's historical consolidated financial statements and notes thereto included elsewhere herein. Certain statements made in this section may constitute "forward-looking statements." Any forward-looking statements contained herein do not take into account the Merger and the consummation of the transactions contemplated by the Merger Agreement. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CPI to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, without limitation, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and availability of financing; adverse changes in the real estate markets including, without limitation, competition with other companies; risks of real estate development and acquisition; risks relating to Year 2000 issues; governmental actions and initiatives; and environmental/safety requirements.

The financial results reported reflect:

1. 1994 through 1997 expansions and renovations of Roosevelt Field, Lenox Square, Burlington, Maplewood (sold at year-end 1996), Nanuet, Northlake and South Shore Plaza (wholly owned presently or at the time of the expansion(s)) and Crystal and Haywood malls ("joint ventures");

2. The purchases, in November and December 1996, of $984 million of partnership interests in seven super-regional or regional shopping centers, one mixed-use development and the General Motors Building, New York City in exchange for shares of CPI Common Stock and related interests in CRC ("Roll-ups");

3. The redemptions (in December 1996 and January 1997) at a cost of $343 million, of 2.6 million shares of CPI Common Stock (and related interests in CRC) in exchange for Countryside and Maplewood Mall shopping centers, a joint venture interest in North Star Mall and $13 million in cash ("Redemption");

4. The sale for $153 million, in December 1994, of Broadway Square, Orange Park and University Mall regional shopping centers ("Sale");

5. The purchase for $198 million of the Phipps Plaza, Atlanta, Georgia regional shopping center and peripheral land in January 1998; and

6. The sale for $81 million in cash of Burnsville Center, Minneapolis, Minnesota in January 1998.

RESULTS OF OPERATIONS

Three Months Ended March 31, 1998 vs. Three Months Ended March 31, 1997

Total revenue increased by $9.3 million, or 7.8%, in the first quarter of 1998 as compared to the same period in 1997. Principal positive changes were the acquisition of Phipps Plaza regional shopping center ($4.6 million), the net effect of new leases commencing at an average effective rent (minimum and percentage rents) per square foot of $39 versus leases expiring at an average effective rent of $31 per square foot ($4.5 million), increased occupancy levels ($4.0 million) and promotion fund revenues previously received by independent merchants' associations ($1.8 million). Other revenue changes were a decrease in interest income (described below), and revenues ($3.1 million) resulting from the sales of Burnsville Center shopping center and the Roosevelt Field Office Building, and increases, aggregating approximately $2.6 million, in cost recoveries from tenants (principally real estate taxes and common area expenditures), percentage rents and expanded cart and credit card programs.

Interest income decreased by $5.1 million on a comparable basis principally as a result of the repayment, in March 1997, of mortgages receivable on two regional shopping centers in which CPI was also a joint

venturer ($1.2 million) and a decrease in average outstanding short-term money market investments ($3.9 million).

Total expenses increased by .3% ($.3 million) principally as a result of new promotion fund costs ($2 million), increases in other property expenses ($.8 million) and a $2.5 million decrease in interest expense resulting from the repayment at maturity of $100 million of 8- 3/4% Notes in March 1997.

The sale, in January 1998, of Burnsville Center resulted in substantially all of the approximately $44 million gain on sales of property in the first quarter of 1998 and a portion of the Redemption resulted in substantially all of the approximately $116 million of such gains in the comparable quarter of 1997.

Merger related costs of $7.5 million were incurred in the first quarter of 1998.

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

Total revenue increased by $145 million, or 41.4%, in 1997 as compared to 1996. This increase is primarily the result of the net effect of the Roll-ups ($149 million increase) and Redemption ($15 million decrease). Expansions of Roosevelt Field and South Shore Plaza shopping centers resulted in $9 million of additional revenues. Other revenue changes were a decrease in interest income (described below), the net positive effect, aggregating approximately $11 million, of new leases commencing at an average effective rent (minimum and percentage rents) per square foot of $39 versus leases expiring at an average effective rent of $33 per square foot and increases in cost recoveries from tenants (principally real estate taxes and common area expenditures).

Interest income decreased by $9 million on a comparable basis principally as a result of the repayment, in March 1997, of mortgages receivable on two regional shopping centers in which CPI was also a joint venturer ($4 million) and a decrease in average outstanding short-term money market investments ($5 million).

Total expenses increased by $73 million, or 25.3%, from year-to-year. Excluding the effects of the Roll-ups ($87 million increase) and Redemption ($11 million decrease) the principal changes in expenses were an increase in depreciation and amortization expense ($3 million) resulting from expansion and renovation activities and a net $3 million increase in interest expense resulting from (i) the issuance, in March 1996, of $250 million of 7 7/8% Notes due 2016, (ii) the repayment at maturity of $100 million of 8 3/4% Notes in March 1997 and (iii) a decrease in interest capitalized to expansions and renovations in progress and the approximately $8 million write-down to estimated fair value, in 1996, of CPI's investment in another REIT.

Equity in earnings of joint ventures decreased by $27 million as a result of the Roll-ups ($17 million decrease), Redemption ($9 million decrease) and mortgage financing, in 1997, of two regional shopping centers in which CPI is a joint venturer ($3 million decrease) partially offset by an increase in joint venture rental revenues of which CPI's share was $2 million.

The Redemption resulted in substantially all of the approximately $48 million increase in gain on sales of properties inasmuch as the property exchanged for common shares in January 1997 resulted in a gain of $115 million versus the $72 million gain on exchange of two other properties in December 1996. Various other property sales resulted in net gains of $7 million and $2 million in 1997 and 1996, respectively.

Year Ended December 31, 1996 vs. Year Ended December 31, 1995

Total revenue increased by $41 million, or 13.3%, in 1996 as compared to 1995. The Roll-ups accounted for $20 million of the increase and expansions of Lenox Square and Roosevelt Field resulted in approximately $8 million of additional revenue. Other revenue changes were a (i) $7 million increase in cost recoveries from tenants, (ii) $2 million increase in lease settlement receipts (principally as a result of a significantly higher level of tenant bankruptcies and abandonments in 1996), (iii) $2 million increase in leasing fees and (iv) $1 million increase in revenues from seasonal vendors.

Total expenses increased by approximately $47 million, or 19.8%, from year-to-year. Significant increases resulted from (i) the issuance, in March 1996, of $250 million of 7 7/8% Notes due 2016 resulting in an increase in interest expense of approximately $15 million, (ii) the Roll-ups ($12 million increase), (iii) the approximately $8 million write-down to estimated fair value in 1996 of CPI's investment in another real estate

investment trust, (iv) increased depreciation and amortization expense ($4 million) resulting from expansion and renovation activities and (v) increased real estate taxes and common area costs ($3 million each).

Equity in earnings of joint ventures decreased by $2 million principally as a result of the Roll-ups.

The portion of the Redemption which closed in December 1996 resulted in $72 million of the over $73 million increase in gain on sales of property.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 1997, cash, cash equivalents and short-term (money market) investments aggregated $165 million. In addition, at that date, CPI had an undrawn $250 million unsecured revolving credit agreement (the "CPI Revolving Credit Agreement").

In January 1998, CPI (i) purchased Phipps Plaza, a regional shopping center in Atlanta, Georgia, and adjacent land parcels for $198 million using substantially all of its cash, cash equivalents and short-term investments and $40 million borrowed under the CPI Revolving Credit Agreement and (ii) subsequently thereto, sold Burnsville Mall, a regional shopping center in Minneapolis, Minnesota, for net $81 million of which $40 million was used to repay all outstanding amounts under the CPI Revolving Credit Agreement and the remainder was invested in short-term investments.

CPI sold the General Motors Building which is located in New York City on July 31, 1998 for approximately $800 million. See "BUSINESS OF SDG, CPI AND CRC -- CPI -- Acquisitions and Distributions." Such sale resulted in a gain of $204 million ($8.05 per share of CPI Common Stock).

CPI management anticipates that, prior to the Effective Time of the Merger, cash generated from CPI stand-alone operations will provide necessary funds for operating expenses, periodic debt service on outstanding indebtedness, distributions on $209 million of outstanding CPI Series A Preferred Stock and periodic distributions to common stockholders (anticipated in August 1998 and immediately prior to the Effective Time of the Merger).

In the summer of 1997, because of the activities specified herein in "THE PROPOSED MERGER AND RELATED MATTERS -- BACKGROUND OF THE MERGER," CPI suspended all material capital raising activities with the exception of the (i) aforementioned sale of Burnsville Mall, (ii) construction and permanent financing of the Mall of Georgia in Buford, Georgia and (iii) sale of the General Motors Building, New York City (see above).

As of June 30, 1998, cash and cash equivalents aggregated $60 million, and $237 million of the CPI Revolving Credit Agreement remained undrawn. It is anticipated that future drawdowns, the proceeds from the sale of the General Motors Building and the anticipated construction financing for the Mall of Georgia development will be sufficient to fund all capital expenditures, principally construction, expansion, renovation and department store and mall tenant inducement costs, and scheduled balloon principal payments on outstanding indebtedness prior to the Effective Time of the Merger. Expenditures for realty projects previously approved by the CPI Board of Directors, are expected to aggregate $25 million prior to the anticipated Effective Time of the Merger and $185 million thereafter to completion. The following are significant anticipated capital expenditures and financings:

1. CPI is undertaking a complete renovation of Walt Whitman mall which is expected to be completed in fall 1998. Walt Whitman is presently a two department store shopping center with 285,000 square feet of mall GLA. The present department store anchors are Macy's, which opened a complete renovation of its 302,000 square foot store in October 1997, and Bloomingdales, which is in the process of completely renovating its 220,000 square foot store. Such renovated store is scheduled to re-open in August 1998. Lord & Taylor is presently constructing a new 120,000 square foot store anticipated to open in November 1998 and Saks Fifth Avenue is commencing construction of a 100,000 square foot specialty store projected to open in spring 1999. Projected capital expenditures by CPI aggregate approximately $66 million, of which approximately $25 million is anticipated to be funded prior to the Effective Time of the Merger;

2. CPI and local development partners have commenced construction of the Mall of Georgia -- a 1.6 million square foot regional shopping center in Buford, Georgia (a suburb of Atlanta) to be anchored by Nordstrom, Lord & Taylor, J.C. Penney and Dillard's department stores. Mall store space will

approximate 500,000 square feet, a "village" area of 120,000 square feet will be dedicated to lifestyle uses and approximately 105,000 square feet of theater and IMAX complex space is to be built. Opening is projected for fall 1999 and spring 2000. On June 30, 1998 a $200 million construction and permanent loan, guaranteed by CPI, maturing July 1, 2010 with interest at 7.09% per annum has been issued by two lenders. Simultaneously the first draw down for $71 million was made.

3. The CPI Board has approved the expansion and renovation of Town Center at Boca Raton (Florida) an existing 1.3 million square foot regional mall presently anchored by Sears, Burdines, Saks Fifth Avenue, Bloomingdales and Lord & Taylor. The expansion and renovation which are projected to cost approximately $65 million, substantially all of which is anticipated to be funded subsequent to the Effective Time of the Merger, will include a new 170,000 square foot Nordstrom store (to open in 2000), approximately 94,000 square feet of additional enclosed mall GLA and approximately 50,000 square feet of additional space in existing department stores.

CPI has a number of smaller expansion and/or renovation projects currently in the predevelopment phase. Aggregate expenditures prior to the Effective Time of the Merger for such projects, department store and mall tenant inducements and a scheduled balloon debt payment are projected to be approximately $35 million.

Interest payable on the presently undrawn CPI Revolving Credit Agreement is based upon the London Interbank Offered Rate ("LIBOR") and accordingly, CPI's future earnings, cash flows and future values relative to outstanding indebtedness may, to some extent, be dependent upon future indebtedness outstanding under the CPI Revolving Credit Agreement at floating interest rates. All presently outstanding indebtedness is at fixed interest rates.

Acquisitions, construction, expansion and renovation activities have been an integral part of CPI's activities. Capital expenditures, based upon CPI's share of joint venture expenditures, and financing related thereto for the period ended June 30, 1998 and years ended December 31, 1997, 1996 and 1995, respectively, are summarized in the table below.

	THROUGH JUNE 30, 1998	1997	1996	1995
		($ IN MILLIONS)		
Expenditures:				
Acquisitions	$198	$ --	$ 984	$ --
Development	19	24	14	1
Expansions and renovations(1)	15	52	150	108
Department store, office building & mall tenant inducements	12	31	23	10
Recoverable from tenants	--	9	3	5
Other	3	8	4	3
	$247	$ 124	$1,178	$127
Financings:				
Equity				
-- issuance	$ --	$ --	$ 981	$ 23
-- repurchase/redemption	--	(220)	(198)	--
Unsecured recourse debt				
-- issuance	53	--	250	--
-- repayment	(40)	(100)	--	--
Secured debt				
-- issuance	36	46	--	--
-- repayment	--	--	--	--
	$ 49	($274)	$1,033	$ 23

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(1) including department store and mall tenant inducements for expansion GLA.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")

CPI management believes that there are several important factors that contribute to the ability of CPI to operate and improve its profitability, including aggregate tenant sales volume, sales per square foot, occupancy

levels and tenant costs. Each of these factors has a significant effect on EBITDA from company operations. CPI management believes that EBITDA from company operations is, among others, a reasonable measure of operating performance because: (i) it is industry practice to evaluate real estate companies based on operating income before interest, taxes, depreciation and amortization, which is generally equivalent to EBITDA; and (ii) EBITDA is unaffected by the liquidity, debt and equity structure of the company. EBITDA: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance; (iii) is not indicative of cash flows from operating, investing and financing activities; and (iv) is not an alternative to cash flows as a measure of liquidity.

EBITDA (which excludes corporate level interest income resulting from the investment of CPI's significant past liquidity in short-term, money-market investments) increased from $210 million in 1993 to $315 million in 1997; a compound annual growth rate of 10.6%. The Roll-ups, Redemption and Sale had significant effects upon the change in EBITDA as follows:

	($ IN MILLIONS)	% OF TOTAL CHANGE
Total change	$105	100%
Roll-ups	(80)	(76)
Redemption	18	17
Sale	13	12
Remainder	$ 56	53%

The remainder specified above principally results from the addition of mall GLA resulting principally from expansions and increased rental rates. The following table summarizes CPI's EBITDA from operations and operating profit margin, defined as EBITDA from operations as a percentage of revenue (both excluding corporate level short-term interest income) and reconciles net income, computed in accordance with generally accepted accounting principles, to EBITDA from operations:

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	($ IN MILLIONS)						
Net income	$ 81.5	$151.9	$277.2	$184.4	$119.3	$137.2(1)	$ 92.7
Gain on sales of properties	(44.3)	(116.5)	(122.4)	(74.1)	(0.4)	(85.1)	(13.3)
Merger-related costs	7.5	--	--	--	--	--	--
Write-down of real estate investment	--	--	--	8.2	--	--	--
Provision for possible real estate losses	--	--	--	--	--	--	10.1
Prepayment penalties on refinancing of mortgage debt	--	--	--	--	--	0.1	7.4
Corporate level short-term interest income	(1.3)	(6.4)	(18.0)	(27.6)	(27.3)	(12.7)	(13.0)
Interest expense	19.2	20.7	78.6	72.3	57.7	58.6	58.0
Depreciation of real estate and amortization of department store and tenant inducements and leasing costs	24.3	24.7	99.5	82.1	73.4	74.1	68.5
EBITDA	$ 86.9	$ 74.4	$314.9	$245.3	$222.7	$172.2(1)	$210.4
Operating Profit Margin	61.1%	58.6%	58.9%	56.2%	55.9%	43.0%(1)	55.1%

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(1) Includes the effect of a $45 million write-down of department store and mall tenant inducements and expansion rights and a $4 million provision for retirement benefits to a former executive officer.

FUNDS FROM OPERATIONS ("FFO")

FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income without giving effect to depreciation and amortization (excluding amortization of deferred financing costs or assets other than those uniquely significant to the real estate industry and depreciation of non-real

estate assets), gains or losses from (i) extraordinary terms, (ii) sales of real estate, or (iii) investments in marketable securities, plus the allocable portion of FFO from unconsolidated entities, all determined on a consistent basis in accordance with generally accepted accounting principles. CPI management believes that FFO is a widely used supplemental measure of the operating performance of REITs which provides a basis for comparison of REITs and is presented to assist investors with such comparisons and in analyzing the operating performance of CPI. CPI's method of calculating Funds From Operations may be different from the method used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities: and (iii) is not an alternative to cash flows as a measure of liquidity.

The table below summarizes FFO allocable to holders of CPI Common Stock for the periods presented and reconciles net income, computed in accordance with generally accepted accounting principles, to FFO allocable to holders of CPI Common Stock.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	($ IN MILLIONS)				
Net income	$ 81.5	$ 151.9	$ 277.2	$184.4	$119.3
Gain on sales of properties	(44.3)	(116.5)	(122.4)	(65.9)	(.4)
Merger costs	7.5	--	--	--	--
Preference Share dividends earned	(3.4)	(3.4)	(13.7)	(13.7)	(13.6)
Depreciation of real estate and amortization of department store and tenant inducements and leasing costs	24.3	24.7	99.5	82.1	73.4
FFO allocable to holders of CPI Common Stock	$ 65.6	$ 56.7	$ 240.6	$186.9	$178.7

MALL TENANT SALES

The average mall tenant sales productivity of shopping centers owned by CPI has been amongst the highest in the United States. The table below summarizes annualized sales data for those mall tenants-in-occupancy at each year-end at all shopping centers owned by CPI adjusted to eliminate the effect of mall tenants which CPI believes are atypical (Phipps Plaza, acquired in 1998, at which projected average annualized mall tenant sales per square foot exceed $500 has been excluded).

	1997	1996	1995
Combined per square foot of GLA	$388	$377	$358
# of shopping centers:			
-- over $500 per square foot	3	2	2
-- $400-$499 per square foot	3	4	3
-- $300-$399 per square foot	11	10	10
-- under $300 per square foot	5	6	7
	22	22	22

The following illustrates the comparable, defined as tenants in occupancy for at least two years, and total dollar mall tenant sales at shopping centers presently owned by CPI. For comparison purposes, 1997 year to date data includes Phipps Plaza which was purchased in January of 1998.

	COMPARABLE		TOTAL	
	$ IN BILLIONS	% CHANGE	$ IN BILLIONS	% CHANGE
For the five months ended May 1998.....	$0.94	3.3%	$1.10	7.8%
For the five months ended May 1997.....	$0.91		$1.02	
1997.....	$2.29	1.3%	$2.91	7.4%
1996.....	$2.26	1.4%	$2.71	1.5%
1995.....	$2.23	(.9%)	$2.67	1.1%
1994.....	$2.25		$2.64	

Mall retail sales levels affect future revenue and profitability because they are one of the most significant factors in the determination of the amounts of minimum rent that can be charged and the recoverable expenditures (principally real estate taxes and common area costs) that mall tenants can afford to pay. In addition, they determine the amount of percentage rents payable by tenants.

MALL TENANT OCCUPANCY LEVELS

Mall GLA occupied by tenants with an initial lease term under one-year is considered vacant by CPI for purposes of computing occupancy data. Average occupancy levels have been 88.2% (1997), 87.0% (1996) and 91.1% (1995). The trend in comparative (month-to-month) occupancy levels has been upward since July 1997. Indicative of such positive trends are occupancy levels for the following comparable periods:

	AVERAGE OCCUPANCY					
	1997			1998		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
January 1-March 31.....	87.3%	1.5%	88.8%	91.3%	2.1%	93.4%
January 1-June 30.....	87.3%	1.4%	88.7%	91.5%	1.7%	93.2%
July 1-December 31.....	89.2%	2.0%	91.2%			

Occupancy levels since July 1997 have benefited significantly from a reduced number of mall tenant bankruptcies and abandonments of space.

MALL TENANT OCCUPANCY COSTS

Average mall tenants' occupancy costs as a percentage of sales were 13.2% (1997), 12.8% (1996) and 12.6% (1995). A mall tenant's ability to pay rent is affected by the percentage of its sales represented by occupancy costs (including expense recoveries). CPI management believes that continuing efforts to increase sales, control property operating expenditures and remerchandise space will allow the continuance of the past trend of increasing minimum rents.

AVERAGE EFFECTIVE RENTS

Average effective (minimum and percentage) rents per square foot of mall tenant GLA increased from 1995 to 1997 as follows:

1997.....	$35.40
1996.....	$33.60
1995.....	$30.70

Such increase represents a compound annual growth rate of 4.6%. CPI management believes that CPI's average effective rents are amongst the highest charged in the industry and reflect the quality of the properties in the portfolio and the ability they afford to retailers to achieve attractive sales levels.

INFLATION

Inflation has remained relatively low during the past four years and has had a relatively low impact on the operating performance of CPI's properties. Nonetheless, substantially all of the mall tenants' leases contain provisions designed to lessen the impact of inflation. Such provisions include clauses providing for percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Substantially all of the shopping center leases, other than those for anchors, require the tenants to pay a proportionate share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing CPI's exposure to increases in costs and operating expenses resulting from inflation.

However, inflation may have a negative impact on some of CPI's other operating items. Interest and general and administrative expenses may be adversely affected by inflation as these specified costs could increase at a rate higher than rents. Presently a preponderant portion of CPI's indebtedness is long-term and all outstanding amounts are at fixed interest rates. Also, for tenant leases with stated rent increases, inflation may have a negative effect as the stated rent increases in these leases could be lower than the increase in inflation at any given time. Such effect, if it occurs, may be partially offset by increases in percentage rents resulting from inflation.

YEAR 2000 COST

CPI management continues to assess the impact of the Year 2000 Issue on its reporting systems and operations. The Year 2000 issue exists because many computer systems and applications abbreviate dates by eliminating the first two digits of the year, assuming that these two digits would always be "19". Unless corrected, this shortcut would cause problems when the century date occurs. On that date, some computer programs may misinterpret the date January 1, 2000 as January 1, 1900. This could cause systems to incorrectly process critical financial and operational information, or stop processing altogether.

To help facilitate CPI's future operations, substantially all of the computer systems and applications in use in its home office have been, or are in the process of being, upgraded and modified. CPI is of the opinion that, in connection with those upgrades and modifications, it has addressed applicable Year 2000 Issues as they might affect the computer systems and applications located in its home office. CPI continues to evaluate what effect, if any, the Year 2000 Issue might have at its properties. CPI anticipates that the process of reviewing this issue at its properties and the implementation of solutions to any Year 2000 Issue which it may discover may require the expenditure of sums which CPI does not expect to be material. CPI management expects to have all systems appropriately modified before any significant processing malfunctions could occur and does not expect the Year 2000 Issue will materially impact the financial condition or operations of CPI.

SEASONALITY

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

CRC MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information set forth under "PRO FORMA COMBINED AND SELECTED HISTORICAL FINANCIAL DATA" and CRC's historical consolidated financial statements and notes thereto included elsewhere herein. Certain statements made in this section may constitute "forward-looking statements." Any forward-looking statements contained herein do not take into account the Merger and the consummation of the transactions contemplated by the Merger Agreement. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CRC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, without limitation, affect demand for office and retail space, availability and creditworthiness of prospective tenants, lease rents and availability of financing; adverse changes in the real estate markets including, without limitation, competition with other companies, risks of real estate development and acquisition; risks relating to Year 2000 issues; governmental actions and initiatives; and environmental safety requirements.

The financial results reported reflect:

1. The sale for $2.36 million to CPI in April of 1997 of its minority partnership interests in Rockaway Townsquare Mall, the Rockaway Office Building and the Livingston Mall;

2. The issuance of shares in November and December 1996 of $3.29 million in conjunction with the CPI Roll-ups;

3. The redemption of shares in December 1996 and January 1997 of $1.15 million as part of the CPI Redemption;

4. The acquisition and development of the peripheral land in conjunction with local partners at the regional shopping center in Buford, Georgia (a suburb of Atlanta), being developed by CPI and local development partners; and

5. The ownership of the leasehold position of an office building at 305 East 47th Street in New York, New York, of which the principal tenant is CPI.

RESULTS OF OPERATIONS

Three Months Ended March 31, 1998 vs. Three Months Ended March 31, 1997

Total revenue decreased by $0.7 million, or 38%, in the first quarter of 1998 as compared to the same period in 1997 resulting principally from (i) a decrease of approximately $0.4 million in revenue for providing property related services resulting from a decrease in properties managed and (ii) a decrease in minimum rent and expense recoveries of approximately $0.2 million as a result of increased vacancies, rental concessions and the renewal of CPI's lease at the 305 East 47th Street office building.

Total expenses decreased by approximately $0.5 million, or 26%, in the first quarter of 1998 compared to the first quarter of 1997. The principal change was a decrease in management fees paid to CPI as a result of a reduction in CRC's management services in 1998.

Equity in earnings of joint ventures have decreased by approximately $0.1 million primarily as a result of equity in earnings of Mill Creek Land, LLC (formed after the first quarter of 1997) which approximated $0.1 million and a decrease of approximately $0.2 million related to a decrease in the net income of Corporate Realty Capital, which ceased operations after the first quarter of 1997.

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

Total revenue decreased by approximately $3.6 million, or 37%, in 1997 as compared to 1996. The decrease is primarily related to a decrease of $2.9 million in fee income resulting from (i) the termination of

an agreement to provide asset management services to the partners in the General Motors Building, resulting in a decrease of approximately $1.7 million and (ii) a decrease of approximately $1.2 million in revenue for providing property related services resulting from a decrease in properties managed. Other revenue changes include a decrease in minimum rent and expense recoveries of approximately $0.6 million as a result of increased vacancies, rental concessions and the renewal of CPI's lease at the 305 East 47th Street office building.

Total expenses decreased by approximately $3.8 million, or 34%, from 1996 to 1997. The principal changes in expenses are (i) a decrease in management fees paid to CPI of $1.3 million due to a decrease in the properties CRC managed in 1997, (ii) a decrease in asset management and other expenses of approximately $1.2 million associated with the management of the General Motors Building (see reduction in fee revenue specified above) and (iii) a $1.1 million write-down to estimated fair market value of land located in Putnam County, New York in 1996.

Equity in earnings of joint ventures increased by approximately $1.6 million primarily as a result of (i) equity in earnings of Mill Creek Land, LLC (formed in 1997) which approximated $0.6 million, (ii) an increase of approximately $0.6 million related to an increase in the net income of Corporate Realty Capital, which ceased its principal operations in 1997 and (iii) an increase of $0.4 million related to an increase in the net income of Cambridge Hotel Associates.

The increase in gain on sale of partnership interests of $1.3 million is the result of the sale to CPI of partnership interests in Rockaway Townsquare Mall, the Rockaway Office Building and the Livingston Mall.

The increase in the provision for income taxes is due to CRC recognizing a significantly higher net income in 1997, principally due to the sale of partnership interests.

Year Ended December 31, 1996 vs. Year Ended December 31, 1995

Total revenue decreased by approximately $0.6 million, or 6%, primarily as a result of a decrease in the recovery of certain operating expenses in 1996.

Total expenses increased by approximately $0.6 million, or 6%, due to a $1.1 million write-down to estimated fair market value of land located in Putnam County, New York in 1996, offset by decreases in property operating expenses, management fees and administrative and other expenses, which aggregated approximately $0.5 million.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 1998, cash and cash equivalents aggregated $3.9 million.

In 1997 and the first quarter of 1998, CRC invested $16.7 million and $1.1 million, respectively, in Mill Creek Land LLC partially funded by unsecured borrowings from CPI of $13.9 million and $1.0 million, respectively. During the second quarter of 1998 CRC invested an additional $1.7 million partially financed by an additional unsecured borrowing of $0.4 million from CPI.

CRC management anticipates that, prior to the Effective Time of the Merger, cash generated from CRC stand-alone operations will provide necessary funds for operating expenses, periodic debt service on outstanding indebtedness, and normal periodic distributions to CRC stockholders (anticipated in August 1998 and immediately prior to the Effective Time of the Merger).

CRC management anticipates that current cash and cash equivalents plus the construction financing of the Mill Creek Land project will be sufficient to fund all capital expenditures prior to the Effective Time of the Merger.

INFLATION

Inflation has remained relatively low during the past four years and has had a relatively low impact on the operating performance of CRC's properties. The interest rates payable on certain portions of CRC's indebtedness may be subject to increase as a result of inflation, however a preponderant portion of CRC's current indebtedness is owed to CPI.

With respect to CRC's office rental business, interest and general and administrative expenses may be adversely affected by inflation as these specified costs could increase at a higher rate than rents. Also, for tenant leases with stated rent increases, inflation may have a negative effect as the stated rent increases in these leases could be lower than the increase in inflation at any given time. Such effect, if it occurs, may be partially offset by increases in percentage rents resulting from inflation.

The effect of inflation on CRC's land development business is uncertain. Inflation may cause the value of CRC's land holdings to increase. However, the occurrence of inflation may also negatively impact the demand for undeveloped land, which would have an adverse effect on CRC.

YEAR 2000 COST

CRC management continues to assess the impact of the Year 2000 Issue on its reporting systems and operations. To help facilitate CRC's future operations, substantially all of the computer systems and applications in use in its home office (which computer systems and applications are shared with CPI) have been, or are in the process of being, upgraded and modified. See "CPI MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS -- Year 2000 Cost." CRC is of the opinion that, in connection with those upgrades and modifications, the applicable Year 2000 Issues as they might affect the computer systems and applications located in its home office have been addressed. CRC continues to evaluate what effect, if any, the Year 2000 Issue might have at its properties. CRC anticipates that the process of reviewing this issue at its properties and the implementation of solutions to any Year 2000 Issue which it may discover may require the expenditure of sums which CRC does not expect to be material. CRC management expects that all systems will have been appropriately modified before any significant processing malfunctions could occur and does not expect the Year 2000 Issue will materially impact the financial condition or operations of CRC.

SEASONALITY

CRC's principal businesses, office building rental and land development, are not subject to seasonality. However, income from its land development business is generated at irregular intervals and is unpredictable.

BUSINESS OF SDG, CPI AND CRC

SDG

The following is a summary description of SDG's business and properties. The description does not purport to be complete and is qualified in its entirety by reference to SDG's Annual Report on Form 10-K and Form 10-K/A for the year ended December 31, 1997 and SDG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998 which are incorporated herein by reference. Stockholders of SDG are urged to read SDG's Annual Report on Form 10-K and Form 10-K/A for the year ended December 31, 1997 and SDG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998, in their entirety.

SDG, a Maryland corporation, is a self-administered and self-managed REIT under the Code. The SDG Operating Partnership is a majority-owned subsidiary partnership of SDG. SDG, through the SDG Operating Partnership, is engaged primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers.

As of March 31, 1998, the SDG Operating Partnership owned or held an interest in 217 income-producing properties, which consisted of 133 regional malls, 74 community shopping centers, three specialty retail centers, four mixed-use properties and three value-oriented super-regional malls located in 34 states. As of that same date, the SDG Operating Partnership also owned direct or indirect interests in one specialty retail center and two community centers under construction, an additional two community centers in the final stages of preconstruction development and seven parcels of land either in preconstruction development or held for future development. The SDG Operating Partnership self-manages the SDG Properties wholly owned, directly or indirectly, by the SDG Operating Partnership. The SDG Operating Partnership holds substantially all of the economic interest in the SDG Management Company, while substantially all of the voting stock of the SDG Management Company is held by Melvin Simon, Herbert Simon and David Simon. The SDG Management Company manages SDG Properties not wholly owned by the SDG Operating Partnership and certain other properties, and also engages in certain property development activities. The SDG Operating Partnership also holds substantially all of the economic interest in, and the SDG Management Company holds substantially all of the voting stock of, DPMI, which provides architectural, design, construction and other services to substantially all of the SDG Portfolio Properties, as well as certain other regional malls and community shopping centers owned by third parties. At March 31, 1998 and December 31, 1997, SDG's ownership interest in the SDG Operating Partnership was 63.1% and 63.9%, respectively, and the SDG Limited Partners held the remaining interests in the SDG Operating Partnership not held directly or indirectly by SDG.

The DeBartolo Merger. On August 9, 1996, SDG acquired the national shopping center business of DRC for an aggregate value of approximately $3.0 billion (the "DeBartolo Merger"). The acquired portfolio consisted of 49 regional malls, 11 community centers and one mixed-use property. These properties include approximately 47.1 million square feet of retail GLA and approximately 550,000 of office GLA. Pursuant to the DeBartolo Merger, SDG issued a total of 37,873,965 shares of SDG Common Stock to the DRC stockholders and DRC became a subsidiary of SDG. In addition, the SDG Management Company purchased from EJDC all of the voting stock of DPMI for $2.5 million in cash.

The SDG Partnership Merger. On December 31, 1997, Simon Property Group, L.P., a Delaware limited partnership ("SPG, LP"), merged (the "SDG Partnership Merger") into the SDG Operating Partnership. Prior to the SDG Partnership Merger, the SDG Operating Partnership and SDG held all of the partnership interests of SPG, LP which in turn held interests in certain of the SDG Portfolio Properties. As a result of the SDG Partnership Merger, the SDG Operating Partnership now directly or indirectly owns or holds interests in all of the SDG Portfolio Properties and directly holds substantially all of the economic interest in the SDG Management Company. For periods prior to the DeBartolo Merger, references to the SDG Operating Partnership refer to SPG, LP only, unless otherwise indicated.

GENERAL

As of March 31, 1998, the SDG Operating Partnership owned or held interests in a diversified portfolio of 217 income-producing SDG Properties, which consisted of 133 enclosed regional malls, 74 community shopping centers, three specialty retail centers, four mixed-use SDG Properties and three value-oriented super-regional malls, located in 34 states. Regional malls, community centers and the remaining portfolio comprised 82.8%, 8.3%, and 8.9%, of total rent revenues and tenant reimbursements in 1997. The value-oriented super-regional malls are not included in consolidated rent revenues and tenant reimbursements as they are each accounted for using the equity method of accounting. The SDG Properties contain an aggregate of approximately 140.2 million square feet of GLA, of which 86.1 million square feet is owned by the SDG Operating Partnership ("Owned GLA"). Approximately 3,600 different retailers occupy more than 14,000 stores in the SDG Properties. Total estimated retail sales at the SDG Properties exceeded $25 billion in 1997.

SDG and certain of its subsidiaries are taxed as REITs under sections 856 through 860 of the Code and applicable Treasury regulations relating to REIT qualification. SDG is self-administered and self-managed and does not engage or pay a REIT advisor. SDG provides management, development, leasing, accounting, finance and legal, design and construction expertise through its own personnel or, where appropriate, through outside professionals.

OPERATING STRATEGIES

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

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

Management. Drawing upon the expertise gained through management of approximately 140 million square feet of retail and mixed-use SDG Properties, the SDG Operating Partnership seeks to maximize cash flow through a combination of an active merchandising program to maintain its shopping centers as inviting shopping destinations, continuation of its successful efforts to minimize overhead and operating costs, coordinated marketing and promotional activities, and systematic planning and monitoring of results.

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

During 1997, the SDG Operating Partnership, through the acquisition of RPT and other related transactions, acquired a portfolio of ten wholly owned SDG Properties and one 50%-owned SDG Property comprising in the aggregate approximately 12.0 million square feet of GLA in eight states. Subsequently, in February 1998, the SDG Operating Partnership sold the only community center included in the RPT acquisition. RPT is also a REIT. In addition, the SDG Operating Partnership made several other acquisitions in 1997 and 1998. The SDG Operating Partnership acquired a 50% ownership interest in Dadeland Mall and an additional 48% ownership interest in West Town Mall, increasing its ownership in that SDG Property to 50%. In addition, the SDG Operating Partnership acquired The Fashion Mall at Keystone at the Crossing, a 597,000 square-foot regional mall, along with an adjacent community center. Also acquired in 1997 was the remaining 30% ownership interest in Virginia Center Commons. On December 29, 1997, the SDG Operating

Partnership formed a joint venture partnership with The Macerich Company ("Macerich") to acquire a portfolio of twelve regional malls comprising approximately 10.7 million square feet of GLA. This transaction closed on February 27, 1998, with the SDG Operating Partnership, through the SDG Management Company, assuming leasing and management responsibilities for six of the regional malls and Macerich assuming leasing and management for the remaining properties. On January 26, 1998, the SDG Operating Partnership acquired Cordova Mall, an 874,000 square foot regional mall.

Development. The SDG Operating Partnership's focus is to selectively develop new SDG Properties in major metropolitan areas that exhibit strong population and economic growth. During 1997, the SDG Operating Partnership opened one new regional mall, two value-oriented super-regional malls and one new community shopping center. On September 5, 1997, the SDG Operating Partnership opened The Source, a 730,000 square-foot regional mall in Westbury (Long Island), New York. On October 31, 1997 the SDG Operating Partnership opened Grapevine Mills, a 1.2 million square foot value-oriented super-regional mall in Grapevine (Dallas/Fort Worth), Texas, and on November 20, 1997, the SDG Operating Partnership opened Arizona Mills, a 1.2 million square foot value-oriented super-regional mall in Tempe, Arizona. In March 1997, the SDG Operating Partnership opened Indian River Commons, a 265,000 square foot community shopping center in Vero Beach, Florida.

During the first quarter of 1998, the SDG Operating Partnership opened the approximately $13.3 million Muncie Plaza in Muncie, Indiana. The SDG Operating Partnership owns 100% of this 196,000 square foot community center. In addition, the approximately $34 million Lakeline Plaza opened in April 1998 in Austin, Texas. The SDG Operating Partnership owns 65% of this 381,000 square foot community center. Each of these new community centers is adjacent to an existing regional mall in SDG's portfolio.

Construction continues on the following development projects: The Shops at Sunset Place, an approximately $150 million destination-oriented retail and entertainment project containing approximately 510,000 square feet of GLA is scheduled to open in December 1998 in South Miami, Florida and Concord Mills, an approximately $218 million, 50%-owned value-oriented super regional mall project, is scheduled to open in the fall of 1999 in Concord (Charlotte), North Carolina.

In addition, the SDG Operating Partnership is in the final stages of predevelopment on Houston Premium Outlets in Houston, Texas and The Shops at North East Plaza in Hurst, Texas. Houston Premium Outlets is the SDG Operating Partnership's first project in its joint venture partnership with Chelsea GCA to develop premium manufacturers' outlet shopping centers. This 50%-owned 462,000 square foot center is scheduled to begin construction in June 1998 and open in July 1999. The Shops at North East Plaza is a 359,000 square foot community center project adjacent to North East Mall. This wholly-owned project is scheduled to begin construction this summer, with a fall 1999 opening date.

Strategic Expansions and Renovations. A key objective of the SDG Operating Partnership is to increase the profitability and market share of the SDG Properties through the completion of strategic renovations and expansions. In 1997, the SDG Operating Partnership completed construction and opened fourteen expansion and/or renovation projects: Alton Square in Alton, Illinois; Aventura Mall in Miami, Florida; Chautauqua Mall in Jamestown, New York; Columbia Center in Kennewick, Washington; The Forum Shops at Caesar's in Las Vegas, Nevada; Knoxville Center in Knoxville, Tennessee; La Plaza in McAllen, Texas; Muncie Mall in Muncie, Indiana; Northfield Square in Bradley, Illinois; Northgate Mall in Seattle, Washington; Orange Park Mall in Jacksonville, Florida; Paddock Mall in Ocala, Florida; Richmond Square in Richmond, Indiana; and Southern Park Mall in Youngstown, Ohio.

The SDG Operating Partnership's share of projected costs to fund all renovation and expansion projects in 1998 is approximately $415 million. It is anticipated that the cost of these projects will be financed principally with the existing credit facilities, project-specific indebtedness, access to debt and equity markets, and cash flows from operations. The SDG Operating Partnership currently has 23 expansion and/or redevelopment projects under construction and in the preconstruction development stage with targeted 1998 completion dates. Included in consolidated investment properties at March 31, 1998 is approximately $200 million of construction in progress, with another $145 million in the unconsolidated joint venture investment properties.

Competition

SDG management believes that the SDG Properties are the largest, as measured by GLA, of any publicly traded REIT, with more regional malls than any other publicly traded REIT. SDG management believes that it competes favorably in the retail real estate business as a result of (i) its use of innovative retailing concepts, (ii) its management and operational expertise, (iii) its extensive experience and relationship with retailers and lenders, (iv) the size, quality and diversity of its SDG Properties and (v) the mall marketing initiatives of Simon Brand Ventures, which SDG believes is the most sophisticated initiative aimed at marketing mall space to retailers.

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

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

SDG Portfolio Properties

The SDG Properties primarily consist of two types: regional malls and community shopping centers. Regional malls contain two or more anchors and a wide variety of smaller stores located in enclosed malls connecting the anchors. Additional stores are usually located along the perimeter of the parking area. The 133 regional malls in the SDG Properties range in size from approximately 200,000 to 1.6 million square feet of GLA, with 129 regional malls over 400,000 square feet. These regional malls contain in the aggregate over 14,000 occupied stores, including more than 530 anchors which are mostly national retailers. As of March 31, 1998, regional malls (including specialty retail centers, and retail space in the mixed-use SDG Properties) represented 83.0% of total GLA, 78.5% of Owned GLA and 82.9% of total annualized base rent of the SDG Properties.

Community shopping centers are generally unenclosed and smaller than regional malls. Most of the 74 community shopping centers in the SDG Properties range in size from approximately 100,000 to 400,000 square feet of GLA. Community shopping centers generally are of two types: (i) traditional community centers, which focus primarily on value-oriented and convenience goods and services, are usually anchored by a supermarket, drugstore or discount retailer and are designed to service a neighborhood area; and (ii) power centers, which are designed to serve a larger trade area and contain at least two anchors that are usually national retailers among the leaders in their markets and occupy more than 70% of the GLA in the center. As of March 31, 1998, community shopping centers represented 12.7% of total GLA, 14.8% of Owned GLA and 8.2% of the total annualized base rent of the SDG Properties.

The SDG Operating Partnership also has an interest in three specialty retail centers, four mixed-use SDG Properties and three value-oriented super-regional malls. The specialty retail centers contain approximately 760,000 square feet of GLA and do not have anchors; instead, they feature retailers and entertainment facilities in a distinctive shopping environment and location. The four mixed-use SDG Properties range in size from approximately 500,000 to 1,025,000 square feet of GLA. Two of these SDG Properties are regional malls with connected office buildings, and two are located in mixed-use developments and contain primarily office space. The value-oriented super-regional malls are each joint venture partnerships ranging in size from approximately 1.2 million to 1.3 million square feet of GLA. These include Arizona Mills, Grapevine Mills and Ontario Mills. These SDG Properties combine retail outlets, manufacturers, off-price stores and other value-oriented tenants. As of March 31, 1998, value-oriented super-regional malls represented 2.6% of total GLA, 4.2% of Owned GLA and 5.2% of the total annualized base rent of the SDG Properties.

As of March 31, 1998, approximately 86.1% of the mall and freestanding Owned GLA in regional malls, specialty retail centers and the retail space in the mixed use SDG Properties was leased, approximately 94.6%

of the Owned GLA in the value-oriented super-regional malls was leased, and approximately 90.6% of Owned GLA in the community shopping centers was leased.

March 31, 1998, 157 of the 217 SDG Properties were owned 100% by the SDG Operating Partnership and the remainder were held as joint venture interests. The SDG Operating Partnership is a general partner of all but eight of the SDG Properties held as joint venture interests.

The following table summarizes on a combined basis, as of March 31, 1998, certain information with respect to the SDG Portfolio Properties, in total and by type of shopping center and retailer:

TYPE OF PROPERTY	GLA (SQ. FT.)	TOTAL OWNED GLA	% OF OWNED GLA	% OF OWNED GLA WHICH IS LEASED	AVG. ANNUALIZED BASE RENT PER LEASED SQ. FT. OF OWNED GLA
Regional Malls					
Anchor	70,930,529	24,308,132	28.2%	97.1%	$ 3.34
Mall Store	39,897,443	39,864,847	46.3	84.2	23.97
Freestanding	3,055,145	1,778,236	2.1	88.3	7.62
Subtotal	42,952,588	41,643,083	48.4	86.1	22.95
Regional Mall Total	113,883,117	65,951,215	76.6%	89.0%	$15.33
Community Shopping Centers					
Anchor	11,985,305	7,636,712	8.9%	94.8%	$ 6.00
Mall Store	4,707,755	4,621,997	5.4	83.1	10.32
Freestanding	981,182	457,562	0.5	97.6	6.51
Community Shopping Center Total	17,674,242	12,716,271	14.8%	90.6%	$ 7.44
Office Portion of Mixed-Use Properties	2,253,907	2,253,907	2.6	93.9	18.87
Value-Oriented Super-Regional Malls	3,699,726	3,574,726	4.2	94.6	16.19
Properties under Redevelopment	2,684,760	1,592,654	1.8		
GRAND TOTAL	140,195,752	86,088,773	100.0%		

The following table sets forth selected data for the mall and freestanding stores at the SDG Operating Partnership's regional malls:

DATE	NUMBER OF PROPERTIES	TOTAL MALL AND FREESTANDING OWNED GLA(1)	PERCENT OF OWNED GLA LEASED(2)	AVERAGE BASE RENT PER LEASED SQUARE FOOT(3)
March 31, 1998	133	41,643	86.1%	$22.95
December 31, 1997	127	36,601	87.3	23.65
December 31, 1996(4)	112	33,157	84.7	20.68
December 31, 1995(4)	118	33,208	85.5	19.18
December 31, 1994(4)	115	31,570	85.6	18.37
December 31, 1993(4)	110	29,905	85.9	17.70

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(1) In thousands of square feet.

(2) Occupancies for regional malls are generally lower in the initial part of the calendar year and higher in the latter part of the calendar year.

(3) Base rent does not include the effects of percentage rent or common area maintenance charges reimbursed by the tenants, nor does it consider the costs required to obtain new tenants.

(4) Includes the properties acquired in connection with the DeBartolo Merger.

Anchors

As of March 31, 1998, anchor space represented 28.2% of the Owned GLA in the SDG Operating Partnership's regional malls, of which 97.1% was occupied. The following table sets forth, as of March 31, 1998, certain information with respect to the five largest anchors (by occupied GLA) in the SDG Operating Partnership's regional malls:

ANCHOR	NUMBER OF STORES	ANCHOR-LEASED GLA	ANCHOR-OWNED OR LAND-LEASED GLA	TOTAL GLA
JC Penney Co., Inc.	105	8,255,390	6,507,648	14,763,038
Sears, Roebuck & Co.	99	3,462,969	10,895,506	14,358,475
Federated Department Stores, Inc.	55	3,341,689	6,113,266	9,454,955
Dillard's Department Stores, Inc.	70	860,103	8,395,905	9,256,008
The May Department Stores Co.	39	965,065	4,862,069	5,827,134

Mall Stores and Freestanding Stores

There are over 14,000 mall and freestanding stores in the SDG Operating Partnership's regional malls. Substantially all of these stores lease space from the SDG Operating Partnership. Mall and freestanding stores represent over 41.6 million of the approximately 66.0 million square feet of total Owned GLA of these properties, with no single mall or freestanding store or chain occupying more than 4.2% of the total Owned GLA in all SDG Portfolio Properties or accounting for more than 6.0% of the total annualized base rent from the SDG Portfolio Properties.

The following table sets forth, as of March 31, 1998, certain information with respect to the five largest mall and freestanding store tenants (by occupied GLA) in the SDG Operating Partnership's regional malls:

TENANT	NUMBER OF STORES LEASED	TOTAL GLA (SQUARE FEET)	% OF TOTAL OWNED GLA LEASED BY TENANT
The Limited, Inc.	443	3,431,208	4.0%
Venator Group, Inc. (formerly known as Woolworth Corp.)	524	1,778,399	2.1
Intimate Brands Inc.(1)	188	785,821	0.9
The Gap, Inc.	121	737,921	0.9
Musicland Group, Inc.	133	459,734	0.5
Total	1,409	7,193,083	8.4%

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(1) Intimate Brands Inc. is an affiliate of The Limited, Inc.

DEBT OF THE SDG OPERATING PARTNERSHIP

As of March 31, 1998, the SDG Operating Partnership's share of total consolidated debt and joint venture debt was approximately $6,206 million. As of such date, the weighted average interest rate for this debt was approximately 7.17%. Scheduled maturities of this debt for periods reflected are as follows:

YEAR OF MATURITY	MORTGAGE DEBT(1)	UNSECURED DEBT(1)	TOTAL DEBT(1)
		(IN THOUSANDS)	
1998	$ 334,051	$ 212,000	$ 546,051
1999	262,798	0	262,798
2000	320,511	1,125,000	1,445,511
2001	351,025	0	351,025
2002	608,290	0	608,290
2003	268,818	100,000	368,818
2004	546,456	250,000	796,456
2005	147,540	360,000	507,540
2006	341,415	250,000	591,415
2007	199,271	180,000	379,271
Thereafter	200,859	150,000	350,859
Total Principal Maturities	3,581,034	2,627,000	6,208,034
Net Unamortized Debt Premiums			(1,931)
SDG Operating Partnership's Share of Total Debt			$6,206,103

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(1) Represents the SDG Operating Partnership's pro rata share of total consolidated and joint venture debt.

Land Held for Development

The SDG Operating Partnership has direct or indirect ownership interests in nine parcels of land either in preconstruction development or being held for future development, containing an aggregate of approximately 677 acres located in eight states, and, through the SDG Management Company, interest in a mortgage on a parcel of land held for development containing approximately 134 acres. Management believes that the SDG Operating Partnership's significant base of commercially zoned land, together with the SDG Operating Partnership's status as a fully integrated real estate firm, gives it a competitive advantage in future development activities over other commercial real estate development companies in its principal markets.

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

LOCATION	ACREAGE	OWNERSHIP INTEREST(1)
Bowie, MD	93.74	100%
Concord, NC	187.48	50%
Duluth, MN	11.17	100%
Hurst, TX	36.09	100%
Lafayette, IN	22.87	100%
Little Rock, AR	97.00	50%
Mt. Juliet, TN	109.26	100%
Sanford, FL	77.24	22.5%
Miami, FL	41.71	60%
	676.56	

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

The SDG Management Company has granted options to the SDG Operating Partnership (for no additional consideration) to acquire for a period of ten years (expiring December 2003) the SDG Management Company's interest in the two parcels of land held for development, indicated in footnote (1) to the above table, at a price equal to the actual cost incurred to acquire and carry such properties. The SDG Management Company may not sell its interest in any parcel subject to option through December 1998 without the consent of the SDG Operating Partnership, and thereafter, may only sell its interest subject to certain notice and first purchase rights of the SDG Operating Partnership.

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

JOINT VENTURES

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

CPI AND CRC

CPI

CPI is a self-administered and self-managed, privately-held REIT that primarily owns interests in regional malls and also holds a portfolio of other commercial income-producing properties through investment in real estate and investments in joint ventures and partnerships that own or lease real estate. The 23 regional shopping malls in which CPI owns interests contain an aggregate GLA of approximately 27 million square feet. CPI also has investments in other properties.

CPI was organized as a Massachusetts business trust in 1971 and was incorporated in Delaware on March 10, 1998. Since its organization, CPI has operated in a manner intended to qualify as a REIT under the Code and predecessor statutory provisions. As a result of its REIT status, CPI has never paid or been assessed for any federal income taxes and has paid an immaterial amount of state income and franchise taxes in those few states in which a REIT is subject to taxation on a basis that is different than the U.S. federal income tax treatment of a REIT.

CRC

CRC was formed in October 1975 for the purpose of engaging in real estate activities that would be problematic for CPI because of CPI's qualification for federal income tax purposes as a REIT. CPI and CRC are parties to an agreement pursuant to which CRC may not engage in any activity that could be engaged in by CPI without jeopardizing its status as a REIT unless CPI shall have been given a right of first refusal to engage in such activity, and CPI may not refer to any person other than CRC any business opportunity that could not be engaged in by CPI without jeopardizing its status as a REIT unless CRC shall have been given the right of first refusal to take advantage of such opportunity. Since the holders of CPI Common Stock own a proportionate beneficial interest in one or more trusts that own all the outstanding shares of CRC Common

Stock, CPI and CRC are treated as a "paired share REIT" for federal income tax purposes. Since the shares were paired prior to the effective date of the relevant Code provision that generally precludes such pairing, CPI and CRC are currently grandfathered from such provision with respect to assets acquired by either CPI or CRC prior to March 26, 1998. However, currently pending legislation may limit Simon Group's ability to acquire new property in CRC. See "RISK FACTORS -- REIT Classification; Legislation Limiting Benefits of Paired Share Status."

At the present time, CRC's principal business is the development and sale of approximately 144 acres of land through its 85% ownership interest in Mill Creek Land, LLC ("Mill Creek"), a joint venture between CRC and Buford Acquisition Company, L.L.C., an unaffiliated entity, and the ownership of an office building located at 305 East 47th Street in New York, New York. The land owned by Mill Creek surrounds CPI's Mall of Georgia project in Buford, Georgia. See "-- Development -- Mall of Georgia."

All of the shares of CRC Common Stock are held in trust under a Trust Agreement dated as of October 30, 1979, among the then stockholders of CPI, CRC and Bank of Montreal Trust Company, the current trustee (the "CRC Trust I") or under a Trust Agreement dated as of August 26, 1994, among certain holders of CPI Series A Preferred Stock, CRC and Bank of Montreal Trust Company (the "CRC Trust II", and together with the CRC Trust I, the "CRC Trusts"). The beneficial interests (the "CRC Interests") in the CRC Trusts are owned by participating CPI stockholders in proportion to their ownership of CPI shares. The CRC Interests are not evidenced by separate certificates and are not transferable separately from the associated CPI shares. The foregoing arrangements create a "paired-share REIT" structure for federal income tax purposes. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- Simon Group Issuance Agreement," "-- Federal Income Taxation Considerations Relating to Paired Shares;" and "-- Federal Income Tax Considerations Relating to Simon Group."

As of June 1, 1998, CRC had 22 officers, all of whom are also officers of CPI, and no employees. All directors of CRC must be directors of CPI.

CPI'S PROPERTIES

CPI owns direct or indirect interests in 23 regional malls, two office buildings, land intended to be developed as the Mall of Georgia and the land underlying (i) an additional office building, (ii) a hotel and (iii) a hotel, retail and office complex. All references to properties owned by CPI means properties owned by CPI or entities in which the beneficial ownership interests are owned, directly or indirectly, by CPI.

The malls contain two or more anchors other than the Walt Whitman Mall which currently has one operating anchor and three anchors under construction, and a wide variety of smaller stores. CPI's regional malls range in size from approximately 695,000 to 2.36 million square feet of GLA, and include over 95 anchors, most of which are national retailers. Rent received from The Limited, Inc., a national retail clothing chain, accounted for approximately 8% of CPI's revenue during fiscal 1997. Roosevelt Field, the largest mall owned by CPI, accounted for approximately 12.8% of CPI's total revenue (excluding equity in earnings of joint ventures and gain on sale of properties) during fiscal 1997. Of the 23 malls, 16 are owned 100% by CPI, and CPI owns a 50% interest in the other seven. Regional malls represented 75% of CPI's total annualized base rent during fiscal 1997. CPI also is currently developing a mall in Buford, Georgia pursuant to a limited liability company agreement with Buford Acquisition Company, L.L.C. See "-- Development -- Mall of Georgia."

CPI also owns two office buildings in New Jersey and Georgia containing an aggregate of approximately 440,000 square feet of rentable area as well as the land underlying another office building owned by CRC located at Three Dag Hammarskjold Plaza in New York City where its principal executive offices are located. CPI leases its executive office space from CRC.

In addition, CPI owns the land underlying the 375 room JW Marriott Lenox hotel located in Atlanta, Georgia and land underlying the Charles Square, a hotel, retail and office complex located in Cambridge, Massachusetts. CPI also owns a convenience center located in Rockaway, New Jersey and an industrial property located near Roosevelt Field.

The following table summarizes on a combined basis, as of March 31, 1998, certain information with respect to the CPI Portfolio Properties, in total and by type of property:

TYPE OF PROPERTY	GLA (SQ. FT.)	TOTAL OWNED GLA (SQ. FT.)	% OF OWNED GLA	% OF OWNED GLA THAT IS LEASED	AVG. ANNUALIZED BASE RENT PER LEASED SQ. FT. OF OWNED GLA
Regional Malls					
Mall Store	9,390,781	9,352,351	61.05	91.6%	$33.24
Freestanding	313,864	183,069	1.20	79.7	$10.23
Subtotal	9,704,645	9,535,420	62.25	91.3	$32.85
Anchor	16,762,336	3,444,065	22.48	100.0	$ 4.33
Regional Mall Total	26,466,981	12,979,485	84.73	93.6	$25.02
Office Buildings and Office Portion of Mixed-Use Properties(1)	2,338,544	2,338,544	15.27	84.0	$22.85
GRAND TOTAL	28,805,525	15,318,029	100.00	92.2%	$24.95

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(1) Excludes the General Motors Building, which CPI owned as of March 31, 1998 but which was sold on July 31, 1998.

Regional Malls

CPI's regional malls contain two or more anchors, other than the Walt Whitman Mall which currently has one operating anchor and three anchors under construction, and a wide variety of smaller stores. CPI's regional malls range in size from approximately 695,000 to 2.36 million square feet of GLA, and include over 95 anchors, most of which are national retailers. Rent received from The Limited, Inc., a national retail clothing chain, accounted for approximately 8% of CPI's revenue during fiscal 1997. Roosevelt Field accounted for approximately 12.8% of CPI's total revenue (excluding equity in earnings of joint ventures and gain on sale of properties) during fiscal 1997. Of the 23 malls, 16 are owned 100% by CPI and CPI owns a 50% interest in the other seven. Regional malls represented 75% of CPI's total annualized base rent during fiscal 1997.

The following table sets forth selected data for the mall and freestanding stores at CPI's regional malls:

DATE	NUMBER OF PROPERTIES	TOTAL MALL AND FREESTANDING OWNED GLA(1)	PERCENT OF OWNED GLA LEASED	AVERAGE BASE RENT PER LEASED SQUARE FOOT(2)
March 31, 1998	23	9,535	91.3%	$32.85
December 31, 1997	23	9,593	94.0	32.20
December 31, 1996	24	10,088	90.4	30.60
December 31, 1995	26	10,572	93.1	27.80
December 31, 1994	26	10,509	92.4	26.50
December 31, 1993	29	11,260	90.8	24.60

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(1) In thousands of square feet.

(2) Base rent does not include the effects of percentage rent or common area maintenance charges reimbursed by the tenants, nor does it consider the costs required to obtain new tenants.

Lease Expirations

The following table sets forth scheduled expirations during the given periods set forth below of leases for mall stores and freestanding stores at CPI's regional malls, assuming that none of the tenants exercises available renewal options:

YEAR OF LEASE EXPIRATION	NUMBER OF LEASES EXPIRING	GLA UNDER EXPIRING LEASES (1) (SQ. FT.)	TOTAL ANNUALIZED BASE RENT/SQUARE FOOT UNDER EXPIRING LEASES	PERCENT OF TOTAL GLA(2) LEASED REPRESENTED BY EXPIRING LEASES(%)
03/31/98-12/31/98.....	304	610,172	$33.14	7.34%
1999.....	303	606,475	32.35	7.30%
2000.....	280	526,698	38.87	6.34%
2001.....	231	511,388	32.41	6.15%
2002.....	287	693,460	32.67	8.35%
2003.....	348	1,085,595	32.50	13.07%
2004.....	341	886,352	36.63	10.67%
2005.....	244	765,673	34.20	9.22%
2006.....	294	831,276	37.82	10.00%
2007.....	295	847,518	40.63	10.20%
Total.....	2,927	7,364,607		88.64%
Weighted Average....			$35.22	

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(1) All month to month tenants as of March 31, 1998 are considered to have a lease expiry in 1998.

(2) Total Leased Owned Mall and Freestanding GLA is 8,308,651 sq. ft. as of March 31, 1998.

Anchors

As of March 31, 1998, anchor space represented 63.3% of the GLA in CPI's regional malls, of which 100.0% was leased. The following table sets forth, as of March 31, 1998, certain information with respect to the five largest anchors (by occupied GLA) in CPI's regional malls:

ANCHOR	NUMBER OF STORES	ANCHOR-LEASED GLA	ANCHOR-OWNED OR LAND-LEASED GLA	TOTAL GLA
Federated Department Stores, Inc.	29	1,545,969	4,889,676	6,435,645
Sears, Roebuck and Co.	18	163,476	3,107,223	3,270,699
The May Department Stores Co.	20	323,512	2,086,172	2,409,684
J.C. Penney Company, Inc.	15	643,517	1,605,143	2,248,660
Dillards Department Stores, Inc.	4	80,000	592,000	672,000

Mall Stores and Freestanding Stores

There are nearly 2,900 mall and freestanding stores in CPI's regional malls. Substantially all of these stores lease space from CPI. Mall and freestanding stores represent approximately 9.5 million of the 13.0 million square feet of total Owned GLA of these properties, with no single mall or freestanding store or chain occupying more than 6.2% of the total Owned GLA in all CPI Portfolio Properties or accounting for more than 7.3% of the total annualized base rent from the CPI Portfolio Properties.

The following table sets forth, as of March 31, 1998, certain information with respect to the five largest mall and freestanding store tenants by Owned GLA occupied in CPI's regional malls:

TENANT	NUMBER OF STORES LEASED	TOTAL GLA (SQUARE FEET)	% OF TOTAL OWNED GLA LEASED BY TENANT
The Limited, Inc.	141	1,051,719	11.0%
Venator Group Inc. (formerly known as Woolworth Corp.)	134	508,725	5.3
The Gap, Inc.	49	297,369	3.1
Luxottica Group	42	173,009	1.8
The Wet Seal, Inc	27	119,449	1.3
Total	393	2,150,271	22.5%

Roosevelt Field, CPI's most significant asset, is separately described in detail below. Additional information regarding this and CPI's other principal assets is set forth in the table that follows.

Roosevelt Field

Roosevelt Field is an enclosed regional mall situated on a 106-acre parcel located at the junction of the Meadowbrook Parkway and Old Country Road, in the Town of Hempstead, Nassau County, New York. Access to the shopping center is provided by the Meadowbrook Parkway which connects directly to the Northern and Southern State Parkways.

The Town of Hempstead is a mature, suburban Long Island community approximately 25 miles east of Manhattan at the center of a trade area with a population of approximately 1.3 million. This trade area extends to Nassau County's eastern border and into eastern Queens County.

Roosevelt Field was opened as an unenclosed mall in 1956 and the mall was enclosed in 1968. CPI acquired the leasehold interest in Roosevelt Field in 1973. In 1980, CPI acquired fee title to the mall, the underlying land and approximately 45 adjacent acres, which have been improved by a variety of commercial, office and industrial buildings.

A significant renovation and reconfiguration of Roosevelt Field was completed and opened in April 1993. This project consisted of construction of a 285,000-square foot A&S department store (which opened in October 1992), 165,000 square foot new second level mall store GLA, including a new food court, that houses approximately 62 new stores and a complete renovation of the remainder of the shopping center. The A&S department store and new mall stores replaced an Alexander's department store and approximately 120,000 square feet of obsolete small store space, which were demolished. A substantial remerchandising program accompanied this construction project. In 1995 Federated Department Stores closed all of its A&S department stores. Bloomingdale's replaced A&S at Roosevelt Field in November 1995. CPI added approximately 175,000 square feet of new mall store GLA in October 1996. Nordstrom opened its first Long Island store at Roosevelt Field with a total of 225,000 square feet of GLA in August 1997. CPI has preliminary plans to add a fashion department store and approximately 35,000 square feet of GLA to Roosevelt Field.

Roosevelt Field's primary competitors are two regional shopping centers, Sunrise Mall and Green Acres Shopping Center. Sunrise Mall contains three anchors and 190 mall stores and is located less than twelve miles southeast of Roosevelt Field. Green Acres Shopping Center contains four anchors and 212 mall stores and is located approximately eight miles southwest of Roosevelt Field. The Source, a 732,820 square foot mall, owned 25% by SDG and managed by an affiliate of SDG, opened in the third quarter of 1997 within five miles of Roosevelt Field. Roosevelt Field also competes with certain discount stores in the area. In addition, The Taubman Company has preliminary plans to develop an upscale mall located midway between Roosevelt Field and Walt Whitman Mall which could accommodate three department stores and approximately 120 mall stores; however, these plans have not been approved. The Company believes that Roosevelt

Field is well positioned within its market due to its strong anchor stores and the high population density of the area.

The operating data for Roosevelt Field is as follows:

The principal business carried on in Roosevelt Field is retail.

The occupancy rate (based on a weighted average at year-end, excluding seasonal-in-line) for each of the years 1993 through 1997 and for the three-months ended March 31, 1998 is 94.6%, 97.0%, 95.1%, 93.0%, 95.2% and 96.6%, respectively.

Stores owned by The Limited, Inc., a retail apparel company, occupy 10% or more of the rentable square footage (excluding department stores) at Roosevelt Field. The principal lease provisions for such stores are as follows:

NAME	RENT/YR/SF	EXPIRATION	RENEWAL OPTION
The Limited, Inc. doing business as:			
1. Lerner NY	$36.00	Nov-06	None
2. Victoria's Secret	49.50	Jan-04	None
3. Express	35.83	Oct-06	None
4. The Limited	39.00	Jan-04	None
5. Cacique	50.00	Jan-04	None
6. Lane Bryant	42.00	Jan-04	None
7. Structure	60.00	Jan-07	None
8. Abercrombie & Fitch	55.00	Jan-07	None
Total Weighted Average	$43.85		

The average effective annual rent per square foot for each of the years 1993 through 1997 is $34.20, $45.10, $49.90, $49.90 and $53.00, respectively.

The following is a schedule of lease expirations for stores located at Roosevelt Field:

YEAR OF LEASE EXPIRATION	NUMBER OF LEASES EXPIRING	GLA UNDER EXPIRING LEASES(1) (SQ. FT.)	TOTAL ANNUALIZED BASE RENT UNDER EXPIRING LEASES	TOTAL ANNUALIZED BASE RENT/SQUARE FOOT UNDER EXPIRING LEASES	PERCENT OF TOTAL GLA(2) LEASED REPRESENTED BY EXPIRING LEASES(%)	PERCENT OF TOTAL ANNUALIZED BASE RENT(3) REPRESENTED BY EXPIRING LEASES(%)
03/31/98 - 12/31/98	4	7,420	$ 474,220	$63.91	1.04%	1.32%
1999	5	13,387	888,432	66.37	1.88%	2.47%
2000	14	29,105	1,783,059	61.26	4.09%	4.96%
2001	7	30,560	423,299	13.85	4.29%	1.18%
2002	3	5,232	334,178	63.87	0.74%	0.93%
2003	49	126,306	7,166,946	56.74	17.74%	19.95%
2004	30	78,748	4,337,193	55.08	11.06%	12.08%
2005	16	53,243	3,035,919	57.02	7.48%	8.45%
2006	39	104,429	6,088,716	58.30	14.67%	16.96%
2007	35	95,650	6,003,534	62.77	13.44%	16.72%
Total	202	544,080	$30,535,495		76.43%	85.02%
Weighted Average				$56.12		

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(1) All month to month tenants as of March 31, 1998 are considered to have a lease expiry in 1998.

(2) Total Leased GLA is 711.813 sq. ft. as of March 31, 1998.

(3) Total Annualized Rent is $35,915,975 as of March 31, 1998.

The following chart lists tax depreciation terms (for purposes of this chart, any construction allowances, deferred costs, development costs, leasing commissions, free rent and similar items are not included):

DESCRIPTION	(I) BASIS	(II) RATE	(III) METHOD	(IV) LIFE-YRS
Building and Building Improvements (including costs of asbestos abatement).....	307,117,760	.0250-.0286	Straight Line	35-40
Mall Equipment.....	34,130	.1000	Straight Line	10
Carts.....	417,330	.2000	Straight Line	5
Land Improvements.....	433,320	.0500	Straight Line	20

The realty tax rate for Roosevelt Field is $67.50 per $100 of assessed value. Annual realty taxes are $13,454,216. Annual realty taxes for Roosevelt Field in 1999 are estimated to be $14,366,041.

DEVELOPMENT

Development activities are ongoing at several locations including:

Development of Mall of Georgia

In April 1997, CPI entered into a limited liability company agreement with Buford Acquisition Company, L.L.C., an unaffiliated entity, forming an entity, Mall of Georgia L.L.C., to develop a 1.5 million square foot regional mall on approximately 145 acres of land in Buford, Georgia. Mall of Georgia L.L.C. also owns a 45 acre parcel on which a power center of 390,000 square feet of GLA is planned. There are letters of intent with Nordstrom (160,000 square feet of GLA), Lord & Taylor (120,000 square feet of GLA), Dillard's (240,000 square feet of GLA), J.C. Penney (146,000 square feet of GLA), Galyan's (85,000 square feet of GLA), Regal Cinema (105,000 square feet of GLA), Barnes & Noble (26,000 square feet of GLA) and 180,885 square feet of GLA for smaller stores. Letters of intent for these smaller stores represent approximately 40% of the mall's GLA for smaller stores.

The project budget for the Mall of Georgia project is approximately $254 million, including land costs. CPI is funding 85% of the capital requirements for the project. CPI is the managing member of the entity developing the mall and is responsible for the development. The Mall of Georgia L.L.C. has obtained a construction and permanent loan for $200 million (which as of June 30, 1998 $71 million has been drawn down), which results in a project equity requirement of $54 million (of which CPI's share would be $45.9 million). CPI's interest in the mall is 50% after the return of its equity investment and a 9% return thereon. Construction of the mall building commenced in March 1998 for an anticipated opening of the mall and department stores in August 1999.

Town Center at Boca Raton Expansion/Renovation

An expansion plan for Town Center at Boca Raton, a wholly owned property located in Palm Beach County, Florida, was approved by the Palm Beach County Development Review Committee in April 1998. The plan includes a renovation of the food court and the mall common area, the relocation of Saks Fifth Avenue to a location which was once a Mervyn's store and the addition of 94,000 square feet of GLA for smaller stores in the space formerly occupied by the Saks store. It is expected that a new Nordstrom store of 170,000 square feet of GLA will anchor the expansion wing. The relocation of Saks will almost double the size of its store from 73,000 to 140,000 square feet of GLA. As part of this expansion plan, Bloomingdale's would add 37,000 square feet of GLA and Lord & Taylor 14,000 square feet of GLA to their existing stores. A letter of intent was signed with Nordstrom in May 1997. Management and Saks Fifth Avenue have agreed in principle upon the terms of its relocation and expansion. Saks is scheduled to open in August 1999 and Nordstrom in August 2000. The preliminary budget for this expansion/renovation project is estimated at $68.6 million.

Walt Whitman Mall Renovation

CPI expects that Walt Whitman Mall, with respect to which CPI owns 100% of the land and operating position and 98.3% of the tenants-in-common leasehold interest and which is currently anchored only by Macy's, will contain a Bloomingdale's store and a Lord & Taylor store in 1998 and a Saks Fifth Avenue store in 1999. The mall is in the process of being thoroughly renovated and approximately 25,000 square feet of GLA for smaller stores will be added. The total budget for the renovation project is approximately $81.3 million. The Town of Huntington, New York has completed its review and approved the final expansion plan.

Other Renovation and Development Projects

In addition to the developments and renovations at Mall of Georgia, Town Center at Boca Raton and Walt Whitman Mall, CPI is also conducting renovations and/or developments at Gwinnett Place Mall, Palm Beach Mall, Rockaway Townsquare and Town Center at Cobb. The total budget for these projects is approximately $62.5 million, of which CPI's share is estimated to be $35.8 million.

Simon Group intends to finance its share of the projects at Town Center at Boca Raton, Walt Whitman Mall and the other renovations and/or developments described above with cash on hand, cash flow from properties and borrowings under any then existing credit agreements.

ACQUISITIONS AND DISPOSITIONS

In 1994, CPI sold three shopping centers: Broadway Square in Tyler, Texas; Orange Park Mall in Jacksonville, Florida; and University Mall in Pensacola, Florida to SDG. In that same year, CPI eliminated its investment in the developed portion of the Talleyrand Office Park in Westchester, New York and in First Union Financial Center in Miami, Florida. In late 1996 and early 1997, CPI sold its interests in Countryside Mall in Clearwater, Florida; Maplewood Mall in Maplewood, Minnesota; and Northstar Mall in San Antonio, Texas in exchange for shares of CPI Common Stock. In 1996, CPI acquired the interests of its partners in seven shopping centers, one mixed-use property and the General Motors Building in exchange for shares of CPI Common Stock. In early 1998, CPI sold Burnsville Mall in Burnsville, Minnesota and acquired Phipps Plaza in Atlanta, Georgia. In July 1998, CPI sold the General Motors Building in New York City, New York.

COMPETITION

With gross real estate assets as of December 31, 1997 of approximately $4.8 billion and $2.6 billion on appraisal and financial reporting bases, respectively, CPI management believes it is one of the largest regional mall REITs in the United States. CPI management believes that it competes favorably in the retail real estate business as a result of (i) its portfolio of quality assets, (ii) its concentration of large properties in major, geographically diverse markets and (iii) its management and operational expertise.

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

In addition, all of CPI's properties are located in developed areas, and there are other retail properties in such areas which currently or potentially compete with CPI's properties. The existence of competitive properties could have a material effect on CPI's ability to lease space and on the level of rents CPI can obtain.

ENVIRONMENTAL MATTERS

CPI is not aware of any environmental liability that it believes would have a material adverse effect on CPI. CPI believes that its properties are in compliance, in all material respects, with all Federal, state and local environmental laws, ordinances and regulations. However, no assurance can be given that all environmental liabilities have been identified or that no prior owner, prior tenant or current tenant has created any material environmental condition not known to CPI, that the current environmental condition of CPI's properties will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated

third parties, or that future uses or conditions (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in the imposition of environmental liability.

Asbestos-Containing Materials

Asbestos-containing materials are present in most of CPI's properties, primarily in the form of vinyl asbestos tile, mastics and roofing materials, which are generally in good condition. Asbestos-containing materials in the form of spray-on fireproofing and thermal system insulation are also present in certain of CPI's properties in limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. Asbestos-containing materials are removed by CPI in the ordinary course of any renovation, reconstruction and expansion, and in connection with the retenanting of space. Although it is difficult to assess the costs of abatement or removal of such asbestos-containing materials at this time, and no assurance can be given as to the magnitude of such costs, CPI does not believe that such costs will be material to CPI's financial condition or results of operations. CPI has developed and is implementing an operations and maintenance program that establishes operating procedures with respect to asbestos-containing materials.

Underground Storage Tanks

Some of CPI's properties and certain adjacent properties contain, or at one time contained, underground storage tanks used to store heating oil for on-site consumption or petroleum products. At present, CPI is aware of three underground storage tanks owned and operated by CPI, and is either currently in compliance with applicable environmental regulations or has begun or scheduled appropriate compliance activities in all cases. CPI is also aware of additional underground storage tanks at its properties operated by tenants or subtenants that are also responsible for compliance with respect to such tanks. Upon any such tenant's or subtenant's failure to cause such compliance activities, CPI could become primarily responsible for such compliance.

In addition, CPI has begun soil remediation to address contamination associated with an underground storage tank which was located on a tract of undeveloped land owned by CPI near Roosevelt Field in Garden City, New York. Such remediation is being conducted in accordance with applicable environmental laws and is expected to be completed in the spring of 2001.

The costs of underground storage tank compliance, closure, removal and remediation activities are not expected to have a material adverse effect on CPI's financial condition or results of operations.

LEGAL PROCEEDINGS

There are no material legal proceedings pending or threatened against CPI.

EMPLOYEES

As of June 1, 1998, CPI employed a full-time staff of 502 persons and a part-time staff of 461 persons. Twenty-seven of CPI's employees are covered by collective bargaining agreements. CPI's management considers its union relations to be good.

INSURANCE

CPI has commercial general liability, fire, flood, extended coverage and rental loss insurance with respect to all its properties and believes that such insurance provides adequate coverage.

Additional Information

The following schedule sets forth certain information regarding certain of CPI's properties.

INFORMATION SCHEDULE

	NAME/LOCATION	OWNERSHIP INTEREST (EXPIRATION IF GROUND LEASE)(1)	CPI'S PERCENTAGE INTEREST	YEAR BUILT OR ACQUIRED	TOTAL GLA (SQUARE FEET)	ANCHORS/SPECIALTY ANCHORS
	REGIONAL MALLS					
1.	Aurora Mall..... Aurora, CO	Fee	100.0%	1975	950,000	JC Penney, Foley's, Sears
2.	Brea Mall..... Brea, CA	Fee	100.0%	1977	1,300,000	Macy's, JC Penney, Nordstrom, Robinson-May, Sears
3.	Burlington Mall..... Burlington, MA	Fee	100.0%	1968	1,255,000	Filene's, Macy's, Lord & Taylor, Sears
4.	Crystal Mall..... Waterford, CT	Fee	50.0%	1984	790,000	Filene's, Macy's, Sears, JC Penney
5.	Gwinnett Place..... Atlanta, GA	Fee	50.0%	1984	1,240,000	Macy's, Parisian, Rich's, Sears, JC Penney
6.	Haywood Mall..... Greenville, SC	Fee and Ground Lease (May 2067)	50.0%	1980	1,255,000	Belk-Simpson, Dillard's, JC Penney, Rich's, Sears
7.	Highland Mall..... Austin, TX	Fee and Ground Lease (October 2070)	50.0%	1971	1,100,000	Dillard's, Foley's, JC Penney
8.	Lenox Square..... Atlanta, GA	Fee	100.0%	1959	1,530,000	Macy's, Neiman Marcus, Rich's
9.	Livingston Mall..... Livingston, NJ	Fee	100.0%	1972	990,000	Lord & Taylor, Macy's, Sears
10.	Metrocenter..... Phoenix, AZ	Fee	50.0%	1973	1,350,000	Macy's, Dillard's East, JC Penney, Robinson-May, Sears
11.	Nanuet Mall..... Nanuet, NY	Fee	100.0%	1969	910,000	Macy's, Sears, Stern's
12.	Northlake Mall..... Atlanta, GA	Fee	100.0%	1971	950,000	JC Penney, Macy's, Parisian, Sears
13.	Ocean County Mall... Toms River, NJ	Fee	100.0%	1976	870,000	JC Penney, Macy's, Sears, Stern's
14.	Palm Beach Mall..... West Palm Beach, FL	Fee	50.0%	1967	1,200,000	Burdines, JC Penney, Lord & Taylor, Sears, Dillard's(2)
15.	Phipps Plaza..... Atlanta, GA	Fee	100.0%	1968	820,000	Lord & Taylor, Parisian, Saks Fifth Avenue
16.	Rockaway Townsquare..... Rockaway, NJ	Fee	100.0%	1977	1,210,000	JC Penney, Lord & Taylor, Macy's, Sears
17.	Roosevelt Field..... Garden City, NY	Fee	100.0%	1956	2,360,000	Bloomingdales, JC Penney, Macy's, Nordstrom, Stern's
18.	Santa Rosa Plaza.... Santa Rosa, CA	Fee	100.0%	1982	695,000	Macy's, Mervyn's, Sears
19.	South Shore Plaza... Braintree, MA	Fee	100.0%	1961	1,585,000	Filene's, Macy's, Lord & Taylor, Sears
20.	Town Center at Boca Raton..... Boca Raton, FL	Fee	100.0%	1980	1,320,000	Bloomingdales, Burdines, Lord & Taylor, Saks, Sears, Nordstrom (signed letter of intent to open in 2000)
21.	Town Center at Cobb..... Atlanta, GA	Fee	50.0%	1986	1,275,000	Macy's, Parisian, Rich's, Sears, JC Penney
22.	Walt Whitman Mall... Huntington, NY	Fee and Ground Lease (December 2052)	98.0%	1962	965,000	Macy's, Bloomingdales, Saks, Lord & Taylor(3)
23.	Westminster Mall.... Westminster, CA	Fee	100.0%	1974	1,095,000	JC Penney, Robinson-May, Robinson-May Home Store, Sears

	NAME/LOCATION	OWNERSHIP INTEREST (EXPIRATION IF GROUND LEASE)(1)	CPI'S PERCENTAGE INTEREST	YEAR BUILT OR ACQUIRED	TOTAL GLA (SQUARE FEET)	ANCHORS/SPECIALTY ANCHORS
	OFFICE BUILDINGS					
1.	The Lenox Building..... Atlanta, GA	Fee	100.0%	1987	350,000	N/A
2.	Rockaway Office Building..... Rockaway, NJ	Fee	100.0%	1983	90,000	N/A
	MIXED USE/OTHER					
1.	Rockaway Convenience Center..... Rockaway, NJ	Fee	100.0%	1980	N/A	N/A
2.	Roosevelt Field Industrial Park..... Garden City, NY	Fee	100.0%	N/A	N/A	N/A
3.	Charles Square(4)... Cambridge, MA	Fee	100.0%	1985	N/A	N/A
4.	JW Marriott Lenox(5)..... Atlanta, GA	Fee	100.0%	1987	N/A	N/A

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(1) The date listed is the expiration date of the last renewal option available to CPI under the ground lease. In a majority of the ground leases, the lessee has either a right of first refusal or the right to purchase the lessor's interest. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective property.
(2) Dillard's is scheduled to open in June of 1999.
(3) Bloomingdales is scheduled to open in August 1998, Lord & Taylor is scheduled to open in late 1998 and Saks is scheduled to open in early 1999.
(4) Land under hotel, retail and office complex.
(5) Land under 375-room hotel.

CRC'S PROPERTIES

CRC owns (i) the building located at Three Dag Hammarskjold Plaza in New York City where CPI's executive offices are currently located; (ii) a 200,000 square foot building in Norfolk, Virginia which is leased to the J.C. Penney Company; (iii) an 85% interest in land owned by Mill Creek in Buford, Georgia (see "-- CPI and CRC"); (iv) 37 acres of vacant land, zoned for retail business, being held for development adjacent to a shopping center owned by CPI in Rockaway, New Jersey and (v) 203 acres of vacant land zoned for single family housing in Putnam, New York which is being marketed for sale.

Three Dag Hammarskjold Plaza ("305 East 47 Street") is located on the north side of East 47th Street between First and Second Avenue in New York City, New York. The building is a 12-story office structure containing 123,000 square feet of rentable area. Following remeasurement, the total rentable area of the building will increase to approximately 139,000 square feet. Extensive renovations to the building were completed in 1983 and the result is a modern office building of high quality. There is no asbestos present in the structure.

CRC holds a 100% leasehold interest in the multi-tenant office building that also serves as CPI and CRC headquarters in New York City. In addition, CPI holds a leasehold mortgage on the improvements which bears interest at 6% and requires annual interest payments to CPI of $1,233,907, and beginning January 1, 1999 through the maturity date of December 31, 2013 bears interest at 15% and requires annual interest and principal payments to CPI of $3,186,396. At maturity, a balloon payment of approximately $15 million is due. As of March 31, 1998, the principal amount outstanding on such loan was $20,565,000. CPI also owns a 100% fee interest in the land underlying the improvements.

The operating data for 305 East 47 Street is as follows:

The occupancy rate (based on a weighted average at year-end) for each of the years 1993 through 1997 and the three months ended March 31, 1998 is 100%, 88%, 83%, 83%, 81% and 77%, respectively. CPI is the only tenant occupying more than 10% of the rentable square feet of the building.

The principal provisions of the lease with CPI are as follows. CPI currently rents 61,086 square feet of the building at an average base rent of $23.94 per square foot pursuant to a lease, which expires December 31, 2005. Davis Polk & Wardwell, a law firm, has executed a lease at 305 East 47 Street. The lease commenced on June 22, 1998. Davis Polk & Wardwell will occupy 29,480 square feet of space at an average base rent of $24.00 per square foot. Davis Polk & Wardwell's lease expires on March 21, 2009.

The following is a schedule of lease expirations:

YEAR OF LEASE EXPIRATION	NUMBER OF LEASES EXPIRING	GLA UNDER EXPIRING LEASES(1) (SQ. FT.)	TOTAL ANNUALIZED BASE RENT UNDER EXPIRING LEASES	TOTAL ANNUALIZED BASE RENT/SQUARE FOOT UNDER EXPIRING LEASES	% OF TOTAL GLA(2) LEASED REPRESENTED BY EXPIRING LEASES(%)	% OF TOTAL ANNUALIZED BASE RENT(3) REPRESENTED BY EXPIRING LEASES(%)
03/31/98 - 12/31/98..	1	3,200	$ 112,000	$ 35.00	6.90%	9.21%
1999.....	--	--	--	--	0.00%	0.00%
2000.....	--	--	--	--	0.00%	0.00%
2001.....	--	--	--	--	0.00%	0.00%
2002.....	1	8,933	223,325	25.00	19.27%	18.36%
2003.....	1	9,800	186,200	19.00	21.14%	15.31%
2004.....	--	--	--	--	0.00%	0.00%
2005.....	1	11,667	280,008	24.00	25.16%	23.02%
2006.....	--	--	--	--	0.00%	0.00%
2007.....	1	12,766	414,895	32.50	27.53%	34.11%
Total.....	5	46,366	$1,216,428		100.00%	100.00%
Weighted Average...				$ 26.24		

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(1) All month-to-month tenants as of March 31, 1998 are considered to have a lease expiring in 1998.

(2) Total Leased GLA is 46,366 square feet as of March 31, 1998 excluding 49,873 square feet leased to CPI.

(3) Total Annualized Rent is $1,216,428 as of March 31, 1998.

The following chart lists tax depreciation terms (for purposes of this chart, any construction allowances, deferred costs, development costs, leasing commissions, free rent and similar items are not included):

DESCRIPTION	(I) BASIS	(II) RATE	(III) METHOD	(IV) LIFE-YEARS
Building and Building Step-Up.....	$28,680,006	0.0286	Straight Line	35
Building Improvements.....	42,815	0.0286	Straight Line	35

The realty tax rate for 305 East 47 Street is $10.164 per $100 of assessed value. Annual realty taxes are $764,735. There are currently no proposed improvements anticipated to be made with respect to the building. Annual realty taxes for the 1999 tax year are estimated to be $766,569.

ACQUISITIONS AND DISPOSITIONS

On April 1, 1997 CRC sold its limited partner interests in three partnerships, each of which owned property held for investment, to the general partner, CPI, for approximately $2.4 million.

In addition, CRC's asset management contract with respect to the General Motors Building ended in December of 1996 when the General Motors Building became wholly owned by CPI, and CRC no longer receives fees with respect to such contract. CRC received asset management fees of approximately $1.6 million and $1.4 million for 1996 and 1995, respectively in connection with its management of the General Motors Building.

COMPETITION

CRC management believes that it competes favorably in the office building and land development businesses primarily as a result of its management and operational expertise and its relationship with CPI. See "BUSINESS OF SDG, CPI and CRC -- CPI and CRC -- CRC."

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

The office building owned by CRC is located in midtown Manhattan in New York City, and there are other office buildings in the area which currently or potentially compete with the office building owned by CRC. The existence of competitive properties could have a material adverse effect on CRC's ability to lease space and on the level of rents CRC can obtain.

The land held by CRC for development is located in relatively undeveloped areas where other developers could potentially acquire nearby properties and compete with CRC. The existence of other available land in such areas could have a material adverse effect on CRC's ability to sell its land and on the price CRC can obtain.

ENVIRONMENTAL MATTERS

CRC is not aware of any environmental liability that it believes would have a material adverse effect on CRC. CRC believes that its properties are in compliance, in all material respects, with all federal, state and local environmental laws, ordinances and regulations. However, no assurance can be given that all environmental liabilities have been identified or that no prior owner, prior tenant or current tenant has created any material environmental condition not known to CRC, that the current environmental condition of CRC's properties will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties, or that future uses or conditions (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in the imposition of environmental liability.

Asbestos-Containing Materials

Asbestos-containing materials are present in certain of CRC's properties, primarily in the form of vinyl asbestos tile, mastics and roofing materials, which are generally in good condition. Asbestos-containing materials in the form of spray-on fireproofing and thermal system insulation are also present in certain of CRC's properties in limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. Asbestos-containing materials are removed by CRC in the ordinary course of any renovation, reconstruction and expansion, and in connection with the retenanting of space. Although it is difficult to assess the costs of abatement or removal of such asbestos-containing materials at this time, and no assurance can be given as to the magnitude of such costs, CRC does not believe that such costs will be material to CRC's financial condition or results of operations.

LEGAL PROCEEDINGS

There are no material legal proceedings pending or, to its knowledge, threatened against CRC.

EMPLOYEES

As of June 1, 1998, CRC had no employees.

INSURANCE

CRC has commercial general liability, fire, flood, extended coverage and rental loss insurance with respect to all its properties and believes that such insurance provides adequate coverage.

JOINT VENTURES

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

MORTGAGE FINANCING ON PROPERTIES

See the table below which sets forth certain information regarding the mortgages and other debt encumbering the properties owned by CPI and CRC. All mortgages on the properties are non-recourse.

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES(1)

PROPERTY NAME	INTEREST RATE	FACE AMOUNT MARCH 31, 1998	ANNUAL DEBT SERVICE	MATURITY DATE
CPI				
Net Leased Properties				
J.C. Penney, Northgate Mall, Hixon, TN(2)	6.80%	$ 1,003,495	$ 273,864	05/31/02
Consolidated Properties				
Northlake Mall (J.C. Penney site)(3)	8.00%	$ 1,181,997	$ 262,543	12/01/02
South Shore Plaza (outparcel)(4)	9.75%	$ 123,537	$ 65,772	04/01/00
Joint Venture Properties				
Crystal Mall	8.66%	$51,048,592	$5,384,496	02/01/03
Metrocenter	8.45%	$31,467,604	$3,030,876	02/28/08
Gwinnett Place	7.54%	$40,161,512	$3,411,504	04/01/07
Highland Mall	9.75%	$ 8,171,848	$1,175,323	12/01/09
Highland Mall	8.50%	$ 349,374	$ 115,756	10/01/01
Highland Mall	9.50%	$ 3,291,092	$1,087,225	11/01/01
Town Center at Cobb	7.54%	$51,168,742	$4,346,508	04/01/07
Palm Beach Mall	8.21%	$51,144,758	$5,072,424	12/15/02
CRC				
J.C. Penney, Norfolk, VA	8.50%	$ 1,121,203	$ 352,305	11/30/01

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(1) During the term of these loans, there is amortization of the principal amount.

(2) Property is net leased to J.C. Penney at Northgate Mall.

(3) Mortgage encumbers only J.C. Penney store at Northlake Mall.

(4) Mortgage encumbers only office building on outparcel at South Shore Plaza.

CPI AND CRC SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of CPI Common Stock (and the proportionate beneficial interest in CRC Common Stock) and CPI Series A Preferred Stock (and the proportionate beneficial interest in CRC Common Stock) as of June 15, 1998, as determined in accordance with Rule 13d-3 under the Exchange Act, with respect to (i) each of CPI's directors and executive officers, (ii) each person who is known by CPI to beneficially own more than 5% of CPI Common Stock or CPI Series A Preferred Stock, and (iii) all current directors and executive officers of CPI as a group. Each individual or entity named has sole investment and voting power with respect to shares of CPI Common Stock or CPI Series A Preferred Stock beneficially owned by him or her.

	BENEFICIAL OWNERSHIP PRIOR TO CPI MERGER DIVIDENDS AND THE MERGER				BENEFICIAL OWNERSHIP AFTER THE MERGER(1)					
	CPI COMMON STOCK(2)		CPI SERIES A PREFERRED STOCK(2)		SIMON GROUP COMMON STOCK(2)		SIMON GROUP SERIES A PREFERRED STOCK(2)		SIMON GROUP SERIES B PREFERRED STOCK(2)	
NAME AND ADDRESS OF BENEFICIAL OWNER(3)	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%(4)	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Abdlatif Y. Al-Hamad.....	10,767(5)	*	--	--	22,414	*	--	--	2,045	*
Saleh F. Alzouman.....	1,000(6)	*	--	--	2,081	*	--	--	190	*
Robert E Angelica.....	--(7)	--	--	--	--(7)	--	--	--	--(7)	--
Gilbert Butler.....	8,000(8)	*	--	--	16,654	*	--	--	1,520	*
David P. Feldman.....	8,000(8)	*	--	--	16,654	*	--	--	1,520	*
Andrea Geisser.....	10,374(9)	*	--	--	21,596	*	--	--	1,971	*
Hans C. Mautner.....	243,767(10)	*	--	--	507,474	*	--	--	46,315	*
Damon Mezzacappa.....	8,000(8)	*	--	--	16,654	*	--	--	1,520	*
S. Lawrence Prendergast...	--(11)	--	--	--	--(11)	--	--	--	--(11)	--
Daniel Rose.....	13,245(12)	*	--	--	27,573	*	--	--	2,516	*
Dirk van den Bos.....	--(13)	*	--	--	--(13)	*	--	--	--(13)	*
Jan H.W.R. van der Vlist.....	--(13)	*	--	--	--(13)	*	--	--	--(13)	*
Mark S. Ticotin.....	107,000(14)	*	--	--	222,752	*	--	--	20,330	*
G. Martin Fell.....	88,610(15)	*	--	--	184,468	*	--	--	16,835	*
Michael L. Johnson.....	56,667(16)	*	--	--	117,969	*	--	--	10,766	*
J. Michael Maloney.....	91,500(15)	*	--	--	190,484	*	--	--	17,385	*
Telephone Real Estate Equity Trust(17).....	8,641,397(18)	34.09	3,450	1.65	17,989,660(19)	10.70	3,450	1.65	1,641,865	34.11
Kuwait.....	4,411,967(20)	17.42	--	--	9,184,832	5.46	--	--	838,273	17.42
Kuwait Fund for Arab Economic Development(21).....	1,507,744	5.95	--	--	3,138,821	1.87	--	--	286,471	5.95
The Public Institution for Social Security -- Kuwait(22).....	389,449	1.54	--	--	810,754	*	--	--	73,955	1.54
Stichting Pensioenfonds Voor De Gezondheid Geestelijke En Maatschappelijke Belangen.....	1,965,588(23)	7.44	150,000	71.68	4,091,161(24)	2.43%	150,000	71.68	373,461	7.76
All directors and executive officers of CPI as a group (16 persons).....	646,930	2.51	--	--	1,346,773	*	--	--	122,913	2.55

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* Less than 1.0%

(1) Assumes that all options to purchase CPI Common Stock are exercised prior to the Effective Time.

(2) Includes proportionate beneficial ownership in CRC Common Stock held in the CRC Trusts.

(3) Unless otherwise indicated, the address of each person is c/o Corporate Property Investors, Inc., Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017-2391.

(4) Based upon number of shares of SDG Common Stock outstanding on June 30, 1998.

(5) Includes options to purchase 8,000 shares of CPI Common Stock.

(6) Represents options to purchase 1,000 shares of CPI Common Stock.

(7) Mr. Angelica assigned the economic benefit of options to purchase 1,000 shares of CPI Common Stock granted to him to the Telephone Real Estate Equity Trust pursuant to an agreement dated May 7, 1997. See note (18).

(8) Represents options to purchase 8,000 shares of CPI Common Stock.

(9) Includes options to purchase 8,000 shares of CPI Common Stock, 1,259 shares of CPI Common Stock held in custodianship for his daughter Carla E. Geisser and 660 shares of CPI Common Stock held in custodianship for his son Daniel Geisser.

(10) Includes options to purchase 110,000 shares of CPI Common Stock.

(11) Mr. Prendergast assigned the economic benefit of options to purchase 1,000 shares of CPI Common Stock granted to him to the Telephone Real Estate Equity Trust pursuant to an agreement dated July 14, 1997. See note (18).

(12) All shares are held by Mr. Rose as Trustee pursuant to a Trust Agreement dated August 28, 1972 for the benefit of his children, Emily Rose, Joseph B. Rose and Gideon G. Rose.

(13) Mr. van den Bos and Mr. van der Vlist have each assigned the economic benefit of options to purchase 1,000 shares of CPI Common Stock granted to them to PGGM. See note (22).

(14) Includes options to purchase 85,000 shares of CPI Common Stock.

(15) Includes options to purchase 75,000 shares of CPI Common Stock.

(16) Includes options to purchase 44,167 shares of CPI Common Stock, including options to purchase 13,333 shares of CPI Common Stock which were transferred pursuant to a Trust Agreement dated April 21, 1997 for the benefit of Mr. Johnson's children, Katharine A. Johnson and Christopher A. Johnson. Mr. Johnson does not exercise any control over such trust.

(17) State Street Bank & Trust Company, the address of which is Master Trust Division -- W6C, One Enterprise Drive, North Quincy, Massachusetts 02171, holds all such shares, not individually, but solely as Trustee of the Telephone Real Estate Equity Trust.

(18) Includes 24,808 shares of CPI Common Stock issuable upon the conversion of all 3,450 shares of CPI Series A Preferred Stock held by the Telephone Real Estate Equity Trust at a conversion price of $139.065 per share. Includes options to purchase 1,000 shares of CPI Common Stock granted to Robert E. Angelica and options to purchase 1,000 shares of CPI Common Stock granted to S. Lawrence Prendergast. Mr. Angelica and Mr. Prendergast assigned the economic benefit of such options to the Telephone Real Estate Equity Trust pursuant to agreements dated May 7, 1997 and July 14, 1997, respectively.

(19) Assumes conversion of all 3,450 shares of CPI Series A Preferred Stock held by the Telephone Real Estate Equity Trust prior to the Merger.

(20) All such shares are held by the Kuwait Investment Authority as agent for the Government of Kuwait, the address of which is P.O. Box 64, Safat, Kuwait, Attn.: Dr. Adnan Al-Sultan.

(21) The address of the Kuwait Fund for Arab Economic Development is c/o the United Bank of Kuwait, PLC, P.O. Box 2921, Safat, 13030 Kuwait, Attn.: Mr. Bader Al-Humaidhi.

(22) The address of The Public Institution for Social Security-Kuwait; the address of which is P.O. Box 24523, Safati, 13104 Kuwait, Attn.: Mr. Majed Al-Ajeel.

(23) Includes 1,078,632 shares of CPI Common Stock issuable upon the conversion of all 150,000 shares of CPI Series A Preferred Stock held by PGGM at a conversion price of $139.065 per share. The address of PGGM is Kroostweg-Noord 149, Postbus 117, 3700AC Zeist, The Netherlands. Includes options to purchase 1,000 shares of CPI Common Stock granted to Mr. van den Bos and options to purchase 1,000 shares of CPI Common Stock granted to Mr. van der Vlist. Mr. van den Bos and Mr. van der Vlist have each assigned the economic benefit of such options to PGGM.

(24) Assumes conversion of all 150,000 shares of CPI Series A Preferred Stock held by PGGM prior to the Merger.

DESCRIPTION OF SIMON GROUP AND CRC CAPITAL STOCK

The following summary is a description of certain provisions of the Restated Certificate of Incorporation (the "Simon Group Charter"), the Restated Certificate of Incorporation of CRC (the "CRC Charter"), the Restated By-laws (the "Simon Group By-laws") of Simon Group and the Restated By-laws (the "CRC By-laws"), as each will be in effect at the consummation of the Merger. This summary does not purport to be complete and is qualified by reference to the Simon Group Charter the CRC Charter and Simon Group By-laws the CRC By-laws, forms of which have been filed as exhibits to the Registration Statement of which this Proxy Statement/Prospectus is a part.

Under the Simon Group Charter, the total number of shares of all classes of capital stock that Simon Group will have authority to issue is 750,000,000 shares, par value $0.0001 per share, consisting of 400,000,000 shares of Simon Group Common Stock, 12,000,000 shares of Simon Group Class B Common Stock, 4,000 shares of Simon Group Class C Common Stock, 237,996,000 shares of Excess Common Stock, par value $0.0001 per share ("Simon Group Excess Common Stock") and 100,000,000 shares of Preferred Stock, par value $0.0001 per share ("Simon Group Preferred Stock"), of which 209,249 shares will be designated 6.50% Series A Simon Group Convertible Preferred Stock (the "Simon Group Series A Preferred Stock"), 5,000,000 shares will be designated 6.50% Series B Simon Group Convertible Preferred Stock (the "Simon Group Series B Preferred Stock"), 209,249 shares will be designated Series A Excess Preferred Stock (the "Simon Group Series A Excess Preferred Stock") and 5,000,000 shares have been designated Series B Excess Preferred Stock (the "Simon Group Series B Excess Preferred Stock" and, together with the Simon Group Series A Preferred Stock, the Simon Group Series B Preferred Stock and the Simon Group Series A Excess Preferred Stock, the "Simon Group Convertible Preferred Stock").

Under the CRC Charter, CRC will have authority to issue 750,000 shares of Common Stock par value $0.0001 per share, of CRC ("CRC Common Stock").

COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK

SIMON GROUP COMMON STOCK, SIMON GROUP CLASS B COMMON STOCK AND SIMON GROUP CLASS C COMMON STOCK

As of March 31, 1998, after giving pro forma effect to the Merger and assuming the exercise of all CPI options, Simon Group will have 160,902,609 shares of Simon Group Common Stock outstanding, 3,200,000 shares of Simon Group Class B Common Stock outstanding and 4,000 shares of Simon Group Class C Common Stock outstanding. Holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, other than the election of directors elected exclusively by the holders of Simon Group Class B Common Stock and the election of directors elected exclusively by the holders of Simon Group Class C Common Stock. Holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock have no right to cumulative voting for the election of directors. Subject to preferential rights of holders of Simon Group Preferred Stock, the holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock are entitled to receive ratably such dividends as may be declared by the Simon Group Board of Directors out of funds legally available therefor. If Simon Group is liquidated, subject to the right of the holders of Simon Group Preferred Stock (including any Simon Group Excess Preferred Stock (as defined below) into which shares such series has been converted) to receive preferential distributions, each outstanding share of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock, including shares of Simon Group Excess Common Stock, if any, will be entitled to participate pro rata in the assets remaining after payment of, or adequate provision for, all known debts and liabilities of Simon Group.

Special Rights of Simon Group Class B Common Stock

Upon consummation of the Merger, all outstanding shares of Simon Group Class B Common Stock will be held by the Simons. The holders of Simon Group Class B Common Stock are entitled to elect four of the

13 directors of Simon Group, unless their portion of the aggregate equity interest of Simon Group (including Simon Group Common Stock, Simon Group Class B Common Stock and SDG Units considered on an as-converted basis) decreases to less than 50% of the amount that they owned as of August 9, 1996, in which case they will be entitled to elect only two directors of Simon Group.

Shares of Simon Group Class B Common Stock may be converted at the holder's option into an equal number of shares of Simon Group Common Stock. If the Simons' aggregate equity interest in Simon Group on a fully diluted basis has been reduced to less than 5%, the outstanding shares of Simon Group Class B Common Stock convert automatically into an equal number of shares of Simon Group Common Stock. Shares of Simon Group Class B Common Stock also convert automatically into an equal number of shares of Simon Group Common Stock upon the sale or transfer thereof to a person not affiliated with the Simons. Holders of shares of Simon Group Common Stock and Simon Group Class B Common Stock have no sinking fund rights, redemption rights or preemptive rights to subscribe for any securities of Simon Group.

Special Rights of Simon Group Class C Common Stock

Upon consummation of the Merger, all outstanding shares of Simon Group Class C Common Stock will be held by the DeBartolos. Except with respect to the right to elect directors, as summarized below, each share of Simon Group Class C Common Stock has the same rights and restrictions as a share of Simon Group Class B Common Stock.

The holders of Simon Group Class C Common Stock are entitled to elect two of the 13 directors of Simon Group, unless their portion of the aggregate equity interest of Simon Group (including Simon Group Common Stock, Simon Group Class B Common Stock and SDG Units considered on an as-converted basis) decreases to less than 50% of the amount that they owned as of August 9, 1996, in which case they will be entitled to elect only one director of Simon Group. Shares of Simon Group Class C Common Stock may be converted at the holder's option into an equal number of shares of Simon Group Common Stock. If the DeBartolos' aggregate equity interest in Simon Group on a fully diluted basis is reduced to less than 5%, the outstanding shares of Simon Group Class C Common Stock convert automatically into an equal number of shares of Simon Group Common Stock. Shares of Simon Group Class C Common Stock also convert automatically into an equal number of shares of Simon Group Common Stock upon the sale or transfer thereof to a person not affiliated with the DeBartolos. Holders of shares of Simon Group Class C Common Stock have no sinking fund rights, redemption rights or preemptive rights to subscribe for any securities of Simon Group.

NUMBER OF DIRECTORS; INDEPENDENT DIRECTORS; VACANCIES; REMOVAL

Under the Simon Group Charter, so long as any shares of both Simon Group Class B Common Stock and Simon Group Class C Common Stock are outstanding, the number of members of the Simon Group Board of Directors shall be 13, so long as any shares of Simon Group Class B Common Stock (but no Simon Group Class C Common Stock) are outstanding, or if any shares of Simon Group Class C Common Stock (but no shares of Simon Group Class B Common Stock) are outstanding, the number of members of the Simon Group Board of Directors shall be nine, and if no shares of Simon Group Class B Common Stock or Simon Group Class C Common Stock are outstanding, the number of members of the Simon Group Board of Directors shall be fixed by the Simon Group Board of Directors from time to time. Under the Simon Group Charter, at least a majority of the directors shall be Independent Directors. The Simon Group Charter further provides that, subject to any separate rights of holders of Simon Group Preferred Stock or as described below, any vacancies on the Simon Group Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause of a director shall be filled by a vote of the stockholders or a majority of the directors then in office.

Any vacancies on the Simon Group Board of Directors with respect to a director elected by the holders of Simon Group Class C Common Stock shall be filled as follows: (a) any vacancy resulting from the death, disability, resignation, retirement, disqualification, removal from office or other cause of Mr. Frederick W. Petri (and any person duly nominated and elected to serve as his replacement) shall be filled by the holders of

Simon Group Class C Common Stock, voting as a separate class, to elect as a replacement director a candidate who is an Independent Director, who has similar experience and standing in the business community to the Independent Directors and who has been approved by a majority of the Independent Directors elected by the holders of Simon Group Common Stock and other capital stock entitled to vote with the Simon Group Common Stock as a single class. If such Independent Directors do not approve such candidate, the holders of Simon Group Class C Common Stock may propose another candidate for approval by a majority of such Independent Directors. The right of holders of Simon Group Class C Common Stock to propose candidates to the Independent Directors shall continue until one such candidate is approved by a majority of such Independent Directors; (b) at any time prior to December 31, 2003, any vacancy in the seat on the Board of Directors occupied by Ms. Marie Denise DeBartolo York at the Effective Time other than one resulting from her death or disability shall reduce by such vacancy an equivalent number of the directors that holders of Simon Group Class C Common Stock may, voting as a separate class, elect, and such vacancy shall be filled by a majority of the entire Board of Directors; and (c) any vacancy in the seat on the Board of Directors occupied by Ms. DeBartolo York at the Effective Time resulting from the death or disability of Ms. DeBartolo York, or (ii) at any time on or subsequent to December 31, 2003, shall be filled by holders of Simon Group Class C Common Stock, voting as a separate class, to elect as a replacement director a candidate who is either (i) the Chief Executive Officer of EJDC (or any successor to such corporation), (ii) the Chief Financial Officer of EJDC (or any successor to such corporation), provided that such person was the Chief Financial Officer of EJDC at the Effective Time or (iii) an Independent Director, who has similar experience and standing in the business community to the Independent Directors and who has been approved by a majority of the Independent Directors elected by the holders of Simon Group Common Stock and other capital stock entitled to vote with the Simon Group Common Stock as a single class. If such Independent Directors do not approve such candidate, the holders of Simon Group Class C Common Stock may propose another candidate for approval by a majority of such Independent Directors. The right of holders of Simon Group Class C Common Stock to propose candidates to the Independent Directors shall continue until one such candidate is approved by a majority of such Independent Directors.

The Simon Group Charter provides that, subject to the right of holders of any class or series separately entitled to elect one or more directors, if any such right has been granted, directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class.

BENEFICIAL OWNERSHIP OF CRC COMMON STOCK

All of the outstanding stock of CRC will be owned by the CRC Trusts for the benefit of Simon Group's stockholders, in proportion to the number of shares of common stock of Simon Group held by them, pursuant to a Trust Agreement, dated as of October 30, 1979 (the "Common Stock Trust Agreement"), a Trust Agreement, dated as of August 26, 1994 (the "Preference Shares Trust Agreement" and, together with the Common Stock Trust Agreement, the "Trust Agreements"). The Trust Agreements provide, and any CRC Trusts created in the future will provide, that all cash dividends and other assets received by the trustee for the relevant CRC Trust, exclusive of shares of stock, warrants and rights to purchase shares of stock, of CRC, will be distributed currently by such trustee to the beneficiaries of the CRC Trust in proportion to the respective number of shares of Simon Group Equity Stock held by them. Each of the Trust Agreements provides that the beneficial interest of the shares of CRC Common Stock held in trust are not transferable separately but only by and as part of a transfer of shares of Simon Group Equity Stock, and every sale or transfer of Simon Group Equity Stock shall include all or a proportionate part of such transferor's beneficial interest in the shares of stock of CRC or in any other assets held in the CRC Trust. Each of the Trust Agreements provides that the CRC Trusts shall terminate upon the earlier to occur of (i) the dissolution of Simon Group or (ii) upon notification to the trustee under the Trust Agreements of the vote to that effect, at a meeting or by proxy, of beneficiaries of the respective CRC Trust holding two-thirds of the outstanding shares of Simon Group Equity Stock. In addition, the Preference Shares Trust Agreement provides that shares held by the trustee thereunder will be transferred to the trustee under the Common Stock Trust Agreement as Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock is converted into Simon Group Common Stock.

Upon termination of any CRC Trust, the assets of such trust will be transferred and assigned to the beneficiaries of such CRC Trust.

Under the CRC Charter, the number of members of the CRC Board of Directors shall be 13 initially and may be fixed by the CRC Board of Directors in the future. The CRC Charter further provides that only directors of Simon Group may serve as directors of CRC. Under the CRC Charter, at least a majority of the directors shall be Independent Directors. Any vacancies on the CRC Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause shall be filled by a vote of the stockholders or a majority of the directors then in office. The CRC Charter provides that directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors.

Board of Directors of CRC. The trustee under each Trust Agreement is obligated under the Trust Agreement to which it is a party to vote the CRC Common Stock held by it so that each member of the Board of Directors of CRC is also a director of Simon Group.

PREFERRED STOCK

Subject to the restrictions prescribed by Delaware law and the Simon Group Charter, the Simon Group Board of Directors has the authority to issue the remaining authorized but unissued shares of Simon Group Preferred Stock in one or more series and to fix the designation, relative rights, preferences and limitations of shares of each series, including dividend rights, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of Simon Group Preferred Stock could decrease the amount of earnings and assets available for distribution to holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock and may have the effect of delaying, deferring or preventing a change in control of Simon Group. Pursuant to the Simon Group Charter, whenever Simon Group designates a series of Simon Group Preferred Stock convertible into shares of Simon Group Common Stock, it must also designate an additional series of excess preferred stock of such series having substantially identical terms to such series of Simon Group Preferred Stock, but being subject to the transfer restrictions described below under "RESTRICTIONS ON TRANSFER". Any such series of excess preferred stock so designated, including the Simon Group Series A Excess Preferred Stock and the Simon Group Series B Excess Preferred Stock, are referred to herein collectively as "Simon Group Excess Preferred Stock."

SIMON GROUP CONVERTIBLE PREFERRED STOCK

At March 31, 1998, after giving pro forma effect to the CPI Merger Dividends and assuming the exercise of all CPI options, based upon the number of shares of capital stock of CPI outstanding as of March 31, 1998, Simon Group would have had 209,249 shares of Simon Group Series A Preferred Stock and 4,966,038 shares of Simon Group Series B Preferred Stock outstanding.

Priority

The Simon Group Convertible Preferred Stock ranks, with respect to dividends, and the distribution of assets upon liquidation, senior to the Simon Group Equity Stock. The Simon Group Series A Preferred Stock and the Simon Group Series B Preferred Stock rank on a parity with respect to each of such rights. Classification of authorized but unissued capital stock into additional shares of Simon Group Preferred Stock and issuance thereof, unless ranking junior to or on a parity with Simon Group Series A Preferred Stock, must be approved by two-thirds vote of the holders of each of the Simon Group Series A Preferred Stock and Simon Group Series B Preferred Stock.

Conversion Rights

Conversion Rate for Simon Group Series A Preferred Stock. Based upon the conversion price in effect at December 31, 1997, the holders of Simon Group Series A Preferred Stock would have the right to convert their shares into the number of shares of Simon Group Common Stock obtained by dividing $1,000 (the liquidation preference) by $26.319 (the conversion price as adjusted for the Merger). The conversion price for the Simon Group Series A Preferred Stock is subject to adjustment in connection with certain events discussed below under "-- Adjustments to Conversion Rates."

Conversion Rate for Simon Group Series B Preferred Stock. The holders of Simon Group Series B Preferred Stock have the right to convert their shares into a number of shares of Simon Group Common Stock obtained by dividing $100 (the liquidation preference) by $38.669 (the conversion price). The conversion price for the Simon Group Series B Preferred Stock is subject to adjustment in connection with certain events discussed below under "-- Adjustments to Conversion Rates."

Adjustments to Conversion Rates. The conversion prices for the Simon Group Series A Preferred Stock and the Simon Group Series B Preferred Stock are subject to adjustment in connection with certain events, including (i) any subdivision or combination of shares of Simon Group Common Stock or the declaration of a distribution payable to holders of Simon Group Common Stock in additional shares of Simon Group Common Stock, (ii) issuances of rights or warrants to all holders of Simon Group Common Stock having an exercise price less than the current market price per share of Simon Group Common Stock, and (iii) any consolidation or merger to which Simon Group is a party (other than in which Simon Group is the surviving person), any sale or conveyance to another person of all or substantially all the assets of Simon Group or any statutory exchange of securities with another person. In addition, the conversion price of Simon Group Series A Preferred Stock is subject to adjustment in the event that Simon Group retains cash flow after the payment of distributions on Simon Group Equity Stock.

Dividends

Holders of Simon Group Series A Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the Simon Group Board of Directors, in their sole discretion, of $65.53 per share (an approximately 6.50% annual dividend, based upon the $1,000 liquidation preference per share) payable in equal semiannual installments on March 31 and September 30 of each year. Holders of Simon Group Series B Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the Simon Group Board of Directors, in their sole discretion, of $6.50 per share (an approximately 6.50% annual dividend, based upon the $100 liquidation preference per share) payable in equal quarterly installments on March 31, June 30, September 30 and December 31 of each year.

Simon Group may not declare or pay any dividend on the Simon Group Common Stock, the Simon Group Class B Common Stock or the Simon Group Class C Common Stock or on any other class of stock ranking junior to Simon Group Convertible Preferred Stock as to dividends and upon liquidation, distribution or winding up of Simon Group (the Simon Group Common Stock, Simon Group Class B Common Stock, and Simon Group Class C Common Stock, and any other such junior class being referred to as the "Junior Stock"), other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and Simon Group may not redeem or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other retirement of any Junior Stock or make any distribution in respect thereof, in each case, either directly or indirectly and whether in cash or property or in obligations or shares of Simon Group, unless and until such time as all accrued and unpaid dividends with respect to Simon Group Convertible Preferred Stock have been paid (or declared and a sum sufficient for the payment thereof is set apart for such payment) and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to Simon Group Convertible Preferred Stock.

Redemption of Simon Group Series A Preferred Stock

Simon Group may redeem shares of the Simon Group Series A Preferred Stock for the purpose of maintaining or bringing the direct or indirect ownership of the capital stock of Simon Group into conformity

with the requirements of Section 856(a)(6) of the Code at the greater of (i) a price equal to the liquidation preference of the Simon Group Series A Preferred Stock ($1,000 per share), plus dividends accrued and unpaid to the date of redemption, and (ii) the current market price of the Simon Group Common Stock issuable upon conversion of such shares of Simon Group Series A Preferred Stock.

Redemption of Simon Group Series B Preferred Stock

Simon Group may redeem shares of the Simon Group Series B Preferred Stock at any time beginning on the fifth anniversary of the Effective Time at the following redemption prices (expressed as a percentage of the liquidation preference of the Simon Group Series B Preferred Stock -- i.e., $100 per share), plus dividends accrued and unpaid to the date of redemption:

YEAR	%
2003	105%
2004	104%
2005	103%
2006	102%
2007	101%
2008 and thereafter	100%

Voting Rights of the Simon Group Series A Preferred Stock

The holders of Simon Group Series A Preferred Stock have the right to vote with the holders of the Simon Group Common Stock on all matters, voting together with the holders of shares of Simon Group Common Stock as a single class, on an as-converted basis.

In addition, without the affirmative consent or approval of the holders of at least two-thirds of the shares of Simon Group Series A Preferred Stock, Simon Group may not:

(i) authorize any class of stock ranking prior to the Simon Group Series A Preferred Stock with respect to dividends or distribution of assets upon dissolution or winding up of Simon Group;

(ii) amend, alter or repeal any of the provisions of the Simon Group Charter so as to affect adversely the powers, preferences or rights of the holders of Simon Group Series A Preferred Stock;

(iii) authorize or create, or increase the authorized amount of, any shares, or any security convertible into stock, of any class ranking prior to the Simon Group Series A Preferred Stock with respect to dividends or distribution of assets upon dissolution or winding up of Simon Group;

(iv) merge or consolidate with or into any other person, unless each holder of shares of Simon Group Series A Preferred Stock immediately preceding such merger or consolidation shall receive or continue to hold in the resulting person the same number of shares, with substantially the same rights and preferences, as correspond to the shares of Simon Group Series A Preferred Stock so held;

(v) increase the authorized number of shares of the Simon Group Series A Preferred Stock;

(vi) amend, alter or modify any of the provisions of the Simon Group Series A Preferred Stock; or

(vii) otherwise alter or change the powers, preferences, or rights, or qualifications, limitations or restrictions of the shares of the Simon Group Series A Preferred Stock so as to affect the holders thereof adversely.

Voting Rights of the Simon Group Series B Preferred Stock

In the event dividends or amounts payable to the Simon Group Series B Preferred Stock upon liquidation remain unpaid for six consecutive quarterly dividend periods, the size of the Board of Directors will automatically be increased by two and the holders of shares of Simon Group Series B Preferred Stock will

have the right to elect two directors to fill such vacant positions until such time as all dividends accrued and unpaid are paid in full.

In addition, without the affirmative consent or approval of the holders of at least two-thirds of the shares of Simon Group Series B Preferred Stock, Simon Group may not:

(i) amend, alter or repeal any provision of the Simon Group Charter so as to materially adversely affect the rights, preferences, privileges or voting power of the holders of shares of Simon Group Series B Preferred Stock; or

(ii) authorize, create or increase the authorized or issued amount of any class or series of stock having rights senior to the Simon Group Series B Preferred Stock with respect to the payment of distributions or amounts upon liquidation, dissolution or winding up the affairs of Simon Group or to create, authorize or issue any obligation or security convertible into or evidencing the right to purchase such shares.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the affairs of Simon Group (any or all of such events, a "liquidation"), the holders of Simon Group Convertible Preferred Stock then outstanding shall be entitled to be paid out of the assets of Simon Group, before any payment shall be made to the holders of the Junior Stock, an amount equal to the relevant series of Simon Group Preferred Stock's liquidation preference -- $1,000 per share, in the case of the Simon Group Series A Preferred Stock, and $100 per share, in the case of the Simon Group Series B Preferred Stock -- plus an amount equal to any unpaid cumulative dividends on the Simon Group Convertible Preferred Stock accrued to the date when such payment shall be made available to the holders thereof.

CERTAIN PROVISIONS OF THE SDG OPERATING PARTNERSHIP AGREEMENT, THE SRC OPERATING PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW

SDG OPERATING PARTNERSHIP AGREEMENT AND THE SRC OPERATING PARTNERSHIP AGREEMENT

The SDG Operating Partnership Agreement provides that Simon Group may not merge, consolidate or engage in any combination with another person other than a general partner of the SDG Operating Partnership or sell all or substantially all of its assets without the approval of the holders of a majority of the SDG Units held by the SDG Limited Partners. These voting requirements might limit the possibility for the acquisition or change in control of Simon Group, even if some of Simon Group's stockholders deem such a change to be in Simon Group's and their best interest.

The SRC Operating Partnership Agreement provides that CRC may not merge, consolidate or engage in any combination with another person or sell all or substantially all of its assets without the approval of the holders of a majority of the CRC Units held by the limited partners of the SRC Operating Partnership. These voting requirements might limit the possibility for the acquisition or change in control of CRC, even if some of the holders of beneficial interests in CRC deem such a change to be in CRC's and their best interest. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Certain Transactions and Agreements Relating to the Merger -- The Operating Partnerships; Simon Group Contribution Agreement."

DELAWARE LAW AND CERTAIN SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAW AND CRC BY-LAW PROVISIONS

The Simon Group Charter and Simon Group By-laws and certain provisions of the DGCL may be deemed to have an anti-takeover effect and that may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including an attempt that might result in a premium over the market price for the shares held by stockholders. These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire

control of Simon Group to negotiate first with its Board of Directors. Simon Group's management believes that the benefits of these provisions outweigh the potential disadvantages of discouraging such proposals because, among other things, negotiation of such proposals might result in an improvement of their terms.

Delaware Anti-Takeover Law

Simon Group and CRC, Delaware corporations, are subject to the provisions of Section 203 of the DGCL ("Section 203"). In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time at which such person became an interested stockholder unless: (i) prior to such time, the Board of Directors approved either the business combination or transaction in which the stockholder became an interested stockholder; or (ii) upon becoming an interested stockholder, the stockholder owned at least 85% of the corporation's outstanding voting stock other than shares held by directors who are also officers and certain employee benefit plans; or (iii) the business combination is approved by both the Board of Directors and by holders of at least 66 2/3% of the corporation's outstanding voting stock (at a meeting and not by written consent), excluding shares owned by the interested stockholder. For these purposes, the terms "business combination" includes mergers, asset sales and other similar transactions with an "interested stockholder," and "interested stockholder" means a person who, together with its affiliates and associates, owns (or, under certain circumstances, has owned within the prior three years) more than 15% of the outstanding voting stock. Although Section 203 permits a corporation to elect not to be governed by its provisions, neither Simon Group nor CRC have made this election.

ADVANCE NOTICE PROVISIONS FOR STOCKHOLDER NOMINATIONS AND STOCKHOLDER PROPOSALS

The Simon Group By-laws and the CRC By-laws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or bring other business before an annual meeting of stockholders of Simon Group or CRC, as applicable. This procedure provides that (i) only persons who are nominated by, or at the direction of, the Board of Directors, or by a stockholder who has given timely written notice containing specified information to the Secretary prior to the meeting at which directors are to be elected, will be eligible for election as directors of Simon Group or CRC, as applicable, and (ii) at an annual meeting only such business may be conducted as has been brought before the meeting by, or at the direction of, the Chairman of the Board of Directors or by a stockholder who has given timely written notice to the Secretary of such stockholder's intention to bring such business before such meeting. In general, for notice of stockholder nominations or business to be made at an annual meeting to be timely, such notice must be received by Simon Group or CRC, as applicable, not less than 60 days nor more than 90 days prior to the first anniversary of the previous year's annual meeting. Such notice must contain information concerning the person or persons to be nominated or the matters to be brought before the meeting and concerning the stockholder submitting the proposal.

The purpose of requiring stockholders to give Simon Group or CRC advance notice of nominations and other business is to afford the Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposed business and, to the extent deemed necessary or desirable by the Board of Directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although neither the Simon Group By-laws nor the CRC By-laws give the applicable Board of Directors any power to disapprove stockholder nominations for the election of directors or proposals for action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal, without regard to whether consideration of such nominees or proposals might be harmful or beneficial to Simon Group and CRC and their stockholders.

DIRECTOR ACTION

The Simon Group Charter, CRC Charter, Simon Group By-laws, CRC By-laws and DGCL generally require that a majority of a quorum is necessary to approve any matter to come before the Simon Group or CRC Board of Directors; however, certain matters including sales of property, transactions with the Simons or the DeBartolos and certain affiliates and certain other matters will also require approval of a majority of the Independent Directors on the Simon Group and CRC Board of Directors.

DIRECTOR LIABILITY LIMITATION AND INDEMNIFICATION

Both the Simon Group Charter and the CRC Charter provide that no director of Simon Group will be personally liable to the corporation or to its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that such provision will not eliminate or limit the liability of a director for: (i) any breach of the director's duty of loyalty to the corporation and its stockholders; (ii) acts or omissions not in good faith; (iii) any transaction from which the director derived an improper personal benefit; or (iv) any matter in respect of which such director would be liable under Section 174 of the DGCL. These provisions may have the effect of discouraging stockholders' actions against directors. The personal liability of a director for violation of the federal securities laws is not limited or otherwise affected. In addition, these provisions do not affect the ability of stockholders to obtain injunctive or other equitable relief from the courts with respect to a transaction involving gross negligence on the part of a director.

The Simon Group Charter and the CRC Charter provide that Simon Group shall indemnify to the fullest extent permitted under and in accordance with the laws of the State of Delaware any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director or officer of Simon Group or CRC, as applicable, or is or was serving at the request of Simon Group or CRC, as applicable, as a director, officer or trustee of or in any other capacity with another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Simon Group or CRC, as applicable, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The DGCL provides that indemnification is mandatory where a director, or officer has been successful on the merits or otherwise in the defense of any proceeding covered by the indemnification statute.

The DGCL generally permits indemnification for expenses incurred in the defense or settlement of third-party actions or action by or in right of the corporation, and for judgments in third party actions, provided there is a determination by directors who were not parties to the action, or if directed by such directors, by independent legal counsel or by a majority vote of a quorum of the stockholders, that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, or in a criminal proceeding that the person had no reason to believe his or her conduct to be unlawful. Without court approval, however, no indemnification may be made in respect of any action by or in right of the corporation in which such person is adjudged liable. The DGCL states that the indemnification provided by statute shall not be deemed exclusive of any rights under any by-law, agreement, vote of stockholders or disinterested directors or otherwise. In addition, the liability of officers may not be eliminated or limited under Delaware law.

The right of indemnification, including the right to receive payment in advance of expenses, conferred by each of the Simon Group Charter and the CRC Charter is not exclusive of any other rights to which any person seeking indemnification may otherwise be entitled.

RESTRICTIONS ON TRANSFER

The Simon Group Charter contains certain restrictions on the number of shares of capital stock of Simon Group (including the Simon Group Common Stock, Simon Group Class B Common Stock, Simon Group Class C Common Stock, Simon Group Convertible Preferred Stock and any other series of Simon Group Preferred Stock convertible into any class of common stock of Simon Group) that individual stockholders may own. For Simon Group to qualify as a REIT under the Code, in addition to other requirements discussed in "Federal Income Tax Considerations," not more than 50% in value of the outstanding capital stock of Simon Group may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year) and the capital stock also must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. In part because the management of Simon Group currently believes it is essential for Simon Group to maintain its status as a REIT, the provisions of the Simon Group Charter with respect to Simon Group Excess Stock contain restrictions on the acquisition of its capital stock intended to ensure compliance with these requirements.

The Simon Group Charter provides that, subject to certain specified exceptions, no stockholder may own, or be deemed to own by virtue of the attribution provisions of the Code, more than the ownership limit (the "Ownership Limit"), which is equal to 8% (18% in the case of the Simons) of any class of capital stock of Simon Group (calculated based on the lower of outstanding shares, voting power or value). In the event of a purported transfer or other event that would, if effective, result in the ownership of shares of stock in violation of the Ownership Limit, such transfer or other event with respect to that number of shares that would be owned by the transferee in excess of the Ownership Limit would be deemed void ab initio and the intended transferee would acquire no rights in such shares of stock. Such shares of stock would automatically be converted into shares of Simon Group Excess Stock according to rules set forth in the Simon Group Charter, to the extent necessary to ensure that the purported transfer or other event does not result in ownership of shares of stock in violation of the Ownership Limit. The Simon Group Board of Directors may exempt a person from the Ownership Limit if they receive a ruling from the IRS or an opinion of tax counsel that such ownership will not jeopardize Simon Group's status as a REIT. Stock of Simon Group that is held by a "qualified trust" within the meaning of Section 856(h)(3) of the Code is treated as held proportionately by the beneficiaries of such trust. Simon Group has agreed to waive its charter provisions such that the Telephone Real Estate Equity Trust may acquire up to 11% of the capital stock of Simon Group, provided that it remains treated as a "qualified trust," but will become subject to the 8% limitation if it fails to be so treated.

Upon a purported transfer or other event that results in either Simon Group Excess Common Stock or Simon Group Excess Preferred Stock (collectively, "Simon Group Excess Stock"), the Simon Group Excess Stock will be deemed to have been transferred to a trustee to be held in trust for the exclusive benefit of a qualifying charitable organization designated by Simon Group. Such Simon Group Excess Stock will be issued and outstanding stock of Simon Group, and it will be entitled to dividends equal to any dividends which are declared and paid on such stock. Any dividend or distribution paid prior to the discovery by Simon Group that stock has been converted into Simon Group Excess Stock is to be repaid upon demand. The recipient of such dividend will be personally liable to the trust. Any dividend or distribution declared but unpaid will be rescinded as void ab initio with respect to such shares of stock and will automatically be deemed to have been declared and paid with respect to the shares of Simon Group Excess Stock into which such shares were converted. Such Simon Group Excess Stock will also be entitled to such voting rights as are ascribed to the stock from which such shares of Simon Group Excess Stock were converted. Any voting rights exercised prior to discovery by Simon Group that shares of stock were converted to Simon Group Excess Stock will be rescinded and recast as determined by the trustee.

While Simon Group Excess Stock is held in trust, an interest in that trust may be transferred by the purported transferee, or other purported holder with respect to such Simon Group Excess Stock only to a person whose ownership of the shares of stock would not violate the Ownership Limit, at which time the Simon Group Excess Stock will be automatically exchanged for the same number of shares of stock of the same type and class as the shares of stock for which the Simon Group Excess Stock was originally exchanged.

The Simon Group Charter contains provisions that are designed to ensure that the purported transferee or other purported holder of the Simon Group Excess Stock may not receive in return for such a transfer an amount that reflects any appreciation in the shares of stock for which such Simon Group Excess Stock was exchanged during the period that such Simon Group Excess Stock was outstanding. Any amount received by a purported transferee or other purported holder in excess of the amount permitted to be received must be paid over to the trust. If the foregoing restrictions are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the intended transferee or holder of any Simon Group Excess Stock may be deemed, at the option of Simon Group, to have acted as an agent on behalf of the trust in acquiring or holding such Simon Group Excess Stock and to hold such Simon Group Excess Stock on behalf of the trust.

The Simon Group Charter further provides that Simon Group may purchase, for a period of 90 days during the time the Simon Group Excess Stock is held by the trustee in trust, all or any portion of the Simon Group Excess Stock from the original transferee-stockholder at the lesser of the price paid for the stock by the purported transferee (or if no notice of such purchase price is given, at a price to be determined by the Simon Group Board of Directors, in its sole discretion, but no lower than the lowest market price of such stock at any time prior to the date Simon Group exercises its purchase option) and the closing market price for the stock on the date Simon Group exercises its option to purchase. The 90-day period begins on the date of the violative transfer or other event if the original transferee-stockholder gives notice to Simon Group of the transfer or (if no notice is given) the date the Simon Group Board of Directors determines that a violative transfer or other event has been made.

The Simon Group Charter further provides that in the event of a purported issuance or transfer that would, if effective, result in Simon Group being beneficially owned by fewer than 100 persons, such issuance or transfer would be deemed null and void ab initio, and the intended transferee would acquire no rights to the stock.

All certificates representing shares of any class of stock of Simon Group bear a legend referring to the restrictions described above.

All persons who own, directly or by virtue of the attribution provisions of the Code, more than 5% (or such other percentage as may be required by the Code or regulations promulgated thereunder) of the outstanding stock must file an affidavit with Simon Group containing the information specified in the Simon Group Charter before January 30 of each year. In addition, each stockholder shall, upon demand, be required to disclose to Simon Group in writing such information with respect to the direct, indirect and constructive ownership of shares as the Board of Directors deems necessary to comply with the provisions of the Simon Group Charter or the Code applicable to a REIT.

The Simon Group Excess Stock provision will not be removed automatically even if the REIT provisions of the Code are changed so as to no longer contain any ownership concentration limitation or if the ownership concentration limitation is increased. In addition to preserving Simon Group's status as a REIT, the Ownership Limit may have the effect of precluding an acquisition of control of Simon Group without the approval of the Simon Group Board of Directors.

Beneficial interests in the CRC Common Stock are not certificated and are not separately transferable from Simon Group Equity Stock.

COMPARISON OF RIGHTS OF HOLDERS OF SDG COMMON STOCK AND SIMON GROUP AND CRC COMMON STOCK

SDG is organized under the laws of the State of Maryland and Simon Group is organized under the laws of the State of Delaware. The following discussion summarizes certain material differences between the SDG Charter and SDG By-laws and the Simon Group Charter and Simon Group By-laws and the CRC Charter and CRC By-laws and between certain provisions of the MGCL and the DGCL affecting stockholders' rights. This summary of the comparative rights of the stockholders of SDG and the stockholders of Simon Group does not purport to be complete and is subject to and qualified in its entirety by reference to the MGCL and the DGCL and also to the SDG Charter, SDG By-laws, Simon Group Charter, Simon Group By-laws, CRC Charter and CRC By-laws. Copies of the SDG Charter, SDG By-laws, Simon Group Charter, Simon Group By-laws, CRC Charter and CRC By-laws are available for inspection at the principal executive offices of SDG and copies will be sent to holders of SDG Equity Stock upon request.

Number of Directors

Under the SDG Charter, the number of directors of SDG shall never be less than the minimum number permitted by the MGCL and so long as any shares of both SDG Class B Common Stock and SDG Class C Common Stock are outstanding, the number of directors of SDG shall be thirteen; so long as any shares of SDG Class B Common Stock (but no SDG Class C Common Stock) are outstanding, the number of directors of SDG shall be nine; and so long as any shares of SDG Class C Common Stock (but no SDG Class B Common Stock) are outstanding, the number of directors of SDG shall be nine. At least a majority of the directors shall be Independent Directors. There are currently 13 directors serving on the SDG Board of Directors.

Under the Simon Group Charter and the CRC Charter, the Simon Group Board of Directors and the CRC Board of Directors shall never be less than the minimum number permitted by the DGCL. In addition, so long as any shares of both Simon Group Class B Common Stock and Simon Group Class C Common Stock are outstanding, the number of directors of Simon Group shall be thirteen; so long as any shares of Simon Group Class B Common Stock (but no Simon Group Class C Common Stock) are outstanding, the number of directors of Simon Group shall be nine; so long as any shares of Simon Group Class C Common Stock (but no Simon Group Class B Common Stock) are outstanding, the number of directors of Simon Group shall be nine; and so long as no shares of Simon Group Class B Common Stock or Simon Group Class C Common Stock are outstanding, the number of directors of Simon Group shall be fixed by the Simon Group Board of Directors from time to time. The number of directors of CRC shall be fixed by CRC Board of Directors from time to time. The CRC Charter further provides that only directors of Simon Group may serve as directors of CRC. At least a majority of the directors on each of the Simon Group Board of Directors and the CRC Board of Directors shall be Independent Directors. There are currently 13 directors serving on each of the Simon Group Board of Directors and the CRC Board of Directors. See "DESCRIPTION OF SIMON GROUP CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK -- Number of Directors; Independent Directors; Vacancies; Removal."

Removal of Directors

Under the MGCL, except as otherwise provided in a corporation's charter, the stockholders generally may remove any director, with or without cause, by the vote of a majority of all the votes entitled to be cast in the election of the directors. The SDG Charter provides that, subject to the rights of the holders of any class of stock separately entitled to elect one or more directors, a director may only be removed for cause, by the affirmative vote of a majority of the holders of at least a majority of the combined voting power of all the votes entitled to be cast in the election of the directors.

Under the DGCL, the affirmative vote of a majority of the shares entitled to vote at the election of directors is required to remove directors, with or without cause, except that whenever the holders of a class or series are entitled to elect one or more directors by the certificate of incorporation, then with respect to the removal without cause of a director or directors so elected, the vote of the holders of the outstanding shares of that class or series and not the vote of the outstanding shares as a whole shall be required. The Simon Group Charter provides that, subject to the rights of holders of any class separately entitled to elect one or more

directors, the affirmative vote of the holders of a majority of the combined voting power of all shares entitled to vote in the election for directors is required to remove a director with or without cause. The CRC Charter provides that directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors.

Filling Vacancies on the Board of Directors

Under the MGCL, stockholders may elect a successor to fill a vacancy on the board of directors which results from the removal of a director. A director elected by the stockholders to fill a vacancy which results from the removal of a director serves for the balance of the term of the removed director. Otherwise, the MGCL provides that a majority of the remaining directors may fill a vacancy, unless it results from an increase in the size of the board. Any vacancy resulting from the increase in the number of directors may be filled by a majority of the entire board. A director elected by the board of directors to fill a vacancy serves until the next annual meeting of stockholders and until his successor is elected and qualified. There is no provision in the MGCL providing for the filling of vacancies on the board of directors by Maryland courts.

The DGCL provides that vacancies and newly created directorships may be filled by a majority of the directors then in office or a sole remaining director (even though less than quorum) unless otherwise provided in the certificate of incorporation or by-laws. However, the DGCL also provides that if the directors then in office constitute less than a majority of the corporation's whole board of directors (as constituted prior to any such increase), then, upon application by stockholders representing at least 10% of outstanding shares entitled to vote for such directors, the Court of Chancery may order a stockholder election of directors to be held.

Each of the Simon Group Charter and the CRC Charter provides substantially the same provisions with respect to the filling of vacancies of the Board of Directors as the SDG Charter. See "DESCRIPTION OF SIMON GROUP CAPITAL STOCK -- COMMON STOCK; BENEFICIAL OWNERSHIP OF CRC COMMON STOCK -- Number of Directors; Independent Directors; Vacancies; Removal."

Interested Director Transactions

Under both the MGCL and the DGCL, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable solely because of such interest if such contract or transaction (a) is ratified by the stockholders (as set forth below) or a majority of disinterested members of the board of directors or a committee thereof if the material facts are disclosed or known thereto, or (b) was fair (and under the MGCL, reasonable) to the corporation at the time it was approved. Under the MGCL, such ratification must be made by a majority of the disinterested stockholders. Under the DGCL, any ratification of such a contract or transaction by the stockholders must be made by a majority of all stockholders in good faith.

Amendment to Charter or Certificate of Incorporation

Under the MGCL, the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter is required to amend a corporation's charter; however, the charter of the corporation may provide for a greater or lesser proportion of the votes entitled to be cast to approve a charter amendment as long as the vote is not less than a majority of the votes entitled to be cast.

Under the DGCL, the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend a corporation's certificate of incorporation. Under the DGCL, the holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the certificate of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences, or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences, or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this provision.

The SDG Charter provides that the SDG Charter may be amended by the affirmative vote of the holders of not less than a majority of the aggregate votes entitled to be cast thereon (considered for these purposes as a single class) at either a special or annual meeting of the stockholders. However, the SDG Charter provides that the affirmative vote of 80% of the aggregate votes entitled be cast, voting as a single class, is required to amend certain sections of the charter, including the provisions that require the SDG Board of Directors to consider constituencies other than stockholders when considering Business Combinations, eliminate the personal liability of a director to SDG, and address stockholder proposals. In addition, amendments with respect to (x) the composition of the SDG Board of Directors will require the affirmative vote of not less than 80% of the aggregate votes entitled to be cast thereon, voting as a single class, and the affirmative vote of not less than a majority of the aggregate votes entitled to be cast thereon by holders of each of the SDG Class B Common Stock and SDG Class C Common Stock, each voting as a separate class; and (y) rights or restrictions of SDG Class B Common Stock or SDG Class C Common Stock will require the affirmative vote of not less than 80% of the aggregate votes entitled to be cast thereon, voting as a single class, and the affirmative vote of not less than a majority of the aggregate votes entitled to be cast by the holders of SDG Class B Common Stock or SDG Class C Common Stock, as the case may be. The Simon Group Charter provides substantially the same provisions as the SDG Charter, except that there is no similar provision requiring the Simon Group Board of Directors to consider constituencies other than stockholders. The CRC Charter has substantially the same provisions as the Simon Group Charter except that there is only one class of common stock and so there are no special provision requiring the affirmative vote of holders of other classes of stock as discussed in clauses (x) and (y) above.

Amendment of By-laws

Under the MGCL, the power to adopt, amend, or repeal a corporation's by-laws is vested in the corporation's stockholders, except to the extent the corporation's charter or by-laws vest it in the board of directors. The SDG By-laws provide, subject to the certain provisions relating to the number and election of directors as contained in the SDG Charter, that the By-laws may be repealed, altered, amended or rescinded (a) by the stockholders (considered for this purpose as one class) by the affirmative vote of not less than 80% of all the votes entitled to be cast generally in the election of directors which are cast on the matter at any meeting of the stockholders called for that purpose or (b) by a vote of two-thirds of the SDG Board of Directors (including at least a majority of the directors elected by the SDG Class B Common Stock and at least one director elected by SDG Class C Common Stock) at a meeting of the SDG Board of Directors (except for the provision in the SDG By-laws which requires the affirmative vote of six Independent Directors to cause the sale of property owned by partnerships in which SDG acts as a general partner).

Under the DGCL, the by-laws may be amended by the action of the stockholders and, if so provided in the charter, the directors. Both the Simon Group Charter and the CRC Charter provide that the By-laws may be amended, altered, or repealed only by the affirmative vote of 80% of the stockholders or by a vote of two-thirds of the Simon Group Board of Directors (including at least a majority of the directors elected by the Simon Group Class B Common Stock and at least one director elected by Simon Group Class C Common Stock) or the CRC Board of Directors, as applicable, at a meeting of such Board of Directors.

Stockholder Meetings and Provisions for Notices; Proxies

Under the MGCL and the DGCL, stockholder meetings may be held at any place, as provided in the by-laws. However, the MGCL requires the meetings to be held in the United States. The DGCL has no such requirement. Under both the MGCL and the DGCL, written notice of a stockholders meeting must state the place, date, and time of the meeting, and if a special meeting, the purpose or purposes for which the meeting is to be held. Under the SDG By-laws, not less than 10 days nor more than 90 days before the date of every stockholders' meeting, the SDG Secretary shall give, to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting, written or printed notice stating the time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, either by mail or by presenting it to him personally or by leaving it at his residence or usual place of business. Both the Simon Group By-laws and the CRC By-laws provide that written notice of every meeting of the stockholders, stating the place, date, and hour of the meeting and, in the case of a special meeting, the purpose

or purposes for which the meeting is called, will be given not less than 10 nor more than 60 calendar days before the date of the meeting to each stockholder of record entitled to vote at such meeting.

Under the MGCL, proxies are valid for 11 months from their date, unless the proxy otherwise provides. Under the DGCL, however, stockholder proxies are valid for three years from their date unless the proxy provides for a longer period.

Voting by Stockholders

The SDG Charter provides that holders of SDG Common Stock, SDG Class B Common Stock and SDG Class C Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, other than the election of directors elected exclusively by the holders of SDG Class B Common Stock and the election of directors elected exclusively by the holders of SDG Class C Common Stock. Holders of SDG Common Stock, SDG Class B Common Stock and SDG Class C Common Stock have no right to cumulative voting for the election of directors. The SDG By-laws provide that, in all elections for directors, every stockholder shall have the right to vote, in person or by proxy, the shares owned of record by the stockholder. At all meetings of stockholders, the proxies and ballots shall be received by the chairman of the meeting. If demanded by stockholders entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairman of the meeting, the voting shall be conducted by two inspectors. The stockholders at any meeting may choose the inspectors, however, no candidate for election as a director at a meeting shall serve as an inspector at any meeting of stockholders.

The Simon Group Charter provides that holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, other than the election of directors elected exclusively by the holders of Simon Group Class B Common Stock and the election of directors elected exclusively by the holders of Simon Group Class C Common Stock. Holders of Simon Group Common Stock, Simon Group Class B Common Stock and Simon Group Class C Common Stock have no right to cumulative voting for the election of directors. Under the CRC Charter, holders of CRC Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders and holders of CRC Common Stock have no right to cumulative voting for the election of directors. Under both the Simon Group By-laws and the CRC By-laws, at all meetings of stockholders the proxies and ballots shall be received by the chairman of the meeting. If demanded by stockholders entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairman, the voting shall be taken either by ballot or conducted by an inspector.

Stockholder Action Without a Meeting

Under the MGCL, stockholders may act by written consent only if all stockholders entitled to vote on the matter that is the subject of the written consent sign the consent. Under the DGCL, unless otherwise provided in the certificate of incorporation, actions may be taken by the stockholders of a Delaware corporation by written consent, provided that the written consent is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the matter were present and voted. The Simon Group Charter provides that stockholder actions must be taken at an annual or special meeting and may not be taken by written consent, except that holders of Simon Group Class B Common Stock and Simon Group Class C Common Stock may act by written consent without a meeting on matters submitted exclusively to the vote of the holder of Simon Group Class B Common Stock or Simon Group Class C Common Stock. The CRC Charter provides for stockholder action to be taken by written consent without a meeting.

Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange, or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and (i) any person who beneficially owns 10% or more of the voting power of the corporation's shares, (ii) an affiliate of such corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding

voting stock of the corporation (in either case, an "Interested Stockholder"), or (iii) any affiliate of an Interested Stockholder, are prohibited for five years after the most recent date on which the Interested Stockholder became an Interested Stockholder, and thereafter must be recommended by the board of directors of the Maryland corporation and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of its outstanding voting shares, and (b) two-thirds of the votes entitled to be cast by holders of such outstanding voting shares, other than shares held by the Interested Stockholder with whom (or with whose affiliate) the business combination is to be effected unless, among other conditions, the corporation's stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Stockholder for its shares. These provisions of the MGCL do not apply to business combinations that are approved or exempted by the board of directors of the corporation prior to the time that the Interested Stockholder becomes an Interested Stockholder.

Under Section 203, certain "business combinations" with "interested stockholders" (each as defined in Section 203) of Delaware corporations are subject to a three-year moratorium unless specified conditions are met. See "CERTAIN PROVISIONS OF THE SDG PARTNERSHIP AGREEMENT, SRC PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, THE CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW -- Delaware Law and Certain Simon Group Charter, CRC Charter, Simon Group By-law and CRC By-laws Provisions -- Delaware Anti-Takeover Law."

Appraisal Rights

Under the MGCL, holders of shares of SDG Class B Common Stock and SDG Class C Common Stock will be entitled to appraisal rights under Maryland law with respect to the Merger; however, holders of shares of SDG Common Stock, SDG Series B Preferred Stock and SDG Series C Preferred Stock will not have appraisal rights under Maryland law with respect to the Merger. See "THE MERGER AGREEMENT AND RELATED MATTERS -- Appraisal Rights" and Annex E.

Under the DGCL, stockholders of a corporation who do not consent to certain major corporate transactions may, under varying circumstances, be entitled to appraisal rights pursuant to which such stockholders may receive cash in the amount of the fair market value of their shares in lieu of the consideration which otherwise would have been received in the transaction. Unless the corporation's certificate of incorporation provides otherwise, such appraisal rights are not available in certain circumstances, including without limitation, (a) with respect to the sale, lease, or exchange of all or substantially all of the assets of a corporation, (b) with respect to a merger or consolidation by a corporation the shares of which are either listed on a national securities exchange or are held of record by more than 2,000 holders if such stockholders receive only shares of the surviving corporation or shares of any other corporation which are either listed on a national securities exchange or held of record by more than 2,000 holders, plus cash in lieu of fractional shares, or (c) to stockholders of a corporation surviving a merger if no vote of the stockholders of the surviving corporation is required to approve the merger because the merger agreement does not amend the existing certificate of incorporation, each share of the surviving corporation outstanding prior to the merger is an identical outstanding or treasury share after the merger, and the number of shares to be issued in the merger does not exceed 20% of the shares of the surviving corporation outstanding immediately prior to the merger and if certain other conditions are met.

Dividends

The MGCL permits a corporation, subject to any provision in its charter, to make a distribution, including dividends, redemptions or stock repurchases, unless, after such distribution, the corporation would not be able to pay its debts as they become due in the usual course of business or the corporation's total assets would be less than the sum of its liabilities and, unless the charter provides otherwise, liquidation preferences of stock senior to the stock on which the distribution is proposed to be made. For purposes of determining whether a distribution is lawful, the corporation's assets may be based upon fair value or any other method of valuation that is reasonable under the circumstances.

The DGCL permits a corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In addition, the DGCL generally provides that a corporation may redeem or repurchase its shares only if such redemption or repurchase would not impair the capital of the corporation, except that it may repurchase shares having a preference upon the distribution of any of its assets or, if no shares entitled to a preference are outstanding, any of its shares if it retires such shares upon acquisition and reduces the corporation's capital in connection therewith (and provided, that after any reduction in capital made in connection with such retirement of shares, the corporation's remaining assets must be sufficient to pay any debts not otherwise provided for).

Limitation of Liability and Indemnification of Directors and Officers

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. The SDG Charter contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

The SDG Charter authorizes SDG, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to any director or officer, whether serving SDG or, at its request, any other entity. The SDG Charter and SDG Bylaws also permit SDG to indemnify and advance expenses to any employee or agent of SDG.

The MGCL requires a corporation (unless its charter provides otherwise, which the SDG Charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

See "CERTAIN PROVISIONS OF THE SDG OPERATING PARTNERSHIP AGREEMENT, THE SIMON GROUP CHARTER, CRC CHARTER, SIMON GROUP BY-LAWS AND CRC BY-LAWS AND DELAWARE LAW -- Director Liability Limitation and Indemnification" for a discussion of the director liability limitation and indemnification provisions in the Simon Group Charter, the CRC Charter, Simon Group By-laws and CRC By-laws and under Delaware law.

SDG ANNUAL MEETING MATTERS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of SDG Equity Stock and SDG Units as of March 31, 1998, by (i) each director and nominee for director, (ii) the executive officers named in the Summary Compensation Table, (iii) each person who is known by SDG to beneficially own more than 5% of SDG Equity Stock, and (iv) all current directors and executive officers of SDG as a group. Unless otherwise indicated in the footnotes, shares of SDG Equity Stock or SDG Units are owned directly, and the indicated person has sole voting and investment power.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES OF SDG EQUITY STOCK BENEFICIALLY OWNED (1)(2)(3)	PERCENT OF SDG EQUITY STOCK BENEFICIALLY OWNED(4)	NUMBER OF SDG UNITS BENEFICIALLY OWNED	PERCENT OF SDG UNITS BENEFICIALLY OWNED(5)
Birch Bayh	17,000	*	0	--
William T. Dillard, II	20,200(7)	*	0	--
G. William Miller	10,440	*	0	--
Frederick W. Petri	14,520	*	0	--
Terry S. Prindiville	13,000	*	0	--
David Simon	2,250,420(8)	2.0%	2,013,010	1.2%
Herbert Simon	5,597,851(9)	4.9%	5,554,250(9)	3.2%
Melvin Simon	7,153,795(9)	6.1%	7,116,385(9)	4.1%
J. Albert Smith, Jr	15,000	*	0	--
Richard S. Sokolov	191,960	*	60,835	*
M. Denise DeBartolo York	1,318,062(6)	1.2%	1,290,439(6)	*
Philip J. Ward	6,802	*	0	--
James M. Barkley	104,920	*	0	*
William J. Garvey	111,130	*	21,200	*
James A. Napoli	79,560	*	0	--
All directors and executive officers as a group(10) (20 persons)	51,403,696	32.7%	46,932,423	27.0%

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* Less than one percent

(1) Includes the following shares of SDG Common Stock that may be purchased pursuant to stock options that are exercisable within 60 days: Birch Bayh -- 17,000; William T. Dillard, II -- 14,000; G. William Miller -- 6,360; Fredrick W. Petri -- 6,360; Terry S. Prindiville -- 11,000; David Simon -- 200,000; J. Albert Smith, Jr. -- 14,000; M. Denise DeBartolo York -- 3,000; Philip J. Ward -- 6,360; James M. Barkley -- 75,000; William J. Garvey -- 55,000; James A. Napoli -- 50,000; and all directors and executive officers as a group -- 680,580.

(2) Includes the following shares of SDG Common Stock that may be received upon exchange of SDG Units held by the following persons on March 31, 1998: David Simon -- 2,013,010; Herbert Simon -- 5,554,250; Melvin Simon -- 7,116,385; Richard S. Sokolov -- 60,835; M. Denise DeBartolo York -- 1,290,439; William J. Garvey -- 21,200; and all directors and executive officers as a group -- 46,932,423. SDG Units held by limited partners are exchangeable either for shares of SDG Common Stock (on a one-to-one basis) or for cash as selected by SDG Independent Directors.

(3) Includes the following restricted shares which are subject to vesting requirements: David Simon -- 32,760; Richard S. Sokolov -- 24,163; James M. Barkley -- 29,920; William J. Garvey -- 32,760; James A. Napoli -- 29,560; and all directors and executive officers as a group -- 291,443.

(4) At March 31, 1998, there were 106,490,509 shares of SDG Common Stock, 3,200,000 of SDG Class B Common Stock and 4,000 shares of SDG Class C Common Stock outstanding. Upon the occurrence of certain events, shares of SDG Class B Common Stock and SDG Class C Common Stock convert automatically into SDG Common Stock (on a one-to-one basis). The percentages in this column assume the exercise of stock options and exchange of SDG Units for shares of SDG Common Stock.

(5) At March 31, 1998, there were 173,754,214 outstanding SDG Units of which SDG owned, directly or indirectly, 109,694,509, or 63.1%. The percentages in this column assume that no SDG Units are exchanged for shares of SDG Common Stock.

(6) Does not include shares of SDG Equity Stock and SDG Units held by DeBartolo, Inc. and certain related persons and entities. See "-- Principal Stockholders."

(7) Does not include 10,000 shares of SDG Common Stock owned by Mr. Dillard's spouse who has sole voting and investment power of such shares.

(8) Includes SDG Units owned by trusts of which David Simon is a beneficiary.

(9) Does not include shares of SDG Equity Stock and SDG Units held by MSA. See "-- Principal Stockholders."

(10) Includes shares of SDG Equity Stock and SDG Units held by DeBartolo, Inc. and MSA. See "-- Principal Stockholders."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information concerning each person (including any group) known to SDG to beneficially own more than five percent (5%) of any class of SDG Equity Stock as of March 31, 1998. Unless otherwise indicated in the footnotes, shares are owned directly, and the indicated person has sole voting and investment power.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENT OF VOTING STOCK BENEFICIALLY OWNED(2)
DeBartolo, Inc. et al.(3) 7620 Market Street Youngstown, OH 44513	22,239,511(4)	16.9%
Melvin Simon & Associates, Inc.(5) 115 W. Washington Street Indianapolis, IN 46204	14,651,581(6)	12.1%
Princeton Services, Inc. 800 Scudders Mill Road Plainsboro, NJ 08536	9,059,375(7)	8.3%
Stichting Pensioenfonds ABP P.O. Box 2889 6401 D J Harleen The Netherlands	6,107,192(8)	5.6%

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(1) SDG Equity Stock includes shares of SDG Common Stock, SDG Class B Common Stock, and SDG Class C Common Stock. Upon the occurrence of certain events, shares of SDG Class B Common Stock and SDG Class C Common Stock convert automatically into SDG Common Stock (on a one-to-one basis). The amounts in the table also include shares of SDG Common Stock that may be issued upon the exchange of SDG Units. SDG Units held by limited partners are exchangeable either for shares of SDG Common Stock (on a one-to-one basis) or for cash as selected by the Independent Directors.

(2) The percentages in this column assume the exercise of stock options and exchange of SDG Units for shares of SDG Common Stock.

(3) The beneficial owners of the securities are DeBartolo, Inc. ("DI"), certain subsidiaries of DI, held directly or indirectly through EJDC, the estate of the late Edward J. DeBartolo, members of the DeBartolo family, including Edward J. DeBartolo, Jr. and M. Denise DeBartolo York, or trusts established for the benefit of members of the DeBartolo family or partnerships in which the foregoing persons hold partnership interests.

(4) Includes 22,207,888 shares of SDG Common Stock issuable upon exchange of SDG Units, 3,000 shares of SDG Common Stock issuable pursuant to stock options and 4,000 shares of SDG Class C Common Stock.

(5) MSA is owned 69% by Melvin Simon and 31% by Herbert Simon.

(6) Includes 11,451,581 shares of SDG Common Stock issuable upon exchange of SDG Units and 3,200,000 shares of SDG Class B Common Stock.

(7) According to a Schedule 13G dated January 26, 1998, the reporting person, who is the managing general partner of Merrill Lynch Asset Management, L.P. and Fund Asset Management, L.P., owns 9,059,375 shares of SDG Common Stock.

(8) According to a Schedule 13G filed for the period ended December 31, 1997, the reporting person beneficially owns 6,107,192 shares of SDG Common Stock.

ELECTION OF DIRECTORS

At the SDG Annual Meeting, eleven (11) directors are to be elected to serve until their successors are elected and have qualified. Five (5) Independent Directors are to be elected by the holders of SDG Equity Stock, four (4) directors are to be elected by the holders of SDG Class B Common Stock and two (2) directors are to be elected by the holders of SDG Class C Common Stock. It is the intention of the persons named in the Proxy hereby solicited to vote for the directors to be elected by the holders of SDG Equity Stock, named below, unless otherwise specified in the Proxy. Should any of these nominees become unable to accept nomination or election (which is not anticipated), it is the intention of the persons designated as proxies to vote for the election of the remaining nominees and for such substitute nominees as the SDG Board of Directors may designate.

By virtue of a voting trust agreement, the shares of SDG Class B Common Stock are held until December 20, 2003, by a voting trust and such trust is obligated to elect Melvin Simon, Herbert Simon and David Simon as directors of SDG. A plurality of the votes cast is required to elect directors. Abstentions and broker non-votes will have no effect on such voting. Holders of SDG Class B Common Stock have informed SDG that they intend to cause all such shares to be voted in favor of Messrs. Melvin Simon, Herbert Simon and David Simon. Holders of SDG Class C Common Stock have informed SDG that they intend to cause all such shares to be voted in favor of Mr. Frederick W. Petri and Ms. M. Denise DeBartolo York.

Set forth below are the names of and certain other information regarding the nominees for the five (5) director positions to be elected by the holders of the SDG Equity Stock, the nominees for the four (4) director positions to be elected by the holders of SDG Class B Common Stock and the nominees for the two (2) director positions to be elected by the holders of SDG Class C Common Stock at the SDG Annual Meeting. Information about each nominee's ownership of equity securities of SDG appears in "-- Security Ownership of Certain Beneficial Owners and Management."

THE SDG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES NAMED BELOW

NOMINEES FOR DIRECTORS TO BE ELECTED BY HOLDERS OF SDG EQUITY STOCK

Robert E. Angelica, 51, has been a director of CPI since 1997. He is President and Chief Investment Officer of the AT&T Investment Management Corporation, a position he has held since 1992. Mr. Angelica is also a board member of The Emerging Markets Growth Fund, Inc. and The India Magnum Fund, Ltd.

Birch Bayh, 70, has been a director of SDG since 1993. He has been a partner in the Washington, D.C. law firm of Oppenheimer, Wolff, Donnelly & Bayh LLP (formerly Bayh, Connaughton, & Stewart, P.C.) for more than five years. He served as a United States Senator from Indiana from 1963 to 1981. Mr. Bayh also serves as a director of ICN Pharmaceuticals, Inc. and Acordia, Inc.

Hans C. Mautner, 60, is Chairman of the Board of Directors and Chief Executive Officer of CPI and CRC. He has been a director of CPI since 1973 and of CRC since 1975. He served as Vice President of CPI from 1972 to 1973, when he was appointed Executive Vice President. Mr. Mautner was elected President of CPI and CRC in 1976, was elected Chairman and President in 1988, and was elected Chairman, President and Chief Executive Officer of CPI and CRC in 1989. Prior to joining CPI, he was a General Partner of Lazard Freres. Mr. Mautner is currently a director of Cornerstone Properties Inc. and a board member for seven funds in The Dreyfus Family of Funds.

G. William Miller, 73, has been a director of SDG since the DeBartolo Merger. He has been Chairman of the Board and Chief Executive Officer of G. William Miller & Co. Inc., a merchant banking firm, since 1983. He is a former Secretary of the U.S. Treasury and a former Chairman of the Federal Reserve Board. From January 1990 until February 1992, he was Chairman and Chief Executive Officer of Federated Stores, Inc., the parent company of predecessors to Federated Department Stores, Inc. Mr. Miller is Chairman of the Board and a director of Waccamaw Corporation. He is also a director of GS Industries, Inc., Kleinwort Benson Australian Income Fund, Inc. and Repligen Corporation.

Pieter S. van den Berg, 52, has been Director Controller of PGGM, a Dutch pension fund, since 1991.

NOMINEES FOR CLASS B DIRECTORS TO BE ELECTED BY HOLDERS OF SDG CLASS B COMMON STOCK

Melvin Simon, 71, is the Co-Chairman of the Board of SDG and has been a director since SDG'S incorporation. In addition, he is the Co-Chairman of the Board of MSA, a company he founded in 1960 with his brother, Herbert Simon.

Herbert Simon, 63, is the Co-Chairman of the Board of SDG and has been a director since SDG's incorporation. Mr. Simon served as Chief Executive Officer from SDG's incorporation through January 2, 1995, when he was appointed Co-Chairman of the Board. In addition, Mr. Simon is the Co-Chairman of the Board of MSA. Mr. Simon is also a director of Kohl's Corporation, a specialty retailer.

David Simon, 36, is the Chief Executive Officer of SDG and has been a director since SDG's incorporation. Mr. Simon served as President of SDG from SDG's incorporation until 1996 and was appointed Chief Executive Officer on January 3, 1995. In addition, he has been Executive Vice President, Chief Operating Officer and Chief Financial Officer of MSA since 1990. From 1988-1990, Mr. Simon was Vice President of Wasserstein Perella & Company, a firm specializing in mergers and acquisitions. In addition, Mr. Simon serves as a member of the Board of Governors of NAREIT and the Urban Land Institute and is a trustee and member of the International Council of Shopping Centers. He is the son of Melvin Simon, the nephew of Herbert Simon and a director of Healthcare Compare Corp.

Richard S. Sokolov, 48, has been a director of SDG since the DeBartolo Merger. He served as the President and Chief Executive Officer and a director of DRC from its incorporation until the DeBartolo Merger. Prior to that he had served as Senior Vice President, Development of EJDC since 1986 and as Vice President and General Counsel since 1982. In addition, Mr. Sokolov is a trustee, the incoming chairman (commencing May 1998) and a member of the Executive Committee of the International Council of Shopping Centers.

NOMINEES FOR CLASS C DIRECTORS TO BE ELECTED BY HOLDERS OF SDG CLASS C COMMON STOCK

Fredrick W. Petri, 51, has been a director of SDG since the DeBartolo Merger. He is a partner of Petrone, Petri & Company, a real estate investment firm he founded in 1993, and an officer of Housing Capital Company since its formation in 1994. Prior thereto, he was an Executive Vice President of Wells Fargo Bank, where for over 18 years he held various real estate positions. Mr. Petri is currently a trustee of the Urban Land Institute and a director of Storage Trust Realty. He previously was a member of the Board of Governors and a Vice President of NAREIT and a director of the National Association of Industrial and Office Park Development. He is a director of the University of Wisconsin's Real Estate Center.

M. Denise DeBartolo York, 47, has been a director of SDG since the DeBartolo Merger. She served as a director of DRC from its incorporation until the DeBartolo Merger. She serves as Chairman of the Board and Chief Executive Officer of EJDC and DeBartolo, Inc. Ms. DeBartolo York previously served EJDC as Executive Vice President of Personnel/Communications and has been associated with EJDC in an executive capacity since 1975. She is the daughter of the late Edward J. DeBartolo.

DIRECTORS CONTINUING IN OFFICE UNTIL 1999

J. Albert Smith, Jr., 58, has been a director of SDG since 1993. He is the President of Bank One, Indiana, NA, a commercial bank, a position he has held since September 30, 1994. Prior to his current position, he was the President of Banc One Mortgage Corporation, a mortgage banking firm, a position he held since 1975.

Philip J. Ward, 49, has been a director of SDG since the DeBartolo Merger. He has been Senior Managing Director, Head of Real Estate Investments, for CIGNA Investments, Inc., a wholly owned subsidiary of CIGNA Corporation since 1985. He is a member of the International Council of Shopping Centers, the Urban Land Institute, the National Association of Industrial and Office Parks and the Society of

Industrial and Office Realtors. He is a director of the Connecticut Investment Fund and Wyndham Hotel Corporation.

ATTENDANCE AND COMMITTEES OF THE BOARD OF DIRECTORS

The SDG Board of Directors held nine meetings during 1997. The SDG Board of Directors has established four standing committees: the SDG Compensation Committee, the SDG Audit Committee, the SDG Executive Committee and the SDG Nominating Committee. All incumbent directors attended 75% or more of the meetings of the SDG Board of Directors and each committee on which they served.

The SDG Compensation Committee, which currently consists of Messrs. Bayh, DeBartolo, Prindiville, Herbert Simon and Ward, sets remuneration levels for officers of SDG, reviews significant employee benefit programs and establishes, as it deems appropriate, and administers executive compensation programs, including bonus plans, stock option and other equity-based programs, deferred compensation plans and any other cash or stock incentive programs. The SDG Compensation Committee met two times during 1997.

The SDG Audit Committee, which currently consists of Messrs. Dillard, Miller, Petri and Smith, makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the scope of the audit engagement, reviews the independent public accountants' letter of comments and management's responses thereto, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, reviews any major accounting changes made or contemplated, considers the range of audit and non-audit fees, and reviews the adequacy of SDG's internal accounting controls. The SDG Audit Committee met two times during 1997.

The SDG Executive Committee, which currently consists of Messrs. David Simon, Herbert Simon, Melvin Simon and Sokolov, approves the acquisition and disposition of real property, authorizes the execution of certain contracts and agreements, including those related to the borrowing of money by SDG, and generally exercises all other powers of the SDG Board of Directors between meetings of the SDG Board of Directors, except in cases where action of the entire SDG Board of Directors is required by the SDG Charter, the SDG By-laws or applicable law and except where action by SDG's Independent Directors (as defined in SDG's Charter) is required by SDG's conflict of interest policies. The SDG Executive Committee met four times during 1997.

The SDG Nominating Committee, which currently consists of Ms. DeBartolo York and Messrs. Bayh, Prindiville, David Simon and Herbert Simon, nominates persons to serve as directors who are elected by the holders of SDG Equity Stock. In considering persons to nominate, the SDG Nominating Committee will consider persons recommended by stockholders. The SDG Nominating Committee met one time in 1997.

The SDG By-laws require that each committee except the SDG Audit Committee and the SDG Nominating Committee must have at least one member who was elected by the SDG Class B Common Stock and at least one member elected by the SDG Class C Common Stock. The entire SDG Audit Committee and a majority of the SDG Compensation Committee must be composed of SDG's Independent Directors. Further, the SDG Nominating Committee is required to have five members, of which two shall be SDG's Independent Directors, with two members elected by the SDG Class B Common Stock and one member elected by the SDG Class C Common Stock.

At the meeting of directors to be held following the SDG Annual Meeting, the SDG Board of Directors will reappoint members of the SDG Board of Directors to the four standing committees.

COMPENSATION OF DIRECTORS

SDG pays its directors who are not employees of SDG annual compensation of $20,000 plus $1,000 for attendance (in person or by telephone) at each meeting of the SDG Board of Directors or a committee thereof. Directors of SDG who are employees of SDG do not receive any compensation for their services as directors. In addition, all directors are reimbursed for their expenses incurred in attending directors' meetings.

Each director who is not an employee of SDG also participates in SDG's Director Stock Option Plan (the "Director Plan"). Each eligible director is automatically granted options ("Director Options") to purchase at the fair market value on the date of grant (i) 5,000 shares of SDG Common Stock upon the director's initial election to the Board of Directors and (ii) 3,000 shares of SDG Common Stock upon each reelection of such director to the Board of Directors. Director Options become exercisable on the first anniversary of the date of grant or at such earlier time as a change in control of SDG (as defined in the Director Plan) occurs, and remain exercisable through the tenth anniversary of the date of grant (the "Expiration Date"). Director Options that are exercisable terminate 30 days after the optionee ceases to be a member of the Board of Directors. The SDG Board of Directors may amend, suspend or discontinue the Director Plan at any time. Certain specified amendments must be approved by the stockholders. In May 1997, in connection with the election of directors, Director Options to purchase an aggregate of 9,000 shares of SDG Common Stock were granted to the three directors reelected in 1997. Such Director Options will become exercisable one year from the date of grant, or such earlier time as a change in control occurs.

If the SDG stockholders approve the 1998 Stock Incentive Plan, no further option awards will be made under the Director Plan; however, Eligible Directors of Simon Group will receive similar option awards under the 1998 Stock Incentive Plan. See "APPROVAL OF 1998 STOCK INCENTIVE PLAN."

COMPLIANCE WITH SECTION 16(a) REPORTING

Section 16(a) of the Exchange Act requires the SDG's directors, executive officers and beneficial owners of more than 10% of SDG's capital stock to file reports of ownership and changes of ownership with the Commission and the NYSE. Based solely on its review of the copies of such forms received by it, and/or written representations from certain reporting persons, SDG believes that, during the year ended December 31, 1997, its directors, executive officers and beneficial owners of more than 10% of the SDG's Common Stock have complied with all filing requirements applicable to them.

EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation for services in all capacities to the SDG for the years ended December 31, 1997, 1996 and 1995, for the Chief Executive Officer and the four other most highly compensated executive officers of the SDG for the years ended December 31, 1997, 1996 and 1995, (the "Named Executives"):

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION	SALARY BONUS(1)	RESTRICTED STOCK AWARDS(2)	SECURITIES UNDERLYING OPTIONS	ALL OTHER COMPENSATION(3)
David Simon.....	1997	$534,100	$450,000(4)	--	--	$11,012
Chief Executive Officer	1996	400,000	300,000	--	--	11,056
	1995	400,000	102,735	$1,365,000	--	10,996
Richard S. Sokolov(5).....	1997	$522,264	$250,000	--	--	$ 8,302
President and Chief	1996	202,134	175,000	--	--	--
Operating Officer						
William J. Garvey.....	1997	$395,977	$100,000	--	--	$15,563
Executive Vice						
President --	1996	375,000	85,000	--	--	12,362
Property Development	1995	353,846	75,000	$1,365,000	--	12,450
James A. Napoli.....	1997	$366,149	$125,000	--	--	$12,807
Executive Vice						
President --	1996	316,154	110,000	--	--	11,684
Leasing	1995	300,000	100,000	$1,365,000	--	11,773
James M. Barkley.....	1997	$291,954	$115,000	--	--	$11,463
General Counsel and	1996	246,154	100,000	--	--	11,660
Secretary	1995	228,269	75,000	$ 830,000	--	11,468

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(1) Bonus awards are deemed earned in the year indicated, but generally are paid in the following year.

(2) Pursuant to SDG's five-year Stock Incentive Program, a total of 1,000,000 restricted shares of Common Stock were allocated to certain key employees of SDG on March 22, 1995, having a total value at the date of grant of $25.0 million. A portion of the restricted shares allocated are awarded and earned only if SDG attains annual and cumulative targets for growth in Funds From Operations. See "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER -- CPI and Simon Group Benefit Plans." The amounts indicated in the table represent the total amount of restricted shares allocated to the Chief Executive Officer and other named executive officers, which are subject to performance-based conditions before they are awarded and earned, and to subsequent vesting requirements. Dividends are paid on restricted shares that are earned. Earned shares vest in four equal annual installments beginning on January 1 of the year following the year in which the restricted shares are deemed earned and awarded; provided that the participant remains an employee immediately prior to the vesting date. At December 31, 1997, the total number of restricted shares (and value at such date) that have been earned by the persons named in the table, and have been issued and are outstanding, were as follows: David Simon -- 32,760 restricted shares ($1,070,843); William J. Garvey -- 32,760 restricted shares ($1,070,843); and James A. Napoli -- 29,560 restricted shares ($966,243); James M. Barkley -- 29,920 restricted shares ($978,010); and Richard S. Sokolov -- 24,163 restricted shares ($789,828).

(3) Represents annualized amounts of (i) employer paid contributions to SDG's 401(k) retirement plan and (ii) SDG paid employee and dependent life insurance premiums. Employer contributions to the 401(k) retirement plan become vested 30% after completion of three years of service, 40% after four years and an additional 20% after each additional year until fully vested after seven years.

(4) Although the SDG Compensation Committee approved an increase in Mr. Simon's annual salary to $600,000 effective May 1, 1997, the increase did not occur until February 28, 1998. Mr. Simon is entitled to a retroactive payroll adjustment for the period from May 1, 1997 to February 28, 1998.

(5) Does not include compensation paid by DRC prior to the DeBartolo Merger.

The following table sets forth information with respect to the unexercised stock options granted to the Named Executives under the Employee Plan and held by them at December 31, 1997. No stock options were granted to the Named Executives in 1997.

AGGREGATED OPTION EXERCISES IN 1997 AND
DECEMBER 31, 1997 OPTION VALUES

			NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1997		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1997(1)	
NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
David Simon.....	--	--	200,000	--	$2,087,500	--
William J. Garvey.....	20,000	$180,000	55,000	--	574,063	--
James A. Napoli.....	--	--	50,000	--	521,875	--
James M. Barkley.....	--	--	75,000	--	782,813	--
Richard S. Sokolov.....	--	--	--	--	--	--

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(1) The closing price of the SDG Common Stock as reported by the New York Stock Exchange on December 31, 1997 was $32.6875. Value is calculated on the basis of the difference between the exercise price and $32.6875, multiplied by the number of shares of SDG Common Stock underlying "in-the-money" options.

For a description of the employee benefit plans of SDG, see "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER -- CPI and Simon Group Benefit Plans."

REPORT OF SDG COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

General Principles. As a general matter, SDG has adopted a compensation philosophy which embraces the concept of pay-for-performance. SDG's strategy is to link executive management compensation with SDG's performance and stockholder return and to reward management for results that are consistent with the key goals of SDG. This is described further below under "-- 1997 Executive Officer Compensation." SDG believes that its compensation program attracts result-oriented employees and motivates them to achieve higher levels of performance.

It is SDG's policy to establish executive officer base salary at levels which are slightly below industry statistical norms for comparable REITs, while providing significant additional compensation opportunities through programs which are linked directly to SDG performance.

1997 CEO Compensation. David Simon earned a base salary of $534,100 for 1997 and a bonus of $450,000. No options were granted. At December 31, 1997, he held exercisable options to acquire 200,000 shares of SDG Common Stock. Of David Simon's total allocation under the Stock Incentive Program of 54,600 shares of restricted stock, 32,760 shares were earned and awarded as of December 31, 1997, because SDG met its targets for growth in Funds From Operations for 1994, 1995 and 1996. Based on information provided by SDG's compensation consultants, management believes that David Simon's total cash compensation in 1997 was below the 40th percentile for chief executive officers of companies with comparable market capitalizations.

1997 Executive Officer Compensation. SDG compensates its executive officers through four principal elements. The first element, base pay, is determined through a review and analysis of peers in the REIT industry in order to determine reasonable and competitive compensation levels. The second element is participation in a discretionary Bonus Plan. Under the Bonus Plan, participants have opportunities to participate in an incentive pool depending upon performance of SDG, the participant's business SDG Unit and the individual participant. Bonuses of $1,028,750 were paid in 1998 to the ten eligible executive officers with respect to 1997 performance. See "-- Executive Compensation -- Incentive Bonus Plan." The two remaining compensation elements are intended to link executive compensation more directly to increases in value of the SDG Common Stock. The third element consists of option awards under the Employee Plan, no options were granted during 1997. At March 31, 1998 the ten eligible executive officers held vested options to acquire an aggregate of 602,500 shares that were previously granted under the Employee Plan. The fourth element consists of allocation of restricted stock under SDG's five-year Stock Incentive Program. Under the Stock Incentive Program, allocations of restricted shares are earned and awarded if the performance-based goals of the program are met. Of the total 892,440 shares of restricted stock allocated to the ten eligible executive officers under the Stock Incentive Program, 291,443 shares were earned and awarded as of December 31, 1997 because SDG met its targets for growth in Funds From Operations for 1994, 1995 and 1996. See "MANAGEMENT OF SIMON GROUP AND CRC FOLLOWING THE MERGER -- CPI and Simon Group Benefit Plans." SDG believes that each element of its executive compensation program attracts results-oriented individuals and motivates them to achieve levels of performance which are consistent with the performance goals of SDG and its stockholders.

The SDG Compensation Committee does not presently have a specific policy with respect to compensation deduction limits imposed under Section 162(m) of the Code. However, to date, the deductibility of executive compensation has not been affected by the deduction limits.

SDG Compensation Committee:
Philip J. Ward, Chairman
Birch Bayh
Terry S. Prindiville
Herbert Simon

SDG Compensation Committee Interlocks And Insider Participation. No member of the SDG Compensation Committee during 1997 was an officer, employee or former officer of SDG or any of its subsidiaries or had any relationship requiring disclosure herein pursuant to regulations of the Commission. No executive

officer of SDG served as a member of a compensation committee or a director of another entity under circumstances requiring disclosure herein pursuant to regulations of the Commission.

PERFORMANCE GRAPH

The following line graph sets forth a comparison of the percentage change in the cumulative total stockholder return on the SDG Common Stock compared to the cumulative total return of the S&P Composite -- 500 Stock Index and the NAREIT Equity REIT Total Return Index for the period December 14, 1993, the date on which trading of SDG's Common Stock commenced, through December 31, 1997. The graph assumes an investment of $100 on December 14, 1993, a reinvestment of dividends and actual increase of the market value of the SDG Common Stock relative to an initial investment of $100. The comparisons in this table are required by the Commission and are not intended to forecast or be indicative of possible future performance of the SDG Common Stock.

Measurement Period (Fiscal Year Covered)	'Simon DeBartolo Group, Inc.'	NAREIT Equity REIT Total Return Index	S&P 500
12/14/93	100.0000	100.0000	100.0000
12/31/93	101.6850	99.8983	100.7160
12/31/94	117.2120	103.0710	102.0350
12/31/95	124.9300	118.8090	140.2190
12/31/96	173.4440	160.7060	172.4140
12/31/97	195.2450	193.2590	229.9560

CERTAIN TRANSACTIONS

Transactions With The Simons. SDG has entered into noncompetition agreements with Messrs. Melvin Simon, Herbert Simon and David Simon, all of whom are executive officers of SDG. Pursuant to such agreements and except as set forth below, Melvin Simon and Herbert Simon are prohibited from engaging in the shopping center business in North America other than through SDG or as passive investors until the later of (i) December 20, 2003, or (ii) the date that they are no longer directors or officers of SDG, and David Simon is prohibited from engaging in the shopping center business in North America other than through SDG and, with certain exceptions, for two years thereafter if he resigns or is terminated for cause. The foregoing restrictions will not prohibit Melvin Simon, Herbert Simon or David Simon from having an ownership interest in the properties in which they previously owned an interest that were not contributed to SDG or SPG, LP (the "Excluded Properties"), and in the SDG Management Company, and serving as directors and officers of the SDG Management Company. It is anticipated that such commitments will not, in the aggregate, involve a material amount of time, but no assurance can be given in this regard. In addition, Melvin Simon and Herbert Simon may pursue other investment activities in which they are currently engaged.

Messrs. Melvin Simon, Herbert Simon and David Simon continue to own, in whole or in part, the Excluded Properties. The SDG Management Company has entered into management agreements with the partnerships that hold the Excluded Properties, some of which agreements were not negotiated on an arm's-length basis. Management believes, however, that the terms of such management agreements are fair to SDG.

In connection with the use of the aggregate proceeds of the initial public offering of Simon Property Group, Inc. common stock in December 1993 and related financing to repay certain indebtedness encumbering the SDG Operating Partnership's properties, SDG repaid approximately $180 million of indebtedness owed to Messrs. Melvin Simon, Herbert Simon and David Simon, which represented loans made by Messrs. Melvin Simon, Herbert Simon and David Simon in lieu of third-party financing. Of this amount, approximately $110 million was used by Messrs. Melvin Simon, Herbert Simon and David Simon to pay income taxes and other third-party obligations associated with their real estate business. In addition, Messrs. Melvin Simon, Herbert Simon and David Simon were released from personal liability under guaranties provided by Messrs. Melvin Simon, Herbert Simon and David Simon by substituting guaranties by SDG, or the provision by SDG of back-up guaranties in favor of Messrs. Melvin Simon, Herbert Simon and David Simon, on approximately $111 million of such debt.

SDG Management Company. The SDG Management Company manages regional malls and community shopping centers not wholly-owned by the SDG Operating Partnership and certain other properties and also engages in certain property development activities. Of the outstanding voting common stock of the SDG Management Company, 95% is owned by Messrs. Melvin Simon, Herbert Simon and David Simon, which will enable them to control the election of the board of directors of the SDG Management Company. The SDG Operating Partnership owns common stock representing 80% of the value of the outstanding stock of the SDG Management Company, all of the outstanding participating preferred stock of the SDG Management Company and a mortgage note of the SDG Management Company, which entitles SDG to more than 90% of the anticipated after-tax economic benefits, in the form of dividends and interest, of the SDG Management Company. The SDG Management Company must receive the approval of a majority of the Independent Directors in order to provide services for any property not currently managed by the SDG Management Company unless SDG owns at least a 25% interest in such property. The SDG Management Company has agreed with SDG that, if in the future SDG is permitted by applicable tax law and regulations to conduct any or all of the activities that are now being conducted by the SDG Management Company, the SDG Management Company will not compete with SDG with respect to new or renewal business of this nature.

Relationship With Oppenheimer, Wolff, Donnelly & Bayh LLP. During 1997, SDG engaged the Washington, D.C. law firm of Oppenheimer, Wolff, Donnelly & Bayh LLP (formerly Bayh, Connaughton & Stewart, P.C.) to provide certain legal services. Birch Bayh, a director of SDG, is a member of such firm.

Other Transactions. Phillip J. Ward, a director of SDG, is the Head of Real Estate Investments for CIGNA Investments, Inc., which has, or its affiliates have, made mortgage loans to SDG or its affiliates totaling approximately $290 million. These loans are considered to be arm's-length agreements.

An affiliate of SDG is a general partner in Lakeline Developers and Lakeline Plaza Developers, both Texas general partnerships in which Dillard's, Inc. is the other general partner. Mr. William Dillard II, a member of SDG's Board of Directors, is an officer, director and shareholder of Dillard's Inc. On January 31, 1998, Dillard's, Inc. contributed a 15% interest in both Lakeline Developers and Lakeline Plaza Developers to the SDG Operating Partnership in exchange for 191,634 SDG Units.

APPROVAL OF 1998 STOCK INCENTIVE PLAN

GENERAL

The SDG Board of Directors is proposing for approval by SDG stockholders the 1998 Stock Incentive Plan which will become effective upon consummation of the Merger. The 1998 Stock Incentive Plan has been approved by the CPI Board of Directors and CPI stockholders. If the 1998 Stock Incentive Plan is approved by SDG stockholders, no further awards will be granted under the SDG Employee Plan or the SDG Director Plan after consummation of the Merger.

The following summary of the 1998 Stock Incentive Plan is qualified in its entirety by express reference to the text of the 1998 Stock Incentive Plan as filed with the Securities and Exchange Commission. The 1998 Stock Incentive Plan provides for the grant of equity-based awards during the ten-year period following its adoption, in the form of options to purchase Simon Group Common Stock ("Options"), stock appreciation

rights ("SARs"), restricted stock awards and performance unit awards (collectively, "Awards"). Options may be granted which are qualified as "incentive stock options" ("ISOs") within the meaning of Section 422 of the Code and Options which are not so qualified ("NQSOs").

PURPOSE AND ELIGIBILITY

The primary purpose of the 1998 Stock Incentive Plan is to attract and retain the best available officers, key employees, "Eligible Directors" (as defined below), advisors and consultants for positions of substantial responsibilities with the SDG Operating Partnership and any of its "affiliates" (as defined in the 1998 Stock Incentive Plan) and to provide an additional incentive to such officers, key employees, Eligible Directors, advisors and consultants to exert their maximum efforts toward the success of the SDG Operating Partnership, its affiliates and Simon Group. "Eligible Directors" are directors of Simon Group who are not employees of the SDG Operating Partnership or its affiliates. All officers, key employees, advisors and consultants of the SDG Operating Partnership and its affiliates (except for Melvin Simon and Herbert Simon) and all Eligible Directors are eligible to be granted Awards under and participate in the 1998 Stock Incentive Plan. In addition, Eligible Directors will receive automatic grants, as described below. The number of individuals eligible to participate in the 1998 Stock Incentive Plan is approximately 150.

ADMINISTRATION

The 1998 Stock Incentive Plan is administered by a committee appointed by the General Partner(s) of the SDG Operating Partnership (the "Committee"). The Committee, in its sole discretion, determines which eligible individuals may participate in the 1998 Stock Incentive Plan ("Participants") and the type, extent and terms of the Awards to be granted to them. In addition, the Committee interprets the 1998 Stock Incentive Plan and makes all other determinations deemed advisable for the administration of the 1998 Stock Incentive Plan. The Committee may, with the consent of the grantee of an Award, provide for the accelerated vesting and exercisability of an Award and/or extend the scheduled termination or expiration date of an Award upon the occurrence of such events as it deems appropriate.

SHARES SUBJECT TO THE 1998 STOCK INCENTIVE PLAN

The aggregate number of shares of Simon Group Common Stock that may be issued under the 1998 Stock Incentive Plan is 6,300,000 shares. No more than 600,000 shares of Simon Group Common Stock may be issued to any one individual pursuant to Awards during any one year.

It is expected that replacement or substitute Awards relating to an aggregate of approximately 2.2 million shares of Simon Group Common Stock will be made to the holders of unexercised Awards granted under the SDG Employee Plan and the SDG Director Plan.

DISCRETIONARY AWARDS

The terms and conditions of Options, SARs and restricted stock awards granted under the 1998 Stock Incentive Plan will be set out in written agreements which will contain such provisions as the Committee from time to time deems appropriate.

The terms of Options granted under the 1998 Stock Incentive Plan will generally be determined by the Committee within the terms of the 1998 Stock Incentive Plan. The exercise price for any Option will not be less than the fair market value of a share of Simon Group Common Stock on the date of grant. No Option will be exercisable after the expiration of ten years from the date of its grant. The 1998 Stock Incentive Plan provides that, unless otherwise determined by the Committee, Options generally vest 40% on the first anniversary of the date of grant, an additional 30% on the second anniversary of the date of grant and become 100% vested three years after the date of grant. The Option exercise price may be paid (i) by certified or official bank check, (ii) in the discretion of the Committee, by personal check, (iii) in shares of Simon Group Common Stock owned by the optionee for at least six months and which have a fair market value on the date of exercise equal to the exercise price, (iv) in the discretion of the Committee, by delivery to Simon Group of a promissory note and agreement providing for payment with interest on any unpaid balance, (v) through a

brokered exercise, (vi) by any combination of the above, or (vii) by any other means permitted by the Committee, in its discretion.

A SAR may be granted in connection with all or any part of an Option granted under the 1998 Stock Incentive Plan or may be granted independent of any Option. SARs granted in connection with an Option will become exercisable and lapse according to the same vesting schedule and lapse rules that are established for the corresponding Option. SARs granted independent of any Option will vest and lapse according to the terms and conditions set by the Committee. A SAR will entitle its holder to be paid an amount equal to the excess of the fair market value of the Simon Group Common Stock subject to the SAR on the date of exercise over the exercise price of the related Option, in the case of a SAR granted in connection with an Option, or the fair market value of the Simon Group Common Stock subject to the SAR on the date of exercise over the fair market value on the date of grant, in the case of a SAR granted independent of an Option.

Subject to the discretion of the Committee, certificates representing restricted stock awards may (i) be issued to a grantee bearing an appropriate legend specifying that such shares are subject to restrictions or (ii) be held in escrow until the end of the restricted period set by the Committee. During the restricted period, restricted stock will be subject to transfer restrictions and forfeiture in the event of termination of employment with the SDG Operating Partnership or any affiliate and such other restrictions and conditions established by the Committee at the time the restricted stock is granted.

To the extent deemed necessary and desirable by the Committee, the terms and conditions of performance unit awards granted under the 1998 Stock Incentive Plan will be set out in written agreements. Performance unit awards provide for future payment of cash or shares of Simon Group Common Stock, or any other equivalent consideration deemed appropriate by the Committee, to the grantee upon the attainment of certain "Performance Goals" (as defined in the 1998 Stock Incentive Plan) established by the Committee over specified periods. At the end of each performance award period, the Committee decides the extent to which the Performance Goals have been attained and the amount of cash, Simon Group Common Stock, or other consideration, to be distributed to the grantee.

AUTOMATIC AWARDS FOR ELIGIBLE DIRECTORS

The 1998 Stock Incentive Plan provides for automatic grants of Options ("Director Options") to Eligible Directors. Upon the first day of the first calendar month following the month in which any person first becomes an Eligible Director, such person will be automatically granted without further action by the Board of Directors of Simon Group a Director Option to purchase 5,000 shares of Simon Group Common Stock (an "Initial Award"); provided, however, that an Eligible Director who previously served as a director of SDG or CPI shall not receive an Initial Award. Thereafter, on the date of each of Simon Group's annual meeting of stockholders (the "Annual Meeting") held after January 1, 1999, each Eligible Director who continues as an Eligible Director will automatically be granted each year, without further action by the Board of Directors of Simon Group, a Director Option to purchase 3,000 shares of Simon Group Common Stock multiplied by the number of calendar years that have elapsed since such person's last election to the Board of Directors of Simon Group, SDG or CPI (the "Annual Award"); provided, however, that if any person becomes an Eligible Director during the 60-day period prior to the Annual Meeting in any year, then such Eligible Director will not receive the Annual Award.

The exercise price per share of Director Options is 100% of the fair market value of the Simon Group Common Stock on the date the Director Option is granted. All Director Options shall become vested and exercisable on the first anniversary of the date of grant or such earlier time in the event of a "Change in Control" (as defined in the 1998 Stock Incentive Plan). Upon termination of any person's service as an Eligible Director, all Director Options granted will expire 30 days following the date of termination.

SPECIAL CONDITIONS APPLICABLE TO ISOs

ISOs may not be granted under the 1998 Stock Incentive Plan to a person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the optionee's employer corporation or of its parent or subsidiary corporation unless (i) the exercise price of the ISO is at least 110% of

the fair market value of the Simon Group Common Stock on the date of grant, and (ii) the term of the ISO is not longer than five years. If the fair market value of the Simon Group Common Stock with respect to which ISOs are exercisable for the first time by any optionee during any calendar year (under all plans of the SDG Operating Partnership or any affiliate) exceeds $100,000, such ISOs will be treated, to the extent of such excess, as NQSOs.

ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

If any change is made to the Simon Group Common Stock by reason of any subdivision or combination of shares or other capital adjustments or the payment of a stock dividend or other change in such shares effected without receipt of consideration by Simon Group, appropriate adjustments will be made by the Committee to the number of shares of Simon Group Common Stock available under the 1998 Stock Incentive Plan, the number of shares of Simon Group Common Stock subject to Awards, the Option exercise price and appreciation base of Options and SARs previously granted, and the amount payable by a Participant in respect of an Award.

In the event Simon Group is merged or consolidated with another corporation and there is a change in the shares of Simon Group Common Stock by reason of such merger or consolidation, or in the event that all or substantially all of the assets of Simon Group are acquired by another person, or in the event of a reorganization or liquidation of Simon Group (each such event being hereinafter referred to as a "Corporate Event") or in the event that the Board of Directors of Simon Group shall propose that Simon Group enter into a Corporate Event, then the Committee may provide that Options and SARs will be terminated unless exercised within 30 days (or such longer period as the Committee determines) after notice; provided that if the Committee takes such action, it must also accelerate the dates upon which all outstanding Options and SARs will be exercisable. The Committee may also provide that all or some of the restrictions on any Award will lapse in the event of a Corporate Event.

TRANSFERABILITY OF AWARDS

Except as otherwise determined by the Committee, no Award granted under the 1998 Stock Incentive Plan, or any right or interest therein, is assignable or transferable except by will or the laws of descent and distribution and, during the lifetime of a grantee, Options and SARs are exercisable only by the grantee or his legal representative.

TERMINATION OR AMENDMENT

The 1998 Stock Incentive Plan will terminate 10 years after the date of its adoption by stockholders of SDG and CPI. The General Partner(s) of the SDG Operating Partnership may amend, suspend or discontinue the 1998 Stock Incentive Plan at any time; provided that certain specified amendments which, pursuant to applicable law or regulation, require shareholder approval, must be approved by the holders of a majority of the issued and outstanding shares of Simon Group voting stock.

FEDERAL INCOME TAX CONSEQUENCES

The following is a brief discussion of the Federal income tax consequences of transactions under the 1998 Stock Incentive Plan based on the Code, as in effect as of the date of this summary. This discussion is not intended to be exhaustive and does not describe the state or local tax consequences.

ISOs. No taxable income is realized by the optionee upon the grant or exercise of an ISO. If shares of Simon Group Common Stock are issued to an optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such optionee within two years after the date of grant or within one year after the transfer of such shares to such optionee, then (1) upon sale of such shares, any amount realized in excess of the Option price will be taxed to such optionee as a long-term capital gain and any loss sustained will be a long-term capital loss, and (2) no deduction will be allowed to the optionee's employer for federal income tax purposes.

If the Simon Group Common Stock acquired upon the exercise of an ISO is disposed of prior to the expiration of either holding period described above, generally (1) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at exercise (or, if less, the amount realized on the disposition of such shares) over the Option price paid for such shares, and (2) the optionee's employer will be entitled to deduct such amount for federal income tax purposes if the amount represents an ordinary and necessary business expense. Any further gain (or loss) realized by the optionee upon the sale of the Simon Group Common Stock will be taxed as short-term or long-term capital gain (or loss), depending on how long the shares have been held, and will not result in any deduction by the employer.

Subject to certain exceptions for disability or death, if an ISO is exercised more than three months following termination of employment, the exercise of the Option will generally be taxed as the exercise of a NQSO.

For purposes of determining whether an optionee is subject to any alternative minimum tax liability, an optionee who exercises an ISO generally would be required to increase his or her alternative minimum taxable income, and compute the tax basis in the stock so acquired, in the same manner as if the optionee had exercised an NQSO. Each optionee is potentially subject to the alternative minimum tax. In substance, a taxpayer is required to pay the higher of his/her alternative minimum tax liability or his/her "regular" income tax liability. As a result, a taxpayer has to determine his/her potential liability under the alternative minimum tax.

NQSOs. With respect to NQSOs, including Director Options: (1) no income is realized by the optionee at the time the Option is granted; (2) generally, at exercise, ordinary income is realized by the optionee in an amount equal to the excess, if any, of the fair market value of the shares on such date over the exercise price, and the optionee's employer is generally entitled to a tax deduction in the same amount, subject to applicable tax withholding requirements; and (3) at sale, appreciation (or depreciation) after the date of exercise is treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

Limitation on Deductions. Simon Group generally will be entitled to a tax deduction for Awards granted under the 1998 Stock Incentive Plan only to the extent that the Participants recognize ordinary income from the Award. Code section 162(m) contains special rules regarding the federal income tax deductibility of compensation paid to Simon Group's Chief Executive Officer and to each of the other four most highly compensated executive officers The general rule is that annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed $1,000,000 or it qualifies as "performance-based compensation" under Code section 162(m). The 1998 Stock Incentive Plan has been designed to permit the Committee to grant Awards which qualify as "performance-based compensation" under Code section 162(m).

NEW PLAN BENEFITS

Other than the automatic grant of Director Options to Eligible Directors, the grant of Awards under the 1998 Stock Incentive Plan is entirely within the discretion of the Committee. The SDG Operating Partnership cannot determine the extent of discretionary Award grants that will be made in the future; therefore, with respect to discretionary Awards, the tabular disclosure of the benefits or amounts allocated under the 1998 Stock Incentive Plan has been omitted.

The following table sets forth the Director Options to be granted to Eligible Directors in 1999 pursuant to the automatic grant made at the Annual Meeting and discretionary awards of Options to persons who have served for more than one year as a director of SDG without receiving an automatic grant under the Director Plan, assuming such persons are elected to the Board of Directors of Simon Group at the Annual Meeting. Future grants will be made in accordance with the formula described above.

SIMON PROPERTY GROUP, L.P. 1998 STOCK INCENTIVE PLAN

ELIGIBLE DIRECTORS	DOLLAR VALUE($)	NUMBER OF OPTIONS
Robert E. Angelica	N/A	3,000(1)
Birch Bayh	N/A	3,000
G. William Miller	N/A	6,000
Fredrick W. Petri	N/A	6,000
J. Albert Smith, Jr	N/A	6,000
Pieter S. van den Berg	N/A	5,000(2)
Philip J. Ward	N/A	6,000
M. Denise DeBartolo York	N/A	3,000

(1) Mr. Angelica will assign the economic benefit of these options granted to him to the Telephone Real Estate Equity Trust pursuant to an agreement dated May 7, 1997.

(2) Mr. van den Berg will assign the economic benefit of these options granted to him to PGGM.

APPROVAL BY STOCKHOLDERS

The effectiveness of the 1998 Stock Incentive Plan and any Award granted thereunder is subject to approval by an affirmative vote of a majority of the votes cast on the matter at the SDG Annual Meeting, in person or by proxy. Until such approval is obtained, the 1998 Stock Incentive Plan shall not be effective. If the 1998 Stock Incentive Plan is not approved, the Employee Plan and Director Plan will continue in operation and Awards may continue to be granted thereunder.

THE SDG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR APPROVAL OF THE 1998 STOCK INCENTIVE PLAN.

RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The SDG Board of Directors has selected Arthur Andersen LLP as SDG's independent accountants for 1998, subject to stockholder approval. Arthur Andersen LLP has served as SDG's independent accountants since SDG's inception. SDG expects that representatives of Arthur Andersen LLP will be present at the SDG Annual Meeting and will be afforded an opportunity to make a statement if they desire to do so. SDG also expects that such representatives of Arthur Andersen LLP will be available at that time to respond to appropriate questions addressed to the officer presiding at the SDG Annual Meeting.

THE SDG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF ARTHUR ANDERSEN LLP AS SDG'S INDEPENDENT ACCOUNTANTS FOR 1998.

STOCKHOLDER PROPOSALS AT 1999 ANNUAL MEETING

The date by which stockholder proposals must be received by Simon Group (if the Merger is consummated) or SDG (if the Merger is not consummated) for inclusion in the proxy materials relating to the 1999 annual meeting of stockholders is April 15, 1999. Notice of any other stockholder proposals must be received by Simon Group or SDG, as applicable, between June 25, 1999 and July 25, 1999, as more fully set forth in the Simon Group By-laws or the SDG By-laws. In the event that the 1999 annual meeting of stockholders is called for a date that is not within thirty (30) days before or after September 23, 1999, in order to be timely, notice by the stockholder must be received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. Such proposals must comply with all of the requirements set forth in the rules and regulations of the Commission. In addition, any stockholder interested in making a proposal is referred to the advance notification requirements set forth in the Simon Group By-laws or the SDG By-laws.

EXPERTS

SDG

The audited financial statements and schedule of SDG incorporated by reference in the Registration Statement of which this Proxy Statement/Prospectus is a part, have been audited, and the pro forma combined condensed balance sheet as of December 31, 1997 and the pro forma combined condensed statement of operations for the year ended December 31, 1997 of Simon Group included elsewhere in this Registration Statement of which this Proxy Statement/Prospectus is a part, have been examined by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference or included herein in reliance upon the authority of said firm as experts in giving said reports.

CPI

The audited financial statements of CPI and CRC at December 31, 1997 and 1996, and for each of the three years in the period ended December 31, 1997 included elsewhere in this Proxy Statement/Prospectus have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Certain tax matters related to SDG as described under "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Consequences to Holders of SDG Equity Stock" will be passed upon by Willkie Farr & Gallagher, New York and certain tax matters as described under "THE MERGER AGREEMENT AND RELATED MATTERS -- Opinion of SDG's and CPI's Counsel" will be passed upon by Baker & Daniels, Indianapolis, Indiana. The validity of the issuance of the shares of Simon Group Equity Stock offered pursuant to this Proxy Statement/Prospectus and certain tax matters related to CPI and certain tax matters as described under "THE MERGER AGREEMENT AND RELATED MATTERS -- Opinion of SDG's and CPI's Counsel" will be passed upon by Cravath, Swaine & Moore, New York, New York. Certain partners of Cravath, Swaine & Moore (or trusts for the benefit of their families) owned, as of May 13, 1998, an aggregate of 24,729 shares of CPI Common Stock and related beneficial interests in CRC Common Stock.

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of Corporate Property Investors

We have audited the accompanying consolidated balance sheets of Corporate Property Investors as of December 31, 1997 and 1996, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of Corporate Property Investors' management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Corporate Property Investors at December 31, 1997 and 1996, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, NY
February 5, 1998
except for the note, Commitments,
Contingencies and Other Comments
item (1), as to which the date is
February 19, 1998

CORPORATE PROPERTY INVESTORS, INC.

CONSOLIDATED BALANCE SHEETS

	MARCH 31,	DECEMBER 31,	
	1998	1997	1996
	(UNAUDITED)		
	($ IN THOUSANDS)		
ASSETS			
Real estate investments:			
Operating properties	$1,909,854	$2,341,678	$2,377,177
Operating property held for sale	584,967	--	--
Investments in real estate joint ventures	111,704	109,172	159,453
Construction-in-progress and pre-construction costs ($20,773, $20,510 and $2,605)	37,315	31,697	77,032
Land held for development	23,845	22,420	6,809
Properties subject to net lease and other	20,698	21,529	16,974
	2,688,383	2,526,496	2,637,445
Cash and cash equivalents	16,196	124,808	106,495
Short-term investments	--	40,000	248,459
Receivables and other assets	104,177	118,950	122,511
Total assets	$2,808,756	$2,810,254	$3,114,910
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Mortgages payable	$ 14,285	$ 15,645	$ 21,079
Notes and Bonds payable	843,363	843,415	943,611
Accounts payable and other liabilities	122,956	148,580	194,442
Total liabilities	980,604	1,007,640	1,159,132
Shareholders' equity:			
6.5% First Series Perpetual Preference Shares, $1,000 par value, 209,249 shares authorized, issued and outstanding	209,249	209,249	209,249
Series A Common Shares, $1 par value, 33,423,973, 33,427,848 and 34,445,889 authorized, and 26,415,480, 26,419,355 and 27,437,396 issued and outstanding	26,415	26,419	27,437
Capital in excess of par value	1,602,067	1,602,111	1,743,807
Undistributed net income	104,390	78,851	14,161
Treasury shares, 1,092,071, 1,092,500 and 404,967 Common Shares at cost	(113,969)	(114,016)	(38,876)
Total shareholders' equity	1,828,152	1,802,614	1,955,778
Total liabilities and shareholders' equity	$2,808,756	$2,810,254	$3,114,910

The accompanying notes are an integral part of these statements.

CORPORATE PROPERTY INVESTORS, INC.

CONSOLIDATED STATEMENTS OF INCOME

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)		($ IN THOUSANDS)		
REVENUE:					
Minimum rent	$ 85,481	$ 75,764	$319,862	$194,661	$169,344
Overage rent	3,098	2,373	10,489	7,572	6,561
Expense recoveries	36,973	33,620	138,579	111,708	101,429
Other revenues	1,544	972	7,257	8,322	4,283
Interest income	1,308	6,361	17,601	26,846	26,615
Total revenue	128,404	119,090	493,788	349,109	308,232
EXPENSES:					
Property expenses	47,463	44,590	187,911	135,978	119,891
Provision for bad debts	726	629	2,732	2,181	3,048
Depreciation and amortization	22,334	22,488	91,312	65,581	56,795
Administrative, trustee and other expenses	2,206	2,187	8,860	9,028	8,422
Interest expense	16,474	19,014	69,562	66,536	51,828
Write-down of investment	--	--	--	8,200	--
Total expenses	89,203	88,908	360,377	287,504	239,984
Income before equity in earnings of joint ventures	39,201	30,182	133,411	61,605	68,248
Equity in earnings of joint ventures	5,554	5,254	21,390	48,796	50,709
Income before gain on sales of properties and merger-related costs	44,755	35,436	154,801	110,401	118,957
Gain on sales of properties	44,311	116,522	122,410	73,970	398
Merger-related costs	(7,539)	--	--	--	--
Net income	81,527	151,958	277,211	184,371	119,355
Preference share distributions earned	(3,428)	(3,428)	(13,712)	(13,712)	(13,642)
Net Income available to Common Shareholders	$ 78,099	$148,530	$263,499	$170,659	$105,713
Net Income per average Common Share outstanding	$3.08	$5.70	$10.20	$7.74	$5.00
Net Income per average Common Share outstanding assuming dilution	$3.01	$5.51	$10.14	$7.74	$5.00

The accompanying notes are an integral part of these statements.

CORPORATE PROPERTY INVESTORS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)		($ IN THOUSANDS)		
OPERATING ACTIVITIES					
Net Income	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355
Adjustments to reconcile net income to net cash provided by operating activities:					
Equity in earnings of real estate joint ventures	(5,554)	(5,254)	(21,390)	(48,796)	(50,709)
Depreciation and amortization	22,334	22,488	91,312	65,581	56,795
Gain on disposition of properties	(44,311)	(116,522)	(122,410)	(73,970)	(398)
Write-down of investment	--	--	--	8,200	--
Decrease/(increase) in receivables and other assets	13,397	10,478	1,298	(5,787)	2,840
(Decrease)/increase in accounts payable and accrued expenses	(20,892)	(36,882)	(6,529)	(5,569)	476
Net cash provided by operating activities	46,501	26,266	219,492	124,030	128,359
INVESTING ACTIVITIES					
Investments in real estate	(222,334)	(20,926)	(71,268)	(155,144)	(116,362)
Investments in real estate joint ventures	(4,095)	--	(22,566)	--	(12,490)
Distributions from real estate joint ventures	6,723	51,495	68,392	49,168	50,926
Purchases of short-term investments	--	(135,450)	(205,450)	(400,353)	(104,574)
Sales and maturities of short-term investments	40,000	177,888	413,909	285,536	234,834
Cash (paid)/acquired in connection with acquisition of property interests to pay related net liabilities assumed of $76,346 in 1996	--	--	(37,807)	58,004	--
Proceeds from repayment of mortgages receivable from real estate joint venture partners	--	45,822	45,822	--	--
Proceeds from disposition of properties	82,337	1,657	3,482	3,500	865
Other	(395)	(837)	--	(1,998)	(4,003)
Net cash provided by/(used in) investing activities	(97,764)	119,649	194,514	(161,287)	49,196
FINANCING ACTIVITIES					
Issuance of Notes	--	--	--	246,943	--
Repayment of Bonds payable at maturity	--	(100,000)	(100,000)	--	
Proceeds from revolving credit drawdown	40,000	--	--	--	--
Repayment of revolving credit drawdown	(40,000)	--	--	--	--
Issuance of Common Shares	47	60	60	68	22,545
Acquisition of Common Shares	(48)	--	(75,140)	--	--
Acquisition and retirement of Common Shares	--	--	(2,805)	(15,504)	--
Principal payments on mortgages	(1,360)	(1,306)	(5,287)	(383)	(242)
Cash distributions	(55,988)	(55,419)	(212,521)	(170,210)	(163,660)
Net cash (used in)/provided by financing activities	(57,349)	(156,665)	(395,693)	60,914	(141,357)
(Decrease)/increase in cash and cash equivalents	(108,612)	(10,750)	18,313	23,657	36,198
Cash and cash equivalents at beginning of period	124,808	106,495	106,495	82,838	46,640
Cash and cash equivalents at end of period	$ 16,196	$ 95,745	$ 124,808	$ 106,495	$ 82,838
Supplemental Disclosure:					
Interest paid (net of amounts capitalized) during the period	$ 28,988	$ 41,054	$ 74,200	$ 60,470	$ 50,848
Non-cash investing and financing activities:					
Real estate interests, subject to mortgages of $34,755, acquired for common shares	--	--	--	$ 968,457	--
Redemption of common shares in exchange for real estate interests, subject to mortgages of $14,962 (1996)	--	$ 142,521	$ 142,521	$ 187,581	--
Mortgage note for $7,000 and land valued at $4,100 received in exchange for property with book value of $6,528 (1997)	--	--	--	--	--

The accompanying notes are an integral part of these statements.

CORPORATE PROPERTY INVESTORS, INC.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE THREE YEARS ENDED DECEMBER 31, 1997 AND THE THREE MONTHS ENDED MARCH 31, 1998 (UNAUDITED)	SHARES OF BENEFICIAL INTEREST: 6.5% FIRST SERIES PERPETUAL PREFERENCE SHARES $1,000 PAR VALUE	SHARES OF BENEFICIAL INTEREST: SERIES A COMMON SHARES $1 PAR VALUE	CAPITAL IN EXCESS OF PAR VALUE	UNDISTRIBUTED NET INCOME	TREASURY SHARES	TOTAL
			($ IN THOUSANDS)			
Balance at January 1, 1995	$209,249	$21,450	$1,007,131	$ -0-	$ (39,348)	$1,198,482
Net income for the year	--	--	--	119,355	--	119,355
Dividends paid:						
$69.7873 per 6.5% First Series Perpetual Preference Share	--	--	--	(14,603)	--	(14,603)
$7.0625 per Common Share	--	--	(44,305)	(104,752)	--	(149,057)
Net proceeds from issuance of Common Shares	--	167	21,969	--	409	22,545
Acquisition and retirement of Common Shares and other	--	(2)	(327)	--	--	(329)
Balance at December 31, 1995	209,249	21,615	984,468	-0-	(38,939)	1,176,393
Net income for the year	--	--	--	184,371	--	184,371
Dividends paid:						
$65.5282 per 6.5% First Series Perpetual Preference Share	--	--	--	(13,712)	--	(13,712)
$7.3825 per Common Share	--	--	--	(156,498)	--	(156,498)
Exchange of Common Shares for partners' interests in certain operating properties	--	7,392	961,065	--	--	968,457
Net proceeds from issuance of Common Shares	--	--	--	--	68	68
Redemption and retirement of Common Shares in exchange for interests in certain operating properties	--	(1,514)	(196,667)	--	--	(198,181)
Acquisition and retirement of Common Shares and other	--	(56)	(5,059)	--	(5)	(5,120)
Balance at December 31, 1996	209,249	27,437	1,743,807	14,161	(38,876)	1,955,778
Net income for the year	--	--	--	277,211	--	277,211
Dividends paid:						
$65.5282 per 6.5% First Series Perpetual Preference Share	--	--	--	(13,712)	--	(13,712)
$7.685 per Common Share	--	--	--	(198,809)	--	(198,809)
Net proceeds from issuance of Common Shares	--	--	--	--	60	60
Redemption and retirement of Common Shares in exchange for interests in certain operating property	--	(1,089)	(143,859)	--	--	(144,948)
Acquisition and retirement of Common Shares and other	--	71	2,163	--	(75,200)	(72,966)
Balance at December 31, 1997	209,249	26,419	1,602,111	78,851	(114,016)	1,802,614
Net income for the period	--	--	--	81,527	--	81,527
Dividends paid:						
$32.7641 per 6.5% First Series Perpetual Preference Share	--	--	--	(6,855)	--	(6,855)
$1.94 per Common Share	--	--	--	(49,133)	--	(49,133)
Net proceeds from issuance of Common Shares	--	--	--	--	47	47
Acquisition of Common Shares and other	--	(4)	(44)	--	--	(48)
Balance at March 31, 1998(unaudited)	$209,249	$26,415	$1,602,067	$ 104,390	$(113,969)	$1,828,152

The accompanying notes are an integral part of these statements.

CORPORATE PROPERTY INVESTORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

DESCRIPTION OF BUSINESS

Corporate Property Investors, Inc. ("CPI") is a self managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended. On March 13, 1998, CPI, formerly a Massachusetts business trust, reorganized into a corporation under the laws of the State of Delaware. CPI engages in the ownership, operation, management, leasing, acquisition, development and expansion of income producing properties located throughout the United States. As of March 31, 1998, CPI owns interests in, directly or through interests in joint ventures, 23 super-regional and regional shopping centers, the General Motors Building, N.Y.C., three smaller office buildings and other properties.

The proportionate property revenues of CPI's lines of business are summarized as follows:

	MARCH 31,		DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
Super-regional and regional shopping centers	80%	78%	79%	87%	88%
General Motors Building	17	18	17	8	7
Other office buildings	2	3	3	4	4
Other	1	1	1	1	1
	100%	100%	100%	100%	100%

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of CPI and its consolidated subsidiaries. Significant intercompany balances, transactions and accounts are eliminated in consolidation. CPI accounts for its investments in real estate joint ventures which represent non-controlling ownership interests under the equity method of accounting as CPI exercises significant influence over the operating and financial policies of such joint ventures.

On December 31, 1997, CPI changed its method of accounting for investments in real estate joint ventures from proportionate consolidation, whereby CPI's financial statements included its proportionate share of the individual assets, liabilities and items of income and expense of such partnerships, to the equity method of accounting, whereby CPI's investments in such ventures are recorded initially at cost and subsequently adjusted for net equity in income/(loss) and cash contributions and distributions. CPI is accounting for this change retroactively and, accordingly, has recast the 1997 quarterly and the 1996 and 1995 financial statements presented. This change did not affect CPI's reported net income or financial position.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

REAL ESTATE AND DEPRECIATION AND AMORTIZATION POLICY

Real estate to be held and used in operations is stated at cost. Depreciation and amortization are computed utilizing the straight-line method over the estimated useful lives of the buildings and leaseholds.

Real estate held for sale is recorded at the lower of its carrying amount or fair value less cost to sell. Depreciation is not recorded during the period real estate is held for sale.

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
REAL ESTATE AND DEPRECIATION AND AMORTIZATION POLICY -- (CONTINUED)

Interest, real property taxes, salaries and related costs, and other carrying costs are capitalized during periods of construction, development or improvement. Department store and tenant inducements and costs associated with leasing of operating properties are capitalized and amortized on a straight-line basis over the lives of the related operating covenants and tenant leases.

Interest costs capitalized during the three months ended March 31, 1998 and 1997 (unaudited) and the years ended December 31, 1997, 1996 and 1995 were $1.2 million, $0.8 million, $3.7 million, $7.8 million, and $7.0 million, respectively.

Financial Accounting Standards Board Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows are not sufficient to recover the assets' carrying amount. The impairment loss is measured by comparing the fair value of the asset less cost to sell to its carrying amount. Effective January 1, 1996, CPI adopted Statement 121 for which no provision was required.

DEFERRED CHARGES

Direct financing and issue costs on debt are deferred and amortized over the terms of the related debt as a component of interest expense.

REVENUE RECOGNITION

Minimum rents are accrued on a straight-line basis over the terms of the respective leases. Overage rents are recognized when earned. Expense recoveries from tenants for real estate taxes and other recoverable operating expenses are recognized as revenue in the period the applicable expenditures are chargeable to tenants.

TAXES

CPI intends to continue to qualify as a real estate investment trust as defined in the Internal Revenue Code, and as such will not be taxed on that portion of its taxable income which is distributed to shareholders, provided that at least 95% of its real estate investment trust taxable income is distributed. CPI has distributed all of its taxable income for 1995 and 1996 and intends to distribute all of its 1997 and 1998 taxable income and, accordingly, no provision for Federal income taxes has been made in the financial statements.

INVESTMENTS IN REAL ESTATE JOINT VENTURES

During 1996 and 1995 CPI had interests ranging from 15% to 62 1/2% in twelve real estate joint ventures which operated and net leased real estate. In November and December 1996, CPI acquired its partners' interests in certain joint ventures and sold a joint venture interest in January 1997 (see "Acquisitions and Dispositions"). Accordingly, income and expenses shown below include amounts for such joint ventures for the respective period the joint ventures were owned by CPI.

As a result of the aforementioned transactions CPI has a 50% interest in seven real estate joint ventures each of which own and operate a shopping center. In addition, CPI has a 50% interest in a joint venture which is developing a super-regional shopping center in Georgia for which CPI is providing 85% of the construction funding. Generally, net income/(loss) for each joint venture is allocated consistent with the ownership interests held by each joint venturer. As of March 31, 1998 (unaudited) and December 31, 1997 and 1996, the

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
INVESTMENTS IN REAL ESTATE JOINT VENTURES -- (CONTINUED)
unamortized excess of CPI's investment over its share of the equity in the underlying net assets of the joint ventures was approximately $42.1 million, $42.4 million and $45.6 million, respectively. This excess is amortized over the estimated lives of the related real estate assets. The combined condensed balance sheets of the real estate joint ventures, after elimination of mortgages payable to CPI in 1996, as of March 31, 1998 (unaudited), December 31, 1997 and 1996 and the related statements of net income for the three months ended March 31, 1998 and 1997 (unaudited) and for the years ended December 31, 1997, 1996 and 1995 follows:

	MARCH 31,	DECEMBER 31,	
	1998	1997	1996
	(UNAUDITED)		
	($ IN THOUSANDS)		
Assets			
Real estate assets	$327,729	$322,467	$351,043
Other	22,698	26,995	19,550
Total Assets	$350,427	$349,462	$370,593
Liabilities			
Mortgages payable	$236,802	$237,868	$149,540
Other	9,750	10,675	11,396
Total Liabilities	$246,552	$248,543	$160,936
Joint Venturers' Equity			
CPI	$ 69,577	$ 66,816	$113,824
Others	34,298	34,103	95,833
Total Joint Venturers' Equity	$103,875	$100,919	$209,657

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)		($ IN THOUSANDS)		
Income	$ 30,724	$ 28,725	$118,461	$ 293,293	$ 299,559
Expenses	(19,125)	(20,218)	(76,284)	(173,303)	(177,439)
Net Income	$ 11,599	$ 8,507	$ 42,177	$ 119,990	$ 122,120

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
INCOME PER COMMON SHARE

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share." Statement 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. All earnings per share amounts for all periods have been presented to conform to Statement 128 requirements. The following table sets forth the computation of basic and diluted earnings per common share:

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
	($ IN THOUSANDS, EXCEPT PER SHARE DATA)				
NUMERATOR:					
Net income	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355
Preference Share distributions earned	(3,428)	(3,428)	(13,712)	(13,712)	(13,642)
Numerator for basic earnings per share -- income available to Common Shareholders	78,099	148,530	263,499	170,659	105,713
Effect of dilutive securities:					
Preference Share distributions earned	3,428	3,428	13,712	13,712	13,642
Numerator for diluted earnings per share	$ 81,527	$ 151,958	$ 277,211	$ 184,371	$ 119,355
DENOMINATOR:					
Denominator for basic earnings per share -- weighted average shares	25,353,000	26,066,000	25,835,000	22,045,000	21,160,000
Effect of dilutive securities:					
Employee Stock Options	237,000		8,000		
Convertible Preference Shares	1,505,000	1,505,000	1,505,000	1,505,000	1,507,000
Denominator for diluted earnings per share	27,095,00	27,571,000	27,348,000	23,550,000	22,667,000
Basic earnings per share	$ 3.08	$ 5.70	$ 10.20	$ 7.74	$ 5.00
Diluted earnings per share	$ 3.01	$ 5.51	$ 10.14	$ 7.74	$ 5.00

The above computations are based upon the dilutive effects of agreements presently in effect. The basis for such computations is anticipated to change in the event the merger with Simon DeBartolo Group, Inc. (see "Commitments, Contingencies and Other Comments") is completed.

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
SHORT TERM INVESTMENTS

At March 31, 1998 (unaudited) and December 31, 1997 and 1996, short-term investments, including cash equivalents, are stated at amortized cost (which equates to market) and consist principally of U.S. Government securities and repurchase agreements collateralized by U.S. Government securities which mature within one year and are intended to be held to maturity. CPI considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

EMPLOYEE STOCK BASED PLANS

CPI follows Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its stock based plans. Accordingly, because the purchase price under the employee share purchase plan and the exercise price under the share option plan equals the fair value of CPI's stock at the dates of purchase or grant, respectively, no compensation expense is recognized under the plans.

SEGMENT REPORTING

In June 1997, the Financial Accounting Standards Board issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information," which is effective for fiscal years beginning after December 15, 1997. CPI is assessing the operating and reportable segment rules and is considering the impact of this Statement on its financial statement disclosures.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements to conform to the presentation for the period ended March 31, 1998. These reclassifications have no significant impact on CPI's financial statements.

ACQUISITIONS AND DISPOSITIONS

On November 15, 1996, CPI issued 5.76 million Series A Common Shares, and caused Corporate Realty Consultants, Inc. ("CRC") to issue related interests in CRC, to a shareholder in exchange for $757 million of partnership interests in certain operating properties holding interests in seven regional shopping centers, one mixed-use development and the General Motors Building. In addition, on December 13, 1996, CPI issued 1.72 million Series A Common Shares, and caused CRC to issue related interests in CRC, to an affiliate of a shareholder in exchange for a $227 million partnership interest holding the remaining interest in the General Motors Building. The transactions were accounted for using the purchase method of accounting and, accordingly, commencing on November 15, 1996, 100% of the assets, liabilities, revenues and expenses of the wholly-owned properties are included in CPI's financial statements. Prior thereto, CPI had accounted for its investment in these properties under the equity method of accounting.

On December 31, 1996 and January 2, 1997, respectively, CPI, at a cost of $198 million and $145 million, respectively, redeemed 1.51 million and 1.09 million Series A Common Shares (and acquired related interests in CRC) held by a shareholder in exchange for cash of $13 million and interests in three shopping center properties valued at $330 million. The exchanges resulted in gain on disposition of the properties of $186.7 million, of which $71.7 million was recognized in December 1996 and $115 million was recognized in January 1997.

On January 9, 1998, CPI purchased a super-regional shopping center and adjoining land parcels located in Atlanta, Georgia for $198 million. Approximately $40 million was borrowed under a revolving credit facility to partially fund the purchase.

On January 30, 1998, CPI sold a super-regional shopping center for $81 million. Proceeds from the sale were used to repay the aforementioned borrowing under the revolving credit facility.

The following unaudited pro forma results of operations assume the acquisitions and dispositions closed as of January 1, 1995, and give effect to adjustments for depreciation expense related to the interest in properties acquired and elimination of gain on the disposition of the properties.

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	($ IN THOUSANDS, EXCEPT PER SHARE DATA)				
Rentals and related property income	$ 126,132	$ 114,147	$ 481,907	$ 443,391	$ 419,496
Net Income	$ 38,256	$ 38,053	$ 167,683	$ 141,033	$ 149,928
Net Income per average Common Share outstanding	$ 1.37	$ 1.33	$ 5.96	$ 4.90	$ 5.25
Average Common Shares outstanding	$25,353,000	$26,066,000	$25,835,000	$26,011,000	$25,949,000

REAL ESTATE

MARCH 31, 1998 (UNAUDITED)	LAND	BUILDINGS & LEASEHOLDS	CONSTRUCTION & PRE-CONSTRUCTION COSTS	LAND HELD FOR DEVELOPMENT	ACCUMULATED DEPRECIATION AND AMORTIZATION	MORTGAGES PAYABLE
			($ IN THOUSANDS)			
Shopping centers	$225,214	$2,116,858	$37,315	$ 6,834	$502,899	$ 1,306
Office building held for sale	12,933	679,623	--	--	107,589	11,976
Office buildings (including related mortgage loan of $20,565) and industrial park	12,886	80,439	--	516	22,644	--
Properties subject to net lease (principally retail facilities) and other (including mortgage loans of $23,465 of which $16,495 is related)	6,040	21,003	--	16,495	6,345	1,003
	$257,073	$2,897,923	$37,315	$23,845	$639,477	$14,285

DECEMBER 31, 1997						
Shopping centers	$196,052	$2,013,456	$30,994	$ 6,835	$517,386	$ 1,361
Office buildings (including related mortgage loan of $20,565) and industrial park	25,819	744,839	703	516	121,102	13,230
Properties subject to net lease (principally retail facilities) and other (including mortgage loans of $22,054 of which $15,069 is related)	6,796	20,993	--	15,069	6,260	1,054
	$228,667	$2,779,288	$31,697	$22,420	$644,748	$15,645

DECEMBER 31, 1996						
Shopping centers (including related mortgage loans of $45,835)	$191,759	$1,963,579	$77,032	$ 6,293	$442,202	$ 1,568
Office buildings (including mortgage loan of $20,565) and industrial park	26,003	748,802	--	516	110,764	18,100
Properties subject to net lease (principally retail facilities) and other	8,370	15,233	--	--	6,629	1,411
	$226,132	$2,727,614	$77,032	$ 6,809	$559,595	$21,079

RECEIVABLES AND OTHER ASSETS

	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)	($ IN THOUSANDS)	
Receivables (principally rentals) less allowance of $18,165, $18,429 and $19,165	$ 61,310	$ 71,363	$ 75,474
Prepaid expenses and deferred charges	14,213	20,301	19,624
Deferred compensation plan investments	14,607	13,643	13,866
Issue costs on recourse debt, net of accumulated amortization of $3,810, $3,614 and $5,018	6,481	6,677	7,539
Tenant security deposits	2,173	2,380	2,380
Other	5,393	4,586	3,628
	$104,177	$118,950	$122,511

MORTGAGES, NOTES AND BONDS PAYABLE

Mortgages payable are due in installments over various periods through 2009. Interest rates on the mortgages range from 4 3/4% to 9 3/4% per annum. The mortgage lenders have no recourse beyond the related property for repayment of mortgage loans.

NOTES AND BONDS PAYABLE

	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)	($ IN THOUSANDS)	
8.75% Bonds due 1997 (effective rate of 8.7%)	--	--	$100,000
9.625% Note due 1998	$ 18,363	$ 18,415	18,611
9% Notes due 2002 (effective rate of 9.1%)	250,000	250,000	250,000
7.05% Notes due 2003 (effective rate of 7.2%)	100,000	100,000	100,000
7.75% Notes due 2004 (effective rate of 7.9%)	150,000	150,000	150,000
7.18% Notes due 2013 (effective rate of 7.2%)	75,000	75,000	75,000
7.875% Notes due 2016 (effective rate of 7.9%)	250,000	250,000	250,000
	$843,363	$843,415	$943,611

As of December 31, 1997, principal payments required on all debt are:

	AMOUNT ($ IN THOUSANDS)
Years ending December 31,	
1998	$ 23,954
1999	$ 5,820
2000	$ 3,232
2001	$ 470
2002	$250,584
Thereafter	$575,000

The fair value of (i) mortgages and (ii) notes and bonds payable is estimated to be $13.9 million and $879 million, respectively, at March 31, 1998 (unaudited), $15.2 million and $902 million, respectively, at

MORTGAGES, NOTES AND BONDS PAYABLE -- (CONTINUED)
December 31, 1997, and $19.9 million and $973 million, respectively, at December 31, 1996 using discounted cash flow analyses based upon indications of market pricing for similar types of debt.

CORPORATE REALTY CONSULTANTS, INC.

Substantially all of the outstanding shares of CRC have been deposited in trusts, the beneficial interests in which are owned by participating CPI shareholders in proportion to their respective number of CPI shares.

The condensed consolidated balance sheets of CRC and its subsidiaries and the related statements of operations, which are not included in the financial statements of CPI, are summarized as follows:

BALANCE SHEETS

	MARCH 31,	DECEMBER 31,	
	1998	1997	1996
	(UNAUDITED)		
	($ IN THOUSANDS)		
Assets:			
Buildings	$17,076	$16,938	$17,399
Investments in joint ventures	19,341	18,007	449
Land	4,595	4,595	4,595
Other investments	--	--	1,104
	41,012	39,540	23,547
Cash and cash equivalents	3,900	4,147	4,797
Receivables and other assets	2,296	2,376	2,710
Total Assets	$47,208	$46,063	$31,054
Liabilities and Stockholders' Equity:			
Mortgage and notes payable	$38,181	$36,818	$21,988
Other liabilities	5,025	4,929	4,027
Total liabilities	43,206	41,747	26,015
Stockholders' equity	4,002	4,316	5,039
Total Liabilities and Stockholders' Equity	$47,208	$46,063	$31,054

STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
	($ IN THOUSANDS)				
Net income/(loss)	$ (45)(1)	$ (21)	$1,177(1)(2)	$(920)(3)	$ (6)
Per CRC average common share outstanding	$(.02)	$(.01)	$ .43	$(.39)	$ Nil
Per CPI average common share outstanding	Nil	Nil	$ .04	$(.04)	$ Nil

- ---------------
(1) Includes 85% share of gain on sale of land by a joint venture.

(2) Includes gain on sale of partnership interests of $1,259,000.

(3) Includes write-down of $1,100,000 on land held for sale.

CORPORATE REALTY CONSULTANTS, INC. -- (CONTINUED)

For the three months ended March 31, 1998 and 1997 (unaudited) CRC paid distributions of $268,000 and $276,000. Such distributions are equivalent to one cent per CPI common share for each period. For the years ended December 31, 1997, 1996 and 1995, CRC paid distributions of $1,095,000, $965,000 and $1,413,000, respectively. Such distributions are equivalent to 4, 4 1/4 and 6 1/4 cents, respectively, per CPI common share for each year.

LEASES

CPI has various interests in regional shopping centers, office buildings and other operating properties located primarily in the northeast and southern regions of the United States. Rental income from such properties is earned under leases that are classified and accounted for as operating leases. Leases with retail stores generally provide for minimum rentals plus overage rentals based on the tenants' sales volume and also require the tenant to pay a portion of property operating expenses. Office tenant leases provide for rent plus reimbursement of operating expenses. Terms of leases generally range from 5 to 30 years and contain various renewal options. Terms of net leases range from 15 to 30 years excluding various renewal options. In addition, CPI owns land under an office building net leased to CRC for a period of 99 years at an annual rental of $450,000.

At December 31, 1997, future minimum rentals to be received under the above-mentioned leases are:

	AMOUNT ($ IN THOUSANDS)
Years ending December 31,	
1998	$ 302,830
1999	280,920
2000	266,000
2001	252,460
2002	228,520
Thereafter	893,030
Total	$2,223,760

At December 31, 1997, future minimum rentals to be paid under non-cancellable ground leases and shopping center operating leases (which expire principally in 2002, 2009 and 2070) are $.75 million for each of the years ending December 31, 1998 through December 31, 2001, $.6 million for the year ending December 31, 2002 and $8.5 million thereafter for a total of $12.1 million. The leases provide for renewals at the end of the initial lease terms for periods ranging from 5 to 60 years.

PREFERENCE SHARES

The 6.5% First Series Perpetual Preference Shares are convertible into voting Series A Common Shares at the adjusted conversion price of $139.07 per Common Share for years ended December 31, 1997 and 1996 and $138.87 per Common Share for year ended December 31, 1995, (subject to adjustment in certain events), at the option of the holder after the later of August 31, 2000, and the end of the first year in which distributions that would have been payable on the voting Series A Common Shares into which a single 6.5% First Series Perpetual Preference Share could have been converted on the preceding December 31 would have exceeded $65.53. Conversion may occur before such date if more than 50% of the outstanding 6.5% First Series Perpetual Preference Shares elect to convert. A total of 1,600,000 voting Series A Common Shares have been reserved for issuance upon conversion. The dividends on 6.5% First Series Perpetual Preference Shares are cumulative, computed on a compound quarterly basis and payable semi-annually on March 31 and September 30, when and as declared by CPI's Board of Directors.

LEASES -- (CONTINUED)

The dividends are payable solely out of operating cash flow, as defined. At December 31, 1997, accumulated dividends earned but not yet payable amounted to $3.4 million ($16.38 per share). The holders of 6.5% First Series Preference Shares are entitled to vote with voting Series A Common Shares as a single class; each First Series Preference Share is entitled to a number of votes equal to its par value divided by the conversion price. The 6.5% First Series Preference Shares have a liquidation preference of $1,000 par value plus accumulated and unpaid dividends.

COMMON SHARE PURCHASE PLAN

Certain shareholders have entered into contracts to purchase $4.1 million of units (Series A Common Shares and related interests in CRC) quarterly through November 1999. Such units:

(i) will have been tendered by shareholders at prices not to exceed the appraised net asset value per CPI/CRC unit as of the preceding December 31st (the "Appraised Value") and/or

(ii) will be newly issued at the Appraised Value.

CPI is not obligated to purchase tendered units in excess of units contracted to be sold to shareholders. The contracts are terminable by CPI at any time and by each participating shareholder, 30 days after notice to CPI. CPI has elected to suspend the operation of such contracts until further notice.

DEFERRED COMPENSATION PLAN

CPI has a deferred compensation program which permits trustees and certain management employees to defer portions of their compensation on a pretax basis. The participants designate the investment of the deferred funds, based on various alternatives and the Company historically purchases such investments which are included in receivables and other assets. Total deferred compensation liabilities at March 31, 1998 (unaudited) and December 31, 1997 and 1996 were $23.3 million, $22.2 million and $21.9 million, respectively.

401(K) SAVINGS PLAN

CPI is the sponsor of a defined contribution plan that provides retirement benefits for full time employees. The plan is administered by a third party. CPI does not contribute to the plan and plan costs are not significant for the periods presented.

EMPLOYEE SHARE PURCHASE PLAN

The Employee Share Purchase Plan, as amended, provides for the issuance of rights to purchase units (Series A Common Shares and related interests in CRC) at fair value, as defined. The Plan stipulates that consideration for each unit purchased will be any combination of cash, a recourse note receivable from the employee and a permanent restriction payable to CPI upon transfer of the unit. Sales of units issued pursuant to this plan are restricted during periods ranging up to 60 months following the issuance of rights. No rights were issued during the three months ended March 31, 1998 or 1997 (unaudited), nor the years ended December 31, 1997, 1996 and 1995. As of March 31, 1998 (unaudited), $32.3 million of notes receivable and permanent restrictions relating to the 463,000 units purchased by employees has been deducted from "Capital in Excess of Par Value."

SHARE OPTION PLAN

Under CPI's 1993 Share Option Plan 1,000,000 Series A Common Shares of Beneficial Interest in CPI (and related interests in CRC) are reserved for issuance to employees and directors upon exercise of options. The option prices are to be equal to the fair value of the optioned shares at the date of grant and each option

SHARE OPTION PLAN -- (CONTINUED)
term shall not exceed ten years. A reconciliation of the share option activity, and related information, as of March 31, 1998 and 1997 (unaudited) and December 31, 1997, 1996 and 1995 and for the respective three month and twelve month periods then ended are presented below.

	MARCH 31, 1998		MARCH 31, 1997		DECEMBER 31, 1997		DECEMBER 31,1996		DECEMBER 31, 1995	
	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
	(UNAUDITED)									
Outstanding at beginning of period	814,000	$127.39	336,000	$138.83	336,000	$138.83	339,000	$138.83	345,000	$138.83
Granted			480,000	120.50	515,000	120.50				
Exercised										
Cancelled			(2,000)	138.83	(37,000)	135.36	(3,000)	138.83	(6,000)	138.83
Outstanding at end of period	814,000	$127.39	814,000	$128.02	814,000	$127.39	336,000	$138.83	339,000	$138.83
Exercisable at end of period	814,000	$127.39	250,500	$138.83	814,000	$127.39	252,000	$138.83	170,000	$138.83

The per share weighted average estimated fair value of options granted during 1997 was $1.23. The fair value was estimated on the date of grant using the Black-Scholes (Minimum Value) option-pricing model with the following assumptions: risk-free interest rate of 6.74%; dividend yield of 6.5%; and expected life of five years.

Options outstanding at March 31, 1998 had exercise prices of $120.50 and $138.83 and have a weighted average remaining contractual life of 7.7 years.

The option prices were equal to the market prices at the date of grant and, accordingly, no compensation cost has been recognized for stock options in the financial statements. If CPI had applied a fair value-based method to account for options granted, net income for the three month period ended March 31, 1997 (unaudited) would have been $151.3 million ($5.67 per share of common stock) and net income for the year ended December 31, 1997, would have been $276.6 million ($10.18 per share of common stock). The pro forma amounts reflect only options granted in 1997. The full impact of calculating compensation cost for stock options under a fair value-based method is not reflected in the pro forma amounts because compensation cost is reflected over the options' vesting periods and compensation cost for options granted in 1993 is not required to be considered.

COMMITMENTS, CONTINGENCIES AND OTHER COMMENTS

(1) On February 19, 1998 CPI and CRC signed a definitive agreement to merge with Simon DeBartolo Group, Inc. ("SDG"); a publicly-traded real estate investment trust. The transactions have been approved by all of the companies' Boards of Directors/Trustees. A majority of CPI's shareholders have agreed to approve the transaction which is subject to the approval of the shareholders of SDG, as well as customary regulatory and other conditions. The transaction is expected to be completed in the third quarter of 1998.

The transaction values CPI at approximately $5.8 billion, including the assumption of debt. Each CPI common share will be entitled to $90 in cash, $70 in combined REIT common stock and $19 of liquidation preference in 6 1/2% convertible preferred stock of the combined REIT. The common stock component of the consideration is based upon a fixed exchange ratio of 2.0818 combined REIT shares and is subject to a 15% symmetrical collar based upon the price of SDG common stock determined at closing. Adjustments related to such collar will be in cash.

COMMITMENTS, CONTINGENCIES AND OTHER COMMENTS -- (CONTINUED)

In the first quarter of 1998 CPI incurred approximately $7.5 million of merger-related costs, principally legal and advisory fees, which is presented on the accompanying statements of income. If the merger is effected, additional merger cost, including severance payments pursuant to CPI's present policies, professional fees and other transaction costs, payable by CPI or its successor are projected to be approximately $70.7 million.

(2) CPI has entered into commitments for future real estate investments aggregating approximately $122 million at March 31, 1998 (unaudited) and $122 million, $127 million and $271 million at December 31, 1997, 1996 and 1995, respectively.

(3) In 1996, CPI determined that the decline in value of its $10 million investment in a real estate entity was not temporary and, accordingly, wrote down the investment by $8.2 million to estimated fair value based on an independent appraisal of the property.

(4) CPI is a defendant in various lawsuits arising in the ordinary course of business. In the opinion of management, based upon the advice of both outside and corporate counsel, resolving these actions will not have a material effect upon CPI's financial condition.

(5) On May 7, 1998, the Directors declared distributions ($49.1 million) of $1.94 per common share to shareholders of record at the close of business on May 7, 1998, payable May 15, 1998.

(6) On May 7, 1998, the Directors of CRC declared distributions ($.27 million) of $.10 per CRC common share to shareholders of record at the close of business on May 7, 1998, payable May 15, 1998. Such distribution is equivalent to 1 cent per CPI common share.

(7) CPI has entered into a $250 million revolving credit agreement with 13 banks. The agreement terminates on June 26, 2001. Interest, at CPI's choice, is computed at (1) a rate determined by a competitive bidding process, (2) a rate equal to a spread (currently 5/8%) over the adjusted London interbank (LIBOR) rate or (3) a rate equal to a spread (currently 0%) over the higher of the prime rate or 1/2% over the Federal Funds rate. The interest rate on each LIBOR-based borrowing is fixed at the time of borrowing. As of June 15, 1998 (unaudited), $13 million at an average rate of 6.1% is outstanding pursuant to this agreement.

SUBSEQUENT EVENTS -- (UNAUDITED)

(1) In connection with the Merger, CPI anticipates soliciting consents from the holders of CPI's Notes to permit CPI to assign substantially all of its assets to the SDG Operating Partnership and the SDG Operating Partnership to assume CPI's Note liabilities. Certain of the Note Indentures governing the Notes would require the redemption of $575 million of the Notes if substantially all the assets were transferred to an entity that does not qualify as a REIT. If holders of at least 66 2/3% in outstanding principal amount of each issue of CPI Notes consent to the proposed amendments to the CPI Indentures prior to the Merger, the SDG Operating Partnership will become the successor obligor on the CPI Notes. As an alternative to transferring CPI's assets to the SDG Operating Partnership, SDG anticipates transferring substantially all of CPI's assets to The Retail Property Trust ("RPT"), a REIT subsidiary of the SDG Operating Partnership and RPT will assume CPI's obligations under the Notes. SDG and CPI have received inquiries from the trustee under the Note Indentures and certain note holders as to the means being utilized to effect compliance with the terms of the Note Indentures in connection with the Merger. Certain of such holders have expressed their view that they do not believe compliance may be effected without receiving waivers from the requisite percentage of CPI's note holders. CPI and SDG believe that the transfer of CPI's assets to RPT and RPT's assumption of CPI's liabilities fully complies with the provisions of the Note Indentures.

(2) On July 31, 1998 CPI sold the General Motors Building, New York City for $800 million, resulting in a gain of $204 million ($8.05 per Common Share).

SUBSEQUENT EVENTS -- (UNAUDITED) -- (CONTINUED)

The carrying amount of the General Motors Building of $585 million is separately classified in the March 31, 1998 (unaudited) consolidated balance sheet. Rentals and related property income and net income from this property included in the consolidated statements of income are summarized as follows:

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,	
	1998	1997	1997	1996
	(UNAUDITED)			
Rentals and related property income	$23,371	$22,397	$91,502	$11,282
Net operating income	$10,591	$ 8,008	$32,602	$ 3,571

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Prior to November 15, 1996 CPI accounted for its 30% investment in the General Motors Building under the equity method of accounting. See "Acquisitions and Dispositions." Rentals and related property income of $24,420 and $27,316 and net operating income of $8,278 and $8,114 were included in equity in earnings of joint ventures for the period ended November 15, 1996 and the year ended December 31, 1995, respectively.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of Corporate Realty Consultants, Inc.

We have audited the consolidated balance sheets of Corporate Realty Consultants, Inc. as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of Corporate Realty Consultants, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Corporate Realty Consultants, Inc. at December 31, 1997 and 1996, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, NY
June 30, 1998

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)	($ IN THOUSANDS)	
ASSETS			
Real estate investments:			
Buildings, net of accumulated depreciation and amortization of $10,842, $10,613 and $9,724	$17,076	$16,938	$17,399
Investments in joint ventures	19,341	18,007	449
Land (including $400 held for sale)	4,595	4,595	4,595
Other investments	--	--	1,104
	41,012	39,540	23,547
Cash and cash equivalents	3,900	4,147	4,797
Tenant receivables	625	478	317
Note receivable due from office building tenant	536	584	649
Fees receivable (including $365, $485 and $609 from related parties)	419	505	610
Prepaid real estate taxes and other assets	716	809	1,134
Total assets	$47,208	$46,063	$31,054
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Mortgages payable (including $20,565 payable to CPI)	$21,686	$21,749	$21,988
Notes payable to CPI	16,495	15,069	
Deferred taxes	3,497	3,564	3,045
Other liabilities (including $868, $655 and $350 payable to CPI)	1,528	1,365	982
	43,206	41,747	26,015
Stockholders' equity:			
Common Stock, $.10 par value, 3,542,767.5 shares authorized, and 2,683,538.9, 2,683,883.5 and 2,863,917.7 shares issued and outstanding	268	268	286
Capital in excess of par value	13,351	13,352	14,139
Accumulated deficit	(9,617)	(9,304)	(9,386)
	4,002	4,316	5,039
Total liabilities and stockholders' equity	$47,208	$46,063	$31,054

The accompanying notes are an integral part of these statements.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)		($ IN THOUSANDS)		
REVENUE:					
Minimum rent (including $366, $381, $1,227, $1,523 and $1,523 from CPI)	$ 782	$ 888	$3,108	$ 3,461	$ 3,382
Expense recoveries (including $154, $180, $679, $745 and $1,397 from CPI)	212	273	968	1,202	1,889
Fee income (including $ --, $435, $1,710, $4,627 and $4,745 from related parties)	3	440	1,732	4,638	4,756
Interest and other income	68	124	406	504	396
Total revenue	1,065	1,725	6,214	9,805	10,423
EXPENSES:					
Property operating expenses (including $138, $137, $550, $545 and $543 to CPI)	673	748	3,051	3,165	3,288
Management fees (including $ --, $350, $1,400, $2,640 and $2,832 to CPI)	7	394	1,576	2,832	3,036
Mortgage interest (including $308, $308, $1,234, $1,234 and $1,234 to CPI)	338	343	1,365	1,364	1,383
Depreciation and amortization	229	213	889	938	920
Administrative and other (including $38, $38, $150, $1,368, and $1,459 to CPI)	77	97	295	1,540	1,667
Write-down of land investment				1,100	
Total expenses	1,324	1,795	7,176	10,939	10,294
Income (loss) before equity in income (loss) of joint ventures	(259)	(70)	(962)	(1,134)	129
Equity in income (loss) of joint ventures	147	224	1,550	(4)	(74)
Income (loss) before gain on sale of partnership interests	(112)	154	588	(1,138)	55
Gain on sale of partnership interests			1,259		
Income (loss) before provision for income taxes	(112)	154	1,847	(1,138)	55
Provision (benefit) for income taxes	(67)	175	670	(218)	61
Net income (loss)	$ (45)	$ (21)	$1,177	$ (920)	$ (6)
Net income (loss) per average share outstanding (basic and diluted)	$(0.02)	$(0.01)	$ 0.43	$ (0.39)	Nil

The accompanying notes are an integral part of these statements.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)		($ IN THOUSANDS)		
OPERATING ACTIVITIES					
Net income (loss)	$ (45)	$ (21)	$ 1,177	$ (920)	$ (6)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Equity in (income) loss of joint ventures	(147)	(224)	(1,550)	4	74
Depreciation and amortization	229	213	889	938	920
Write-down of land investment				1,100	
Gain on sale of partnership interests to CPI			(1,259)		
Decrease (increase) in receivables, prepaid real estate taxes and other assets (including $120, $316, $125, $(80) and $70 from related parties)	80	234	334	21	(938)
Increase (decrease) in deferred taxes and other liabilities (including $213, $(89), $305, $(140) and $133 to CPI)	96	29	902	(374)	221
Net cash provided by operating activities	213	231	493	769	271
INVESTING ACTIVITIES					
Investments in buildings	(367)		(428)		(588)
Investments in joint ventures	(1,133)		(16,732)	(165)	
Distributions from joint ventures	410	342	1,827	15	13
Proceeds from sale of partnership interests to CPI			2,363		
Net cash (used in)/provided by investing activities	(1,090)	342	(12,970)	(150)	(575)
FINANCING ACTIVITIES					
Proceeds from issuance of notes payable received from CPI	962		13,966		
Mortgage principal payments	(63)	(57)	(239)	(220)	(201)
Acquisition and retirement of Common Stock	(1)	(479)	(805)	(691)	(1)
Issuance of Common Stock				3,295	90
Cash distributions	(268)	(276)	(1,095)	(965)	(1,413)
Net cash provided by (used in) financing activities	630	(812)	11,827	1,419	(1,525)
(Decrease) increase in cash and cash equivalents	(247)	(239)	(650)	2,038	(1,829)
Cash and cash equivalents at beginning of year	4,147	4,797	4,797	2,759	4,588
Cash and cash equivalents at end of year	$ 3,900	$4,558	$ 4,147	$ 4,797	$ 2,759
Supplemental Disclosure:					
Interest paid (net of amounts capitalized) during the period (including $103, $308, $1,234, $1,234 and $1,234 paid to CPI)	$ 128	$ 339	$ 1,347	$ 1,367	$ 1,384
Income taxes paid during the period	$ 134	$ 10	$ 144	$ 150	$ 352
Non-cash investing activity:					
Foreclosure on mortgage receivable					$ 1,500

The accompanying notes are an integral part of these statements.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE THREE YEARS ENDED DECEMBER 31, 1997 AND THE THREE MONTHS ENDED MARCH 31, 1998 (UNAUDITED)	COMMON STOCK $.10 PAR VALUE	CAPITAL IN EXCESS OF PAR VALUE	ACCUMULATED DEFICIT	TOTAL
		($ IN THOUSANDS)		
Balance at January 1, 1995	$226	$11,506	$(6,082)	$ 5,650
Net loss for the year			(6)	(6)
Cash dividends paid of $.625 per share			(1,413)	(1,413)
Proceeds from issuance of Common Stock	1	89		90
Acquisition and retirement of Common Stock		(1)		(1)
Balance at December 31, 1995	227	11,594	(7,501)	4,320
Net loss for the year			(920)	(920)
Cash dividends paid of $.425 per share			(965)	(965)
Proceeds from issuance of Common Stock	75	3,220		3,295
Acquisition and retirement of Common Stock	(16)	(675)		(691)
Balance at December 31, 1996	286	14,139	(9,386)	5,039
Net income for the year			1,177	1,177
Cash dividends paid of $.40 per share			(1,095)	(1,095)
Acquisition and retirement of Common Stock	(18)	(787)		(805)
Balance at December 31, 1997	268	13,352	(9,304)	4,316
Net loss for the period			(45)	(45)
Cash dividends paid of $.10 per share			(268)	(268)
Acquisition and retirement of Common Stock		(1)		(1)
Balance at March 31, 1998 (unaudited)	$268	$13,351	$(9,617)	$ 4,002

The accompanying notes are an integral part of these statements.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Description of Business

Corporate Realty Consultants, Inc. ("CRC"), a Delaware corporation, engages primarily in the ownership, operation, acquisition and development of real estate properties either directly or through interests in joint ventures.

All of the outstanding shares of CRC have been deposited in two trusts under (1) a Trust Agreement dated October 30, 1979, among CRC, Bank of Montreal Trust Company (the current trustee) and Corporate Property Investors ("CPI"), a self managed real estate investment trust (REIT) which engages in the ownership, operation, management, leasing, acquisition, development and expansion of income producing properties throughout the United States and (2) a Trust Agreement dated August 26, 1994, among CRC, Bank of Montreal Trust Company (the current trustee) and certain holders of CPI 6.5% First Series Preference Shares. The beneficial interests in the CRC Trusts are owned by shareholders of CPI in proportion to their respective number of CPI shares. Ownership of CRC shares is not evidenced by a separate stock certificate and cannot be transferred separately from the corresponding CPI shares. All directors of CRC must be directors of CPI and the senior executive officers of CPI are also officers of CRC. The foregoing arrangements create a "Paired-Share REIT" structure for federal income tax purposes.

Basis of Presentation

The consolidated financial statements include the accounts of CRC and its wholly-owned consolidated subsidiaries. Significant intercompany balances, transactions and accounts are eliminated in consolidation. Investments in joint ventures which represent noncontrolling 25%, 50% and 85% ownership interests and in which CRC exercises significant influence over the joint ventures' operating and financial policies are accounted for under the equity method of accounting. Investments in partnerships in which CRC exercises no influence over the partnerships' operating and financial policies (reflected as other investments in the accompanying consolidated balance sheets) are accounted for under the cost method of accounting. Generally, net income/(loss) for each joint venture and partnership is allocated consistent with the ownership interests held by each joint venturer and partner.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Real Estate and Depreciation and Amortization Policy

Real estate to be held and used in operations is stated at cost. Depreciation and amortization are computed utilizing the straight-line method over the estimated useful lives of the buildings and leaseholds.

Land held for sale is recorded at the lower of its carrying amount or fair value less cost to sell.

Tenant inducements and costs associated with leasing of the buildings are capitalized and amortized on a straight-line basis over the lives of the related tenant leases which range from three to ten years.

Financial Accounting Standards Board Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows are not sufficient to recover the assets' carrying amount. The impairment loss is measured by comparing

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
Real Estate and Depreciation and Amortization Policy -- (Continued)
the fair value of the asset less cost to sell to its carrying amount. Effective January 1, 1996 CRC adopted Statement 121 for which no provision was required.

Deferred Charges

Direct financing and issue costs on debt are deferred and amortized over the terms of the related debt as a component of interest expense.

Buildings

The investments in buildings consist of (1) a 100% leasehold interest in a 120,000 square foot, multi-tenanted office building in New York City ("NYC Office Building") which also serves as CPI and CRC headquarters and (2) a 100% leasehold interest in a 200,000 square foot building in Norfolk, Virginia which is leased to the J.C. Penney Company ("JCPenney Building"). At March 31, 1998, the NYC Office Building is 78% leased which includes approximately 60% that is leased to CPI.

Investments in Joint Ventures

At March 31, 1998 (unaudited) and December 31, 1997, CRC's investment in joint ventures consists of (1) an 85% noncontrolling interest in Mill Creek Land, L.L.C. ("Mill Creek") which was formed in 1997 to purchase, improve and sell land in Gwinnett County, Georgia and (2) a 25% limited partner interest in Cambridge Hotel Associates, a partnership which provides management and advisory services to the Cambridge Hotel in Cambridge, Massachusetts. CRC and its joint venture partner at Mill Creek share equally in all the development, operating and financial policy decision making of the joint venture. CRC funded approximately $14.9 million of its total contribution to Mill Creek of $17.9 million from notes payable to CPI (see "Mortgages and Notes Payable"). Mill Creek capitalizes all cost clearly associated with the acquisition, development and construction of its project and recognizes profit on land sales in accordance with Financial Accounting Standards Board Statement No. 66, "Accounting for Sales of Real Estate."

CRC also held a 50% interest in Corporate Realty Capital, a partnership which generated fee income by providing mortgage banking services. As of December 31, 1997, Corporate Realty Capital ceased its operations and liquidated partnership assets. CRC will make no further contributions and expects no further distributions from Corporate Realty Capital.

As of March 31, 1998 (unaudited), December 31, 1997 and 1996, the excess of CRC's investment over its share of the equity in the underlying net assets of the joint ventures was approximately $1.7 million, $1.3 million and $.2 million, respectively. The combined condensed balance sheets of the joint ventures as of March 31, 1998 (unaudited), December 31, 1997 and 1996 and the related statements of net income for the three months ended March 31, 1998 and 1997 (unaudited) and for the years ended December 31, 1997, 1996 and 1995 follows.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)
Investments in Joint Ventures -- (Continued)

	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)	($ IN THOUSANDS)	
Assets:			
Real estate assets	$19,464	$18,746	$ --
Other	4,152	3,188	696
Total assets	$23,616	$21,934	$696
Liabilities:			
Accounts payable and other	$ 2,633	$ 2,088	$ --
Joint Venturers' Equity:			
CRC	$17,610	$16,739	$284
Others	3,373	3,107	412
Total joint venturers' equity	$20,983	$19,846	$696

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
Income	$536	$788	$4,690	$3,305	$2,107
Expenses	3	271	543	1,193	1,335
Net income (loss)	$533	$517	$4,147	$2,112	$ 772

Land

CRC's land interest consists of (1) 37 acres of vacant land, zoned for retail business, being held for development adjacent to a shopping center owned by CPI in Rockaway, New Jersey and (2) a 203 acre vacant tract of land zoned for single family housing in Putnam, New York ("Putnam Land") which is being marketed for sale. CRC acquired the Putnam Land through the 1995 foreclosure of its mortgage receivable investment. On the date of foreclosure, CRC recorded the Putnam Land at management's estimate of fair value of $1.5 million, which was also the carrying amount of the mortgage receivable on such date. In 1996, CRC estimated a decline in the fair value of the Putnam Land and, accordingly, wrote down the investment by $1.1 million.

Revenue Recognition

Minimum rents are accrued on a straight-line basis over the terms of the respective leases. Expense recoveries from tenants for real estate taxes and other recoverable operating expenses are recognized as revenue in the period the applicable expenditures are chargeable to tenants.

Fee income is recognized when earned in accordance with the terms of the related partnership and management agreements.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES -- (CONTINUED)

Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. Cash equivalents are carried at cost, which equates to market, and principally consist of commercial paper.

Income Per Common Share

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share." Statement 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. The weighted average shares of common stock outstanding used in the basic calculation are 2,684,000 and 2,755,000 for the three months ended March 31, 1998 and 1997 (unaudited), respectively, and 2,732,000, 2,353,000 and 2,264,000 for 1997, 1996 and 1995, respectively. Exercise of outstanding stock options would result in an additional 23,700 and 800 shares outstanding for the three months ended March 31, 1998 (unaudited) and for the year ended December 31, 1997, respectively. For the three months ended March 31, 1998 (unaudited) diluted earnings per share exclude these options because the exercise of such options would have been antidilutive.

Income Taxes

CRC has adopted Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." Statement 109 utilizes the asset and liability method for computing tax expenses. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying statutory tax rates to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years and for carryforwards. A valuation allowance is recognized if it is more likely than not that some portion of the deferred asset will not be recognized. When evaluating whether a valuation allowance is appropriate, Statement 109 requires a company to consider such factors as previous operating results, future earnings potential, tax planning strategies and future reversals of existing temporary differences. The valuation allowance is increased or decreased in future years based on changes in these criteria.

MORTGAGES AND NOTES PAYABLE

The mortgages payable consists of (1) a $20.6 million mortgage payable to CPI with a maturity date of December 31, 2013 which, through December 31, 1998, bears interest at 6% and requires annual interest payments to CPI of $1.2 million; beginning January 1, 1999 through maturity bears interest at 15% and requires annual interest and principal payments to CPI of $3.2 million; requires a balloon payment at maturity of $14.9 million; and requires a contingent interest payment, as defined, upon the earlier of the sale of the property securing the mortgage or the loan maturity date and (2) a mortgage payable to Ameritas Life Insurance Corp., with an outstanding balance of $1.1 million, $1.2 million and $1.4 million at March 31, 1998 (unaudited) and December 31, 1997 and 1996, respectively, which bears interest at 8.5% and requires annual interest and principal payments of $.4 million through the maturity date of November 30, 2001. The mortgage payable to CPI is secured by the NYC Office Building and the mortgage payable to Ameritas Life Insurance Corp. is secured by the JCPenney Building.

The notes, in the aggregate principal amount of $14.9 million and $14 million at March 31, 1998 (unaudited) and December 31, 1997, respectively, are unsecured and payable to CPI, mature in 2007 and

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

MORTGAGES AND NOTES PAYABLE -- (CONTINUED)
bear interest at 12%. The interest, which is compounded monthly and capitalized to the note balances, amounted to $1.6 million and $1.1 million, respectively, at March 31, 1998 (unaudited) and December 31, 1997. Principal and accrued interest payable on the notes are due at maturity.

As of December 31, 1997, principal payments required on all debt are:

	AMOUNT ($ IN THOUSANDS)
Years ending December 31,	
1998	$ 260
1999	$ 392
2000	$ 434
2001	$ 481
2002	$ 170
Thereafter	$35,081

The fair value of the mortgages is estimated to be approximately $33 million and $32 million, respectively, at December 31, 1997 and 1996 and the fair value of the notes is estimated to be approximately $20 million at December 31, 1997 using discounted cash flow analyses based upon indications of market pricing for similar types of debt.

LEASE COMMITMENTS

CRC, as the lessor, receives rental income from the NYC Office Building and the JCPenney Building under leases that are classified and accounted for as operating leases. The office tenant leases provide for rent plus reimbursement of operating expenses and the lease terms range from three to ten years and contain various renewal options. The lease relating to the JCPenney Building expires in 2002 and has five renewal options, each for a period of five years. At December 31, 1997, future minimum rentals to be received under noncancellable leases are:

	AMOUNT ($ IN THOUSANDS)
Years ending December 31,	
1998	$ 1,877
1999	2,192
2000	2,197
2001	2,212
2002	1,907
Thereafter	7,328
Total	$17,713

The above future minimum rentals do not include $1.5 million per year to be received from CPI for its rental space in the NYC Office Building, through December 31, 2005.

CRC, as the lessee, is obligated under two ground lease agreements with CPI. A ground lease relating to the NYC Office Building requires annual lease payments to CPI of $450,000 through May 31, 2081. A ground lease relating to the JCPenney Building provides for annual rent payments to CPI of approximately $81,000 through February 28, 2002 and thereafter, $91,000 through February 28, 2042. Pursuant to an amendment to the ground lease dated September 1, 1992, approximately $47,000 is deferred each year, with interest accruing

LEASE COMMITMENTS -- (CONTINUED)
at prime, until the related mortgage loan secured by the JCPenney Building is paid in full (see "Mortgages and Notes Payable"). At March 31, 1998 (unaudited), December 31, 1997 and 1996 deferred rent plus accrued interest payable to CPI amounted to $324,167, $306,903 and $240,756, respectively, and is included in other liabilities on the accompanying consolidated balance sheets.

NOTE RECEIVABLE

In 1995 a tenant in the NYC Office Building borrowed $700,000 from CRC. The note bears interest at 10% and provides for monthly interest and principal payments of $14,016 beginning October 1, 1997. The remaining outstanding balance is due and payable in September 2001. At March 31, 1998 (unaudited), December 31, 1997 and 1996 the note receivable balance was $535,844, $583,600 and $648,872, respectively.

INCOME TAXES

The Company accounts for income taxes in accordance with Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The components of the income tax provision (benefit) are as follows:

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
	($ IN THOUSANDS)		
Current federal tax	$151	$ --	$ 53
Current state tax	--	--	--
Deferred federal tax	298	(146)	(12)
Deferred state tax	221	(72)	20
	$670	$(218)	$ 61

The reconciliation of income tax computed at the U.S. federal statutory rate to income tax expense is as follows:

	FOR THE YEARS ENDED DECEMBER 31,					
	1997		1996		1995	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
	($ IN THOUSANDS)					
Tax at U.S. statutory rate	$524	34.0%	$(219)	-34.0%	$(12)	-34.0%
State taxes, net of federal benefit	145	9.4%	(61)	-9.4%	1	3.1%
Non-deductible items	--	--	--	--	--	--
Effect of permanent differences	--	--	10	1.6%	15	45.3%
Change in valuation allowance	(28)	-1.8%	49	3.2%	57	164.5%
Expiration of charitable contributions	28	1.8%	--	--	--	--
Miscellaneous other	1	--	3	0.2%	--	--
	$670	43.5%	$(218)	-38.5%	$ 61	178.9%

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

INCOME TAXES -- (CONTINUED)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	DECEMBER 31,	
	1997	1996
	($ IN THOUSANDS)	
Deferred tax assets:		
General business credit	$ 1,461	$ 1,461
Bad debt expense	652	652
Net operating loss carryforward	648	783
AMT credit carryforward	525	374
Basis difference on future sale	--	209
Charitable contributions carryforward	171	199
	3,457	3,678
Less: valuation allowance	(1,632)	(1,660)
	$ 1,825	$ 2,018
Deferred tax liabilities:		
Book/tax basis difference	$ 5,389	$ 5,063
Net deferred tax liability	$ 3,564	$ 3,045

Statement 109 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a $1.6 million and $1.7 million valuation allowance at December 31, 1997 and 1996, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized.

At December 31, 1997 and 1996, CRC has available unused net operating loss carryforwards totalling approximately $1.3 million and $1.6 million, respectively, which expire beginning in 2010.

RELATED PARTY TRANSACTIONS

Management and Consulting Services

CRC paid CPI for management and consulting services. Fees paid to CPI for the three months ended March 31, 1997 (unaudited) were approximately $.4 million and for the years ending December 31, 1997, 1996 and 1995 were approximately $1.4 million, $2.6 million and $2.8 million, respectively. No fees were paid in 1998.

CRC also reimburses CPI for general and administrative expenses and payroll and related expenses incurred on CRC's behalf. Such reimbursements included in administrative and other on the accompanying consolidated statements of operations amounted to approximately $.04 million for each of the three months ended March 31, 1998 and 1997 (unaudited) and $.15 million, $1.4 million and $1.5 million for the years ended December 31, 1997, 1996 and 1995, respectively.

Pembrook Management Inc. ("PMI") was the managing agent for all of CPI's wholly-owned properties and certain properties in which CPI holds a joint venture interest under various management agreements. PMI assigned certain property management aspects of these management agreements including leasing, legal

RELATED PARTY TRANSACTIONS -- (CONTINUED)
Management and Consulting Services -- (Continued)
and marketing services to CRC for which PMI paid CRC $.4 million for the three months ended March 31, 1997 (unaudited) and $1.7 million, $2.9 million and $3.3 million in 1997, 1996 and 1995, respectively. Such fees are included in fee income on the accompanying consolidated statements of operations. PMI ceased continuing business operations on December 31, 1997 at which time CPI took over the management of the properties.

In connection with its management of the General Motors Building, a New York City office building located at 767 Fifth Avenue, CRC was paid an asset management fee in 1996 and 1995 from the partnership which owns the building and in which CPI held a partial interest until it became the 100% owner during 1996. The fees received were approximately $1.6 million and $1.4 million for 1996 and 1995, respectively, representing 1/4% of the average of the current and preceding year appraisal value of the General Motors Building. No fees were paid to CRC in 1997 as the General Motors Building became wholly-owned by CPI in 1996 and the asset management contract was ended.

Loan and Lease Commitments

CRC has a mortgage and notes payable to CPI (See "Mortgages and Notes Payable").

CRC receives rental and operating expense recovery income from CPI for space leased in the NYC Office Building (see "Lease Commitments"). Rental and operating expense recovery income earned from CPI amounted to approximately $.5 million and $.6 million, respectively, for the three months ended March 31, 1998 and 1997 (unaudited) and $1.9 million, $2.3 million and $2.9 million for the years ended December 31, 1997, 1996 and 1995, respectively. In addition, CRC has a payable to CPI for an overpayment of rent. This overpayment, which resulted from a lease modification effective January 1, 1997, amounted to $311,659 and $296,478, respectively, at March 31, 1998 (unaudited) and December 31, 1997 and is included in other liabilities in the accompanying consolidated balance sheets.

CRC is the lessee under two ground lease agreements with CPI (see "Lease Commitments").

Other

On April 1, 1997 CRC sold its approximately 1% limited partner interests in three partnerships, each which owned property held for investment, to the general partner, CPI, for approximately $2.4 million and realized a gain on the sale of approximately $1.3 million. Such interests are included in other investments on the accompanying consolidated balance sheet as of December 31, 1996.

CPI has in effect a Common Share Purchase Plan, an Employee Share Purchase Plan and a Share Option Plan which provide for the right or option to purchase, as defined, CPI Series A Common Shares and related interests in CRC to certain shareholders, employees and directors. The purchase or redemption of CPI Series A Common Shares pursuant to the plans affects the related interests in CRC and is reflected in the accompanying consolidated statement of stockholders' equity.

CORPORATE REALTY CONSULTANTS, INC.
AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Other -- (Continued)
COMMITMENTS, CONTINGENCIES AND OTHER COMMENTS

(1) On February 19, 1998 CPI and CRC signed a definitive agreement to merge with Simon DeBartolo Group, Inc. ("SDG"), a publicly-traded real estate investment trust. The transactions have been approved by all of the companies' Boards of Directors/Trustees. A majority of CPI's shareholders have agreed to approve the transaction which is subject to the approval of the shareholders of SDG, as well as customary regulatory and other conditions. CRC is included as part of the merger agreement between CPI and SDG. The transaction is expected to be completed in the third quarter of 1998.

(2) On May 7, 1998, the Directors of CRC declared distributions ($.27 million) of $.10 per CRC common share to shareholders of record at the close of business on May 7, 1998, payable May 15, 1998.

(3) In November and December 1996 CPI issued common shares (and related interests in CRC) to a shareholder and an affiliate of a shareholder in exchange for each's respective partnership interests in certain operating properties of CPI. In connection with the aforementioned, CRC received in cash $2.53 million and $.76 million, respectively, and issued 576,454.4 and 172,263.9 shares, respectively, of common stock.

ANNEX A

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

DATED AS OF FEBRUARY 18, 1998

BY AND AMONG

SIMON DEBARTOLO GROUP, INC.,

CORPORATE PROPERTY INVESTORS

AND

CORPORATE REALTY CONSULTANTS, INC.

TABLE OF CONTENTS

GLOSSARY OF DEFINED TERMS

The following terms, when used in this Agreement, have the meanings ascribed to them in the corresponding Sections of this Agreement listed below:

"SEC"	-- Section 1.6.1
"Securities Act"	-- Section 3.1.4
"Significant Entities"	-- Section 9.11(i)
"Stockholder Agreement"	-- Recitals
"Stockholders' Meetings"	-- Section 6.3.2
"Stock Trust"	-- Section 2.3.6
"Subsidiary"	-- Section 9.11(j)
"Surviving Corporation"	-- Section 1.2
"taxes"	-- Section 3.1.12
"Termination Fee"	-- Section 8.2
"Transfer Taxes"	-- Section 6.15

This AGREEMENT AND PLAN OF MERGER dated as of February 18, 1998 (this "Agreement") is made and entered into by and among Simon DeBartolo Group, Inc., a Maryland corporation ("A1"), Corporate Property Investors, a Massachusetts business trust ("C1"), and Corporate Realty Consultants, Inc., a Delaware corporation ("C2").

WHEREAS, the Board of Directors of A1 and the Board of Trustees of C1 have each determined that it is advisable and in the best interests of their respective stockholders and shareholders to consummate, and have approved, the business combination transaction provided for herein in which a newly formed, wholly owned subsidiary organized under the laws of the State of Maryland ("Merger Sub") of C1 Delaware (the successor to C1 by means of the C1 Delaware Reorganization (as defined herein)) would merge with and into A1 (the "Merger");

WHEREAS, the Board of Directors of A1 and the Board of Trustees of C1 have each determined that the Merger is in furtherance of and consistent with their respective long-term business strategies and is fair to and in the best interests of their respective stockholders and shareholders;

WHEREAS, prior to the record date for the stockholder meeting of C1 referred to in Section 6.3.2, C1 intends to consummate its long-standing plan to reorganize as a corporation organized under the laws of the State of Delaware on the terms described herein (the "C1 Delaware Reorganization");

WHEREAS, for Federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Merger is intended to preserve C1's and C2's status as grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984;

WHEREAS, as an inducement to A1 to enter into this Agreement, each of the Board of Trustees of C1, the Board of Directors of C2 and certain shareholders of C1 and C2 have approved the terms of a Stockholder Voting Agreement in the form of Exhibit A (the "Stockholder Agreement") to be entered into by A1 and holders of C1 Common Shares (as defined herein) representing at least a majority of all the outstanding C1 Common Shares and C1 Preference Shares (as defined herein) and a majority of the total voting power of all the outstanding shares of C2 Common Stock (as defined herein) and by the holders of C1 Preference Shares representing at least two thirds of the total voting power of all the outstanding C1 Preference Shares, concurrently with the execution of this Agreement, pursuant to which each of such shareholders has agreed to vote its capital stock holdings for approval of the Merger and the transactions contemplated by this Agreement; and

WHEREAS, A1, C1 and C2 desire to make certain representations, warranties and agreements in connection with, and also to prescribe various conditions to, the Merger.

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

ARTICLE I.

THE REORGANIZATION AND DISTRIBUTION; THE MERGER

Section 1.1. The Reorganizations and Distributions.

1.1.1. Reorganizations of C1 and C2. (a) Prior to the record date for the stockholder meeting of C1 referred to in Section 6.3.2, C1 shall use its reasonable best efforts to effect the C1 Delaware Reorganization and thereby reorganize as a corporation incorporated under the laws of the State of Delaware (C1, as so reorganized, is referred to herein as "C1 Delaware"). In connection with the C1 Delaware Reorganization, (i) C1 shall, subject to obtaining the requisite approval of its shareholders, merge with and into a newly formed corporation wholly owned by C1 and organized under the laws of the Commonwealth of Massachu-

setts and (ii) immediately thereafter, the surviving corporation shall merge with and into a newly formed corporation wholly owned by such surviving corporation and organized under the laws of the State of Delaware, in each case on a basis that is a tax-free reorganization within the meaning of Section 368(a) of the Code and does not adversely affect C1's and C2's status as grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984. In connection with the C1 Delaware Reorganization, (i) each issued and outstanding C1 Common Share (as defined in Section 4.1.2) shall be converted into the right to receive one share of common stock, par value $.01 per share, of C1 Delaware ("C1 Delaware Common Stock") and (ii) each issued and outstanding 6.50% First Series Preference Share of C1 issued under a Certificate of Designation executed August 4, 1994 (the "C1 6.50% Preference Shares") shall be converted into one share of 6.50% First Series Preferred Stock, par value $1,000 per share, of C1 Delaware having rights, restrictions, privileges and preferences substantially the same as those provided for with respect to the C1 6.50% Preference Shares on the date hereof. In connection with the C1 Delaware Reorganization, C1 Delaware shall adopt a certificate of incorporation and by-laws that do not contain any restrictions on the consummation of the transactions contemplated hereby that are substantially more burdensome to C1, C2 or A1 than are currently contained in the Declaration of Trust and Trustee's Regulations of C1. By virtue of the C1 Delaware Reorganization, C1 Delaware will succeed to all of the rights and obligations of C1 under this Agreement.

(b) Also in connection with the C1 Delaware Reorganization, (i) C1 Delaware and C2 shall enter into an Issuance Agreement in the form set forth as Exhibit B hereto (the "C1/C2 Issuance Agreement") and (ii) C2 shall engage in a merger (the "C2 Merger") with a wholly owned Subsidiary of C2 under the appropriate provisions of the Delaware General Corporation Law (the "DGCL") pursuant to which (w) C2 shall be the surviving entity, (x) the shares of C2 Common Stock (as defined in Section 4.2.2) not held pursuant to the C2 Trust Agreements (as defined in Section 4.2.2) shall be canceled, the holders of any such canceled shares being entitled to receive cash in an amount equal to $10 times the number of shares so canceled, (y) each 100 shares of C2 Common Stock outstanding and held pursuant to the C2 Trust Agreements shall be converted into one such share and (z) the authorized share capitalization of C2 shall be fixed at 1,000,000 shares of C2 Common Stock and 1,000,000 shares of C2 Permitted Preferred Stock (as such term is defined in the C1/C2 Issuance Agreement).

1.1.2. Distributions and Recapitalization. Prior to the Effective Time the following actions shall be taken (without duplication):

(i) A1, with the cooperation and consent of C1 Delaware, shall use commercially reasonable efforts to obtain financing in an amount sufficient to finance the cash distribution referred to in clause (ii) below;

(ii) C1 Delaware shall declare a per share dividend on the C1 Common Shares issued and outstanding prior to the distribution of C1 Common Shares set forth in clause (iii) of this Section 1.1.2, payable in cash to the holders of record of such C1 Common Shares as of the close of business on the business day immediately preceding the day of the Effective Time, consisting of an amount equal to the Cash Amount (as defined below);

(iii) C1 Delaware shall declare a per share dividend on the issued and outstanding C1 Common Shares, payable in new C1 Common Shares to the holders of record of such C1 Common Shares as of the close of business on the business day immediately preceding the day of the Effective Time, consisting of 1.0818 C1 Common Shares;

(iv) C1 Delaware shall declare a per share dividend on the C1 Common Shares issued and outstanding prior to the distribution of C1 Common Shares set forth in clause (iii) of this Section 1.1.2 payable in shares of Series A Convertible Preferred Stock, par value $.01 per share, of C1 Delaware having the rights, restrictions, privileges and preferences as set forth on Exhibit C hereto (the "C1 Series A Preferred Stock") to holders of record of such C1 Common Shares as of the close of business on the business day immediately preceding the day of the Effective Time, consisting of 0.19 of a share of C1 Series A Preferred Stock for each C1 Common Share; and

(v) C1 Delaware shall take such actions as shall be required to make the appropriate adjustments to all outstanding options and conversion rights to acquire C1 Common Shares to reflect the transactions described in clauses (ii), (iii) and (iv) above in accordance with the terms of such options and rights (it being understood that in connection with the adjustment for the distributions set forth in clauses (ii) and (iv) above, for purposes of the Certificate of Designation for the C1 Preference Shares, the "current market price" per C1 Common Share shall be $177.67.

1.1.3. Cash Amount and Conversion Number. The amount of the cash dividend to be declared by C1 Delaware pursuant to Section 1.1.2(ii) above (the "Cash Amount") shall be $90.00 per C1 Common Share, subject to adjustment as follows:

(i) if the Market Price for the A1 Class A Stock (as defined in Section 3.1.2.) at the Effective Time exceeds $38.67, then the Cash Amount shall be reduced by an amount equal to such excess multiplied by 2.0818; and

(ii) if the Market Price for the A1 Class A Stock at the Effective Time is less than $28.58, then the Cash Amount shall be increased by an amount equal to such deficiency multiplied by 2.0818.

For purposes of this Section 1.1.3, the "Market Price for the A1 Class A Stock at the Effective Time" shall be the average of the closing prices per share for the A1 Class A Stock on the New York Stock Exchange for the 20 consecutive trading days ending on the fifth trading day prior to the Effective Time.

1.1.4. No Fractional Shares. (a) No certificate or scrip representing fractional C1 Common Shares will be issued pursuant to the dividend payments described in Section 1.1.2, and any such fractional share will not entitle the owner thereof to vote or to any rights of a stockholder of the C1 Delaware.

(b) As promptly as practicable following the dividend payments described in Section 1.1.2, C1 Delaware shall cause to be distributed to the holders of C1 Common Shares who are entitled to receive such dividends, in substantially the same manner described in Section 2.3.6, the amount of cash, if any, to be paid to such holders of in lieu of any fractional C1 Common Share.

Section 1.2. The Merger. (a) Upon the terms and subject to the conditions of this Agreement, at the Effective Time, Merger Sub shall be merged with and into A1 in accordance with the Maryland General Corporation Law (the "MGCL"). At the Effective Time, the separate existence of Merger Sub shall cease and A1 shall continue as the surviving corporation in the Merger (the "Surviving Corporation"). A1 and Merger Sub Delaware are sometimes referred to herein as the "Constituent Corporations". As a result of the Merger, the outstanding shares of capital stock of the Constituent Corporations shall remain outstanding or be converted or canceled in the manner provided in Section 2.1.

(b) A1 shall have the right, with the consent of C1 (which consent shall not be unreasonably withheld), for a period of 30 days from the date hereof, to request that the parties change the structure of the Merger and the other transactions contemplated hereby such that a wholly owned subsidiary of A1 would merge with and into C1, with C1 as the surviving corporation. Such change would be set forth in an amendment to this Agreement which shall be reasonably acceptable to C1 and would provide that, among other things,

(x) each issued and outstanding C1 Common Share shall be converted into:

(i) a number of shares of A1 Common Stock equal to one plus the number of C1 Common Shares that would otherwise have been received with respect to each outstanding C1 Common Share pursuant to Article 1 hereof;

(ii) an amount in cash equal to the Cash Amount payable pursuant to Article I hereof with respect to each C1 Common Share, subject to adjustment as provided therein; and

(iii) shares of preferred stock of A1 having the rights, restrictions, privileges and preferences as set forth in Exhibit C hereto; and

(y) each issued and outstanding C1 6.50% Preference Share shall be converted into one share of a new series of preferred stock of A1 having economic terms and rights, restrictions, privileges and preferences substantially the same as those provided for with respect to the C1 6.50% Preferences Shares.

If A1 makes such request and C1 consents to such request within such 30-day period, the parties agree to use their best efforts to promptly prepare, execute and deliver an amendment to this Agreement that accomplishes the foregoing and containing other terms and conditions reasonably required therein. Notwithstanding the foregoing, until any such amendment to this Agreement is executed, this Agreement shall remain in full force and effect in accordance with its terms.

Section 1.3. Closing. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Section 8.1, and subject to the satisfaction or waiver (where applicable) of the conditions set forth in Article VII, the closing of the Merger (the "Closing") will take place at the offices of Willkie Farr & Gallagher, New York, New York, at 10:00 a.m., local time, on the second business day following satisfaction of the conditions set forth in Article VII, unless another date, time or place is agreed to in writing by the parties hereto (the "Closing Date"). At the Closing there shall be delivered to A1, C1 and C2 the certificates and other documents and instruments required to be delivered under Article VII.

Section 1.4. Effective Time. At the Closing, articles of merger or other appropriate documents shall be duly prepared and executed by the Constituent Corporations (the "Articles of Merger") in accordance with Section 3-110 of the MGCL and thereafter delivered to the State Department of Assessments and Taxation of the State of Maryland (the "Maryland Secretary of State") for filing as provided in Section 107 of the MGCL the Articles of Merger and the Articles of Merger also shall be filed with any local recording office as required, in each case, as soon as practicable on the Closing Date. The Merger will become effective at such time as the Articles of Merger have been filed with the Maryland Secretary of State or at such other time as may be agreed upon by the parties and specified in the Articles of Merger in accordance with applicable law. The date and time when the Merger becomes effective is referred to herein as the "Effective Time".

Section 1.5. Articles of Incorporation and By-laws.

1.5.1. C1 Certificate of Incorporation and By-laws. (a) At the Effective Time, (i) the certificate of incorporation of C1 Delaware in effect immediately prior to the Effective Time shall be amended and restated in its entirety to be substantially in the form of Exhibit D hereto and, as so amended and restated, such certificate of incorporation shall be the certificate of incorporation of C1 (the "C1 Charter") until thereafter amended as provided by law and the C1 Charter and (ii) the By-laws of C1 Delaware shall be amended and restated in their entirety to be substantially in the form of Exhibit E hereto and, as so amended and restated, such by-laws shall be the By-laws of C1 (the "C1 By-laws") until thereafter amended as provided by law, the C1 charter and such By-laws.

(b) In order for C1 to meet the requirements to (i) qualify as a real estate investment trust which meets the requirements of Sections 856 through 860 of the Code (a "REIT", and the requirements for such qualification, the "REIT Requirements"), (ii) avoid any Federal income or excise tax liability and (iii) otherwise maintain the current Federal income tax treatment of the pairing arrangement for the shares of C2 Common Stock following the Merger, the C1 Charter will provide that, subject to the exceptions set forth therein, no person or entity shall own, or be deemed to own by virtue of the attribution provisions of Section 544 of the Code (as modified by Section 856(h)(1)(B) of the Code) or Section 318 of the Code (as modified by Section 856(d)(5) of the Code), more than 6.8% of the outstanding Paired Shares (the "Ownership Limit") at or after the Effective Time. Accordingly, if any holder (other than a holder which is excepted from Ownership Limit restriction pursuant to the C1 Charter, but only to the extent of such exception) would receive in connection with the Merger a number of Paired Shares such that any person or entity would own, or be deemed to own under the applicable attribution rules of the Code referred to above, Paired Shares in excess of the Ownership Limit, then such holder shall acquire no right or interest in such number of Paired Shares which would cause such person or entity to exceed the Ownership Limit, but such holder shall, in lieu of receiving those Paired Shares which would cause the Ownership Limit to be exceeded

(the "Limited Shares"), have the right to be paid by C1 an amount in cash for such Limited Shares equal to the product of the Market Price multiplied by the number of such Limited Shares.

1.5.2. A1/MS Certificate of Incorporation and By-laws. At the Effective Time, (i) the Amended and Restated Articles of Incorporation of A1 as in effect immediately prior to the Effective Time shall be amended so that the name of the Surviving Corporation shall be "SDG Properties, Inc." and, as so amended, such Amended and Restated Articles of Incorporation shall be the Articles of Incorporation of the Surviving Corporation (the "A1/MS Articles of Incorporation") until thereafter amended as provided by law and the A1/MS Articles of Incorporation and (ii) the Amended and Restated By-laws of A1 as in effect immediately prior to the Effective Time shall be the By-laws of the Surviving Corporation (the "A1/MS By-laws") until thereafter amended as provided by law, the A1/MS Articles of Incorporation and such By-laws.

1.5.3. C2 Certificate of Incorporation and By-laws. At the Effective Time, (i) the Certificate of Incorporation of C2 as in effect immediately prior to the Effective Time shall be amended and restated in their entirety to be substantially in the form of Exhibit F hereto and, as so amended and restated, such Certificate of Incorporation shall be the Certificate of Incorporation of C2 (the "C2 Certificate of Incorporation") until thereafter amended as provided by law and the C2 Certificate of Incorporation and (ii) the By-laws of C2 as in effect immediately prior to the Effective Time shall be amended and restated in their entirety to be substantially in the form of Exhibit G hereto and, as so amended and restated, such By-laws shall be the By-laws of C2 (the "C2 By-laws") until thereafter amended as provided by law, the C2 Certificate of Incorporation and such By-laws.

Section 1.6. Directors and Officers.

1.6.1. Directors and Officers of C1. (a) At the Effective Time, the Board of Directors of C1 will consist of 13 directors and will include Hans C. Mautner and two other directors to be designated by C1 (which directors shall be "Independent Directors" (as defined in the C1 Charter)). Such directors of C1 will commence to serve at the Effective Time and will remain directors until their successors have been duly elected and qualified or until their earlier death, resignation or removal in accordance with the C1 By-laws.

(b) Immediately after the Effective Time, Mr. Mautner shall serve as Vice Chairman and Mark S. Ticotin shall serve as an Executive Senior Vice President of C1 and the remaining officers of C1 shall be designated by A1. Such officers will commence to serve at the Effective Time and will remain officers until their successors have been duly elected and qualified or until their earlier death, resignation or removal in accordance with the C1 By-laws.

1.6.2. Directors and Officers of C2. (a) At Effective Time, the Board of Directors of C2 will consist of 13 directors and will include Hans C. Mautner and two other directors to be designated by C1 (which directors shall be "Independent Directors" (as defined in the C1 Charter)). The directors of C2 will commence to serve at the Effective Time and will remain directors until their successors have been duly elected and qualified or until their earlier death, resignation or removal in accordance with the C2 By-laws.

(b) Immediately after the Effective Time, Mr. Mautner shall serve as Vice Chairman and Mr. Ticotin shall serve as Executive Senior Vice President of C2 and the remaining officers of C2 shall be designated by A1. Such officers will commence to serve at the Effective Time and will remain officers until their successors have been duly elected and qualified or until their earlier death, resignation or removal in accordance with the C2 By-laws.

1.6.3. Directors and Officers of the Surviving Corporation. (a) The directors of A1 at the Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

(b) The officers of A1 at the Effective Time shall be the officers of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

Section 1.7. Effects of the Merger. Subject to the foregoing, the effects of the Merger shall be as provided in the applicable provisions of the MGCL.

Section 1.8. Further Assurances. Each party hereto will, either prior to or after the Effective Time, execute such further documents, instruments, deeds, bills of sale, assignments and assurances and take such further actions as may reasonably be requested by one or more of the others to consummate the Merger, to vest the Surviving Corporation with full title to all assets, properties, privileges, rights, approvals, immunities and franchises of the Constituent Corporations or to effect the other purposes of this Agreement.

Section 2. A1 Stock Issuance. At the Effective Time, A1 shall issue to such persons as may be jointly designated by C1 and A1 such number of whole or fractional shares of common stock of A1 for such consideration as may be mutually agreed by C1 and A1 as to preserve A1's status as a REIT.

ARTICLE II.

MERGER CONSIDERATION; CONVERSION OF SHARES

Section 2.1. Merger Consideration; Conversion of Capital Stock.

2.1.1. Conversion of A1 Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of any holder of capital stock of A1:

(a) Each issued and outstanding share of (i) A1 Class A Stock (as defined in Section 3.12) (other than shares canceled in accordance with Section 2.1.1(b)) shall be converted into the right to receive from C1 one fully paid and nonassessable C1 Common Share, (ii) A1 Class B Stock (as defined in Section 3.1.2) (other than shares canceled in accordance with Section 2.1.1(b) or with respect to which a demand to receive payment of the fair value therefor in accordance with Section 3-203 of the MGCL has been perfected) shall be converted into the right to receive from C1 one fully paid and nonassessable C1 Class B Common Share, par value $.0001 per share (the "C1 Class B Common Shares"), and (iii) A1 Class C Stock (as defined in Section 3.1.2) (other than shares canceled in accordance with Section 2.1.1(b) or with respect to which a demand to receive payment of the fair value therefor in accordance with Section 3-203 of the MGCL has been perfected) shall be converted into the right to receive from C1 one fully paid and nonassessable C1 Class C Common Share, par value $.0001 per share (the "C1 Class C Common Shares"). Each issued and outstanding share of A1 Preferred Stock (as defined in Section 3.1.2) shall not be affected by the Merger and will remain one issued and outstanding share of preferred stock of the Surviving Corporation.

(b) All shares of A1 Common Stock that are owned by A1 as treasury stock and any shares of A1 Common Stock owned by C1 Delaware, C2, or any wholly owned Entity (as defined in Section 5.1) of C1 Delaware or C2 shall be canceled and retired and shall cease to exist and no stock of the C1 or other consideration shall be delivered in exchange therefor.

(c) Each outstanding option to purchase shares of A1 Common Stock shall be converted in the manner described in Section 6.9.1.

Section 2.2. Pairing of Shares. At the Effective Time, C1 Delaware and C2 shall take the actions required of them pursuant to the C1/C2 Issuance Agreement so that each and every C1 Common Share, C1 Class B Common Share or C1 Class C Common Share, as the case may be, outstanding or issued in connection with the Merger or Section 1.1.2 will be entitled to a beneficial interest in shares of C2 Common Stock pursuant to the C2 Trust Agreements (the C1 Common Shares and the related beneficial interests in C2 Common Stock, the "Paired Shares").

Section 2.3. Exchange of Certificates.

2.3.1. Rights of Certificateholders. At the Effective Time all shares of A1 Common Stock converted in accordance with Section 2.1 will cease to be outstanding, will be canceled and retired and will cease to exist, and each holder of a certificate which, immediately prior to the Effective Time, represented any such shares (collectively, the "Certificates") will thereafter cease to have any rights with respect to such Common Stock Certificates, except the right to receive, without interest, upon exchange of such Common Stock Certificates in accordance with this Section 2.3, certificates representing the number of shares of C1 Common Shares,

C1 Class B Common Shares or C1 Class C Common Shares, as the case may be, to which the holder thereof is entitled pursuant to Section 2.1, together with the payments to which such holder is entitled pursuant to this Section 2.3. No holder of a Certificate shall have any rights as a stockholder of C1 or as the owner of beneficial interests in capital stock of C2 until such holder's Certificates have been exchanged for certificates representing the Paired Shares as provided herein.

2.3.2. Exchange Agent. Promptly following the Effective Time, C1 Delaware shall make available to an exchange agent to be designated before the Closing Date by A1 and reasonably acceptable to C1 (the "Exchange Agent"), (x) certificates representing the number of duly authorized whole Paired Shares issuable in connection with the Merger and (y) an amount of cash equal to the aggregate amount payable in accordance with Sections 1.5.1(b) and 2.3.6, to be held for the benefit of and distributed to the holders of Certificates in accordance with this Section. The Exchange Agent shall agree to hold such certificates and funds (such certificates and funds, together with earnings thereon, being referred to herein as the "Exchange Fund") for delivery as contemplated by this Section and upon such additional terms as may be agreed upon by the Exchange Agent and C1 Delaware.

2.3.3. Exchange Procedures. As soon as reasonably practicable after the Effective Time, C1 shall cause the Exchange Agent to mail to each holder of record of Certificates (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as C1, may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the shares issuable in connection with the Merger and the cash payable pursuant to Sections 1.5.1(b) and 2.3.6. Upon surrender of a Certificate for cancelation to the Exchange Agent, together with such letter of transmittal duly executed and completed in accordance with its terms, the holder of such Certificate shall be entitled to receive in exchange therefor the aggregate consideration which such holder has the right to receive pursuant to the provisions of this Article II (the "Applicable Merger Consideration"), as adjusted by the cash amount payable in accordance with Section 1.5.1(b) and plus the cash amount payable in accordance with Section 2.3.6, and the Certificates so surrendered shall forthwith be canceled. In no event shall the holder of any Certificate be entitled to receive interest on any funds to be received in the Merger. In the event of a transfer of ownership of shares of A1 Common Stock, which is not registered in the transfer records of the issuer thereof, a certificate representing that number of whole Paired Shares (as adjusted by the cash amount payable in accordance with Section 1.5.1(b) and plus the cash amount payable in accordance with Section 2.3.6), may be issued to a transferee if the Certificate is presented to the Exchange Agent accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.3.3, each Certificate shall be deemed at any time after the Effective Time for all corporate purposes of C1, except as limited by Section 2.3.4 below, to represent ownership of the shares into which the shares shown thereon have been converted as contemplated by this Article II. Notwithstanding the foregoing, Certificates surrendered for exchange by any person constituting an "affiliate" of A1 for purposes of Section 6.4 shall not be exchanged until C1 has received an Affiliate Agreement (as defined in Section 6.4) in accordance with the provisions of Section 6.4.

2.3.4. Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made after the Effective Time with respect to C1 Common Shares, C1 Class B Common Shares of C1 Class C Common Shares, as the case may be, with a record date on or after the Effective Time, and no distributions to be made to the beneficial owners of interests in C2 Common Stock arising out of a dividend or distribution declared or made by C2 with respect to C2 Common Stock after the Effective Time with a record date on or after the Effective Time, shall be paid to the holder of any unsurrendered Certificate with respect to the shares represented thereby and no cash payment shall be paid to any such holder pursuant to Sections 1.5.1(b) and 2.3.6 until the holder of record of such Certificate shall surrender such Certificate in accordance with this Section. Until paid to the holders of such unsurrendered Certificates in accordance with this Section 2.3.4, all such dividends and other distributions, and all cash payments to be paid pursuant to Section 1.5.1(b) and 2.3.6, shall be delivered to the Exchange Agent and held by it as part of the Exchange Fund. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid

to the record holder of the Certificates representing the Paired Shares issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions, if any, with a record date on or after the Effective Time which theretofore became payable, but which were not paid by reason of the immediately preceding sentence, with respect to such whole number of C1 Common Shares and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date on or after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole number of C1 Common Shares, C1 Class B Common Shares of C1 Class C Common Shares, as the case may be.

2.3.5. No Further Ownership Rights in Capital Stock of A1. All cash and Paired Shares issued upon the surrender for exchange of Certificates in accordance with the terms hereof (including any cash paid pursuant to Sections 1.5.1(b) or 2.3.6) shall be deemed to have been issued at the Effective Time in full satisfaction of all rights pertaining to the shares of capital stock represented thereby, subject, however, to C1's obligation to pay any dividends which may have been declared by A1, C1 or C2 on such shares of capital stock in accordance with the terms of this Agreement and which remained unpaid at the Effective Time. From and after the Effective Time, the stock transfer books of A1 shall be closed and there shall be no further registration of transfers on the stock transfer books of C1 of the shares of capital stock of A1 or Merger Sub which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to C1 for any reason, they shall be canceled and exchanged as provided in this Section.

2.3.6. No Fractional Shares. (a) No certificate or scrip representing fractional C1 Common Shares, C1 Series A Preferred Shares, C1 Class B Common Shares or C1 Class C Common Shares, as applicable (any such fractional shares, the "Fractional Shares"), will be issued in the Merger upon the surrender for exchange of Certificates or issued pursuant to Section 1.1.2(iv), and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of C1.

(b) As promptly as practicable following the Effective Time, the Exchange Agent shall determine the aggregate number of whole shares represented by Fractional Shares of any class or series to which holders of Fractional Shares would be entitled but for the provisions of clause (a) of this Section 2.3.6 (such number of shares being herein called the "Excess Shares"). As soon after the Effective Time as practicable, the Exchange Agent, as agent for the holders of Fractional Shares, shall sell the Excess Shares at then prevailing prices on the NYSE, all in the manner provided in paragraph (c) of this Section 2.3.6.

(c) The sale of the Excess Shares by the Exchange Agent shall be executed on the NYSE through a member firm of the NYSE and shall be executed in round lots to the extent practicable. Until the net proceeds of such sale or sales have been distributed to the holders of Fractional Shares, the Exchange Agent will hold such proceeds in trust for the holders of Fractional Shares (the "Stock Trust"). C1 shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with such sale of the Excess Shares. The Exchange Agent shall determine the portion of the Stock Trust to which each holder of Fractional Shares shall be entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the Stock Trust by a fraction the numerator of which is the amount of the fractional share interest to which such holder of Fractional Shares is entitled and the denominator of which is the aggregate amount of fractional share interests to which all holders of Fractional Shares of the same class or series are entitled.

(d) As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Fractional Shares in lieu of any fractional share interests in accordance with the immediately preceding paragraph, the Exchange Agent shall make available such amounts to such holders of Fractional Shares.

2.3.7. Termination of Exchange Fund and Stock Trust. Any portion of the Exchange Fund and Stock Trust which remains undistributed to the holders of Certificates or C1 Common Shares, as applicable, for six (6) months after the Effective Time shall be delivered to C1, upon demand, and any stockholders who have not theretofore complied with this Article II shall thereafter look only to C1 (subject to abandoned property, escheat and other similar laws) as general creditors for payment of their claim for the Applicable Merger Consideration, any cash payable in respect thereof pursuant to Sections 2.3.1(b) or 2.3.6 and any dividends or distributions with respect thereto. C1 shall not be liable to any such holder of shares for Paired Shares (or

dividends or distributions with respect thereto) or cash payable in respect thereof delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF A1

Section 3.1. Representations and Warranties of A1. A1 represents and warrants to C1 and C2 as follows:

3.1.1. Organization and Qualification. Each of A1 and the Subsidiaries (as defined in Section 9.11) of A1 is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets and properties, except for such failures to be so incorporated, existing and in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on A1 and the Subsidiaries and Consolidated Non-Corporate Affiliates (as defined in Section 9.11) of A1 (collectively, the "A1 Entities") taken as a whole. Each of the Consolidated Non-Corporate Affiliates of A1 is a trust, limited liability company or partnership duly organized, validly existing and, if applicable, is in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to conduct its business as and to the extent conducted and to own, use and lease its assets and properties, except for such failures to be so organized, existing or in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole. Each A1 Entity is duly qualified, licensed or admitted to do business and is in good standing in each jurisdiction in which the ownership, use or leasing of its assets and properties, or the conduct or nature of its business, makes such qualification, licensing or admission necessary, except for such failures to be so qualified, licensed or admitted and in good standing which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole. Section 3.1.1 of the letter dated the date hereof and delivered by A1 to C1 concurrently with the execution and delivery of this Agreement (the "A1 Disclosure Letter") sets forth, as of the date hereof, (i) with respect to each Subsidiary of A1, (A) the name of such Subsidiary and (B) if such Subsidiary is not wholly owned, directly or indirectly, by A1, (1) its authorized capital stock, (2) the number of issued and outstanding shares of its capital stock and (3) the record and beneficial owners of outstanding shares of its capital stock and (ii) with respect to each Consolidated Non-Corporate Affiliate of A1, (A) the name, type of entity and jurisdiction of organization of such Consolidated Non-Corporate Affiliate and (B) the names of all parties other than A1 Entities that own equity interests therein. Except for interests in the A1 Entities and as disclosed in Section 3.1.1 of the A1 Disclosure Letter and as disclosed in the A1 SEC Reports (as defined below), as of the date hereof, neither A1 nor any other A1 Entity directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, (i) any corporation or (ii) any trust, limited liability company, partnership, joint venture or other non-corporate business association or entity (other than investments in such entities that (A) in the aggregate are reflected in the latest A1 Financial Statements (as defined herein) as having a value not exceeding $20,000,000, (B) by operation of law (including the interposition of a Subsidiary or Consolidated Non-Corporate Affiliate holding only such investments) expose no A1 Entity (other than such an interposed A1 Entity) to any liability with respect to the obligations of such entities, whether as a controlling person, partner, guarantor, surety or otherwise and (C) do not and could not reasonably be expected to cause A1 to fail to meet any REIT Requirement (the exceptions to the general representation set forth in this sentence, the "A1 Permitted Minority Investments")). A1 has previously delivered to C1 and C2 correct and complete copies of its articles of incorporation and By-laws, each as amended to the date hereof.

3.1.2. Capital Stock. (a) As of the date hereof, the authorized capital stock of A1 consists solely of 375,796,000 shares of Common Stock, par value $0.0001 per share (the "A1 Class A Stock"), 12,000,000 shares of Class B Common Stock, par value $0.0001 per share (the "A1 Class B Stock"), 4,000 shares of Class C Common Stock, par value $0.0001 per share (the "A1 Class C Stock" and together with the A1

Class A Stock and the A1 Class B Stock, the "A1 Common Stock"), 9,200,000 shares of 8 3/4% Series B Cumulative Redeemable Preferred Stock, par value $0.0001 per share (the "A1 Series B Preferred Stock"), 3,000,000 shares of 7.89% Series C Cumulative Step-Up Premium Rate Preferred Stock, par value $0.0001 per share (the "A1 Series C Preferred Stock" and together with the A1 Series B Preferred Stock and the A1 Series B Preferred Stock, the "A1 Preferred Stock"), and 250,000,000 shares of Excess Stock, par value $.0001 per share (the "Excess Stock"). As of February 17, 1998, (i) 106,482,222 shares of A1 Class A Stock, 3,200,000 shares of Class B Stock, 4,000 shares of Class C Stock, no shares of Series A Preferred Stock, 8,000,000 shares of Series B Preferred Stock, 3,000,000 shares of Series C Preferred Stock and no shares of Excess Stock were issued and outstanding, (ii) no shares of any of such classes of stock were held by A1 in its treasury and (iii) 4,595,000 and 100,000 shares of A1 Common Stock were reserved for issuance pursuant to A1's Employee Stock Option Plan and A1's Director Stock Option Plan, respectively (collectively, the "A1 Stock Plans") ((i), (ii) and (iii), collectively, the "A1 Permissible Issuance Arrangements"). Between such date and the date hereof, except as set forth in Section 3.1.2 of the A1 Disclosure Letter, there has been no change in the number of issued and outstanding shares of A1 Common Stock or shares of A1 Common Stock held in treasury or reserved for issuance other than pursuant to the A1 Permissible Issuance Arrangements. All of the issued and outstanding shares of A1 Common Stock and A1 Preferred Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. Except pursuant to this Agreement and except as set forth in Section 3.1.2 of the A1 Disclosure Letter and as set forth in the A1 SEC Reports, as of the date hereof, there are no outstanding subscriptions, options, warrants, rights (including "phantom" stock rights), preemptive rights or other contracts, commitments, understandings or arrangements, including any right of conversion or exchange under any outstanding security, instrument or agreement (together, "Options"), obligating any A1 Entity to issue or sell any equity interest in A1 or to grant, extend or enter into any Option with respect thereto other than pursuant to A1 Permissible Issuance Arrangements. Except pursuant to this Agreement and except as set forth in Section 3.1.2 of the A1 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any A1 Entity to repurchase, redeem or otherwise acquire any equity interest in A1.

(b) Except as disclosed in Section 3.1.2 of the A1 Disclosure Letter, all of the outstanding shares of capital stock of each Subsidiary of A1 are duly authorized, validly issued, fully paid and nonassessable and are owned, beneficially and of record, by A1 or any other A1 Entity wholly owned, directly or indirectly, by A1, free and clear of any liens, claims, mortgages, deeds of trust, deeds to secure debt, encumbrances, pledges, security interests, equities and charges of any kind (each a "Lien"). Except as disclosed in Section 3.1.2 of the A1 Disclosure Letter, all equity interests in the Consolidated Non-Corporate Affiliates of A1 that are not owned by third parties (as disclosed in Section 3.1.1 of the A1 Disclosure Letter) are owned by other A1 Entities, free and clear of any Liens. Except as disclosed in Section 3.1.2 of the A1 Disclosure Letter and as set forth in the A1 SEC Reports, as of the date hereof, there are no (i) outstanding Options (other than Options in favor of A1 or any other A1 Entity wholly owned, directly or indirectly, by A1) obligating any A1 Entity to issue or sell any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of A1 or to grant, extend or enter into any such Option or (ii) voting trusts, proxies or other commitments, understandings, restrictions or arrangements in favor of any person other than A1 or an A1 Entity wholly owned, directly or indirectly, by A1 with respect to the voting of or the right to participate in dividends or other earnings on any capital stock of any Subsidiary of A1 or an any equity interest in any Consolidated NonCorporate Affiliate of A1, other than as set forth in such A1 Entity's Charter Documents.

(c) Except as disclosed in Section 3.1.2 of the A1 Disclosure Letter and as set forth in the A1 SEC Reports, as of the date hereof, there are no outstanding contractual obligations (other than Options in favor of A1 or an A1 Entity wholly owned, directly or indirectly, by A1) of any A1 Entity to repurchase, redeem or otherwise acquire any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of A1. Except as disclosed in Section 3.1.2 of the A1 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any A1 Entity to provide funds to, or to make any investment (in the form of a loan, capital contribution or otherwise) in, any A1 Entity or other person (except

for A1 and A1 Entities wholly owned, directly or indirectly, by A1), other than in connection with A1 Permitted Minority Investments.

3.1.3. Authority Relative to this Agreement. A1 has full corporate power and authority to enter into this Agreement and, subject, with respect to the Merger, to obtaining the A1 Stockholders' Approval (as defined in Section 6.3.1), to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by A1 and the consummation by A1 of the transactions contemplated hereby have been duly and validly approved by its Board of Directors, the Board of Directors of A1 has recommended adoption of this Agreement by its stockholders and directed that this Agreement be submitted to its stockholders for their consideration, and no other corporate proceedings on the part of A1 or its stockholders are necessary to authorize the execution, delivery and performance of this Agreement by A1 and the consummation by A1 of the transactions contemplated hereby, other than obtaining the A1 Stockholders' Approval. This Agreement has been duly and validly executed and delivered by A1 and constitutes a legal, valid and binding obligation of A1, enforceable against A1 in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.1.4. Non-Contravention; Approvals and Consents. (a) The execution and delivery of this Agreement by A1 do not, and the performance by A1 of its obligations hereunder and the consummation of the transactions contemplated hereby will not, (i) conflict with, result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person any right of payment or reimbursement, termination, cancelation, modification or acceleration of, or result in the creation or imposition of any Lien upon any of the assets or properties of any A1 Entity under, any of the terms, conditions or provisions of (x) the certificate or articles of incorporation or By-laws (in the case of a corporation), trust agreement, declaration of trust, deed or trustees' regulations (in the case of a trust), limited liability company or operating agreement or registration certificate (in the case of a limited liability company) or agreement or certificate of partnership or joint venture (in the case of a partnership or joint venture) (including, in each such case, all amendments, supplements, other modifications and assignments thereof) ("Charter Documents") of any A1 Entity, or (y) subject to the obtaining of the A1 Stockholders' Approval and the taking of the actions described in paragraph (b)of this Section and the obtaining of the consents and approvals, the making of the filings and the giving of the notices described in Section 3.1.4 of the A1 Disclosure Letter, (1) any statute, law, rule, regulation or ordinance (together, "laws"), or any judgment, decree, order, writ, permit or license (together, "orders"), of any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision (a "Governmental or Regulatory Authority") applicable to any A1 Entity or any of its assets or properties, or (2) any note, bond, mortgage, deed of trust, deed to secure debt, security agreement, co-tenancy agreement, reciprocal easement agreement, management agreement, leasing agreement, indenture, license, franchise, permit, concession, contract, lease or other instrument, obligation or agreement of any kind (including, in each case, all amendments, supplements, other modifications and assignments thereof) (together, "Contracts") to which any A1 Entity is a party or by which any A1 Entity or any of its assets or properties is bound, excluding from the foregoing clauses (1) and (2) conflicts, violations, breaches, defaults, rights of payment or reimbursement, terminations, cancellations, modifications, accelerations and creations and impositions of Liens which, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole or on the ability of A1 to consummate the transactions contemplated by this Agreement or (ii) to the knowledge of A1, adversely affect the qualification of A1 as a REIT.

(b) Except (i) for the filing of the Proxy Statement (as defined in Section 3.1.9) and the Registration Statement (as defined in Section 4.1.9) with the SEC pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "Exchange Act"), and the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "Securities Act"), the declaration of the effectiveness of the Registration Statement by the SEC and filings with various state securities authorities that are required in connection with the transactions contemplated by this Agreement, (ii) for the filing of the Articles of

Merger and other appropriate merger documents required by the MGCL with the Maryland Secretary of State and, in each case, with any local recording office, and appropriate documents with the relevant authorities of other states in which any of the Constituent Corporations are qualified to do business, (iii) for such other consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under (A) the laws of any foreign country in which any A1 Entity conducts any business or owns any property or assets or (B) any federal, state, local or foreign Environmental Law (as defined below) and (iv) as disclosed in Section 3.1.4 of the A1 Disclosure Letter, no consent, approval or action of, filing with or notice to any Governmental or Regulatory Authority or other public or private third party is necessary or required under any of the terms, conditions or provisions of any law or order of any Governmental or Regulatory Authority or any Contract to which any A1 Entity is a party or by which any A1 Entity or any of its assets or properties is bound for the execution and delivery of this Agreement by A1, the performance by A1 of its obligations hereunder or the consummation by A1 of the transactions contemplated hereby, other than such consents, approvals, actions, filings and notices which the failure to make or obtain, as the case may be, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole or on the ability of A1 to consummate the transactions contemplated by this Agreement.

3.1.5. SEC Reports and Financial Statements. A1 has delivered to C1 and C2 prior to the execution of this Agreement a true and complete copy of each form, report, schedule, registration statement (as declared effective and any posteffective amendments), definitive proxy statement and other document (together with all amendments thereof and supplements thereto, except as provided above with respect to registration statements) filed by A1 or any other A1 Entity with the SEC since January 1, 1996 (as such documents have since the time of their filing been amended or supplemented, the "A1 SEC Reports"), which are all the documents (other than preliminary material) that A1 or any other A1 Entity were required to file with the SEC since such date. As of their respective dates, the A1 SEC Reports (i) complied as to form in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited interim consolidated financial statements (including, in each case, the notes, if any, thereto) included in the A1 SEC Reports (the "A1 Financial Statements") complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto, were prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto and except with respect to unaudited statements as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited interim financial statements, to normal, recurring year-end audit adjustments (which are not expected to be, individually or in the aggregate, materially adverse to the A1 Entities taken as a whole)) the consolidated financial position of A1 and its consolidated subsidiaries as at the respective dates thereof and the consolidated results of their operations and cash flows for the respective periods then ended. Except as set forth in Section 3.1.5 of the A1 Disclosure Letter, each Subsidiary and Consolidated Non-Corporate Affiliate of A1 in existence on the date hereof is fully consolidated with A1 in the A1 Financial Statements for all periods covered thereby.

3.1.6. Absence of Certain Changes or Events. Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement, between September 30, 1997 and the date hereof there has not been any change, event or development having, or that could be reasonably expected to have, individually or in the aggregate, a material adverse effect on the A1 Entities taken as a whole.

3.1.7. [Intentionally Omitted].

3.1.8. Legal Proceedings. Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.8 of the A1 Disclosure Letter, as of the date hereof, (i) there are no actions, suits, arbitrations or proceedings pending or, to the knowledge of A1, threatened against, relating to or affecting, nor to the knowledge of A1 are there any Governmental or Regulatory Authority investigations or audits pending or threatened against, relating to or affecting any A1 Entity or any of its assets and properties which, individually or in the aggregate, could be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole or on the ability of A1 to consummate the transactions contemplated by this

Agreement and (ii) no A1 Entity is subject to any order of any Governmental or Regulatory Authority which, individually or in the aggregate, is having or could be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole or on the ability of A1 to consummate the transactions contemplated by this Agreement.

3.1.9. Information Supplied. The joint proxy statement relating to the Stockholders' Meetings (as defined in Section 6.3.2), as amended or supplemented from time to time (as so amended and supplemented, the "Proxy Statement"), and any other documents to be filed by A1 with the SEC or any other Governmental or Regulatory Authority in connection with the Merger and the other transactions contemplated hereby will (in the case of the Proxy Statement and any such other documents filed with the SEC under the Exchange Act or the Securities Act) comply as to form in all material respects with the requirements of the Exchange Act and the Securities Act, as applicable, and will not, on the date of its filing or, in the case of the Proxy Statement, at the date it is first mailed to stockholders of A1 and at the time of the A1 Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation is made by A1 with respect to information supplied by or on behalf of C1 or C2 or any of their respective Subsidiaries, shareholders or stockholders expressly for inclusion therein.

3.1.10. Compliance with Laws and Orders. The A1 Entities hold all permits, licenses, variances, exemptions, orders and approvals of all Governmental and Regulatory Authorities necessary for the lawful conduct of their respective businesses (the "A1 Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders and approvals which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole. The A1 Entities are in compliance with the terms of the A1 Permits, except failures so to comply which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole. Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.10 of the A1 Disclosure Letter, the A1 Entities are not in violation of or default under any law or order of any Governmental or Regulatory Authority, except for such violations or defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole.

3.1.11. Compliance with Agreements; Certain Agreements. Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.11 of the A1 Disclosure Letter, neither any A1 Entity nor, to the knowledge of A1, any other party thereto is in breach or violation of, or in default in the performance or observance of any term or provision of, and no event has occurred which, with notice or lapse of time or both, could be reasonably expected to result in a default under, (i) the Charter Documents of any A1 Entity that is a corporation or (ii) any Contract to which any A1 Entity is a party or by which any A1 Entity or any of its assets or properties is bound or any Charter Document of any A1 Entity that is not a corporation, except in the case of this clause (ii) for breaches, violations and defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole.

3.1.12. Taxes. (a) Each A1 Entity has timely filed all material tax returns and reports required to be filed by it, or requests for extensions to file such returns or reports have been timely filed or granted and have not expired, and all such tax returns and reports are complete and accurate in all respects, except to the extent that such failures to timely file or failures to be complete and accurate in all respects, as applicable, individually or in the aggregate, would not have a material adverse effect on the A1 Entities taken as a whole. Each A1 Entity has paid (or A1 has paid on its behalf) all taxes shown as due on such tax returns and reports and all material taxes otherwise due. The most recent financial statements contained in the A1 SEC Reports reflect an adequate reserve for all taxes payable by the A1 Entities for all taxable periods and portions thereof accrued through the date of such financial statements, and no deficiencies for any taxes have been proposed, asserted or assessed against any A1 Entity that are not adequately reserved for, except for inadequately reserved taxes and inadequately reserved deficiencies that would not, individually or in the aggregate, have a material adverse effect on the A1 Entities taken as a whole. Except as set forth in Section 3.1.12 of the A1

Disclosure Letter, as of the date hereof, no requests for waivers of the time to assess or collect any taxes against any A1 Entity have been granted or are pending, and no audits or examinations of any A1 Entity are being conducted or, to the knowledge of any A1 Entity, threatened by any taxing authority.

(b) No A1 Entity has taken any action that would create a material risk that the Merger would not qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code.

(c) At all times since December 31, 1993, A1 has qualified as a REIT and its current method of operation will enable it to continue to qualify as a REIT.

(d) The execution or delivery by A1 of this Agreement and the consummation by A1 of the transactions contemplated hereby or compliance with or fulfillment of the terms and provisions hereof by A1, to the knowledge of A1, will not adversely affect the qualification of A1 as a REIT or adversely affect the qualification of C1 as a REIT after the Effective Time.

(e) Except as set forth in Section 3.1.12 of the A1 Disclosure Letter, no A1 Entity is bound by any effective private letter ruling, closing agreement or similar agreement with any taxing authority (an "A1 Tax Ruling"), no U.S. A1 Entity has any applications or requests outstanding for any such rulings or agreements and no such A1 Tax Ruling has been revoked or modified in any manner.

(f) A1 is not, and has not at any time been, a member of any consolidated, combined or unitary group for Federal, state, local and foreign tax purposes.

(g) As used in this Section 3.1.12 and in Sections 4.1.12 and 4.2.12, "taxes" shall include all Federal, state, local and foreign income, franchise, property, sales, use, excise and other taxes, including obligations for withholding taxes from payments due or made to any other person and any interest, penalties or additions to tax.

3.1.13. Employee Benefit Plans; ERISA. (a) Except as described in the A1 SEC Reports filed prior to the date of this Agreement or as would not have a material adverse effect on the A1 Entities taken as a whole, as of the date hereof, (i) all A1 Employee Benefit Plans (as defined below) are in compliance with all applicable requirements of law, including ERISA and the Code, and (ii) no A1 Entity has any liabilities or obligations with respect to any such A1 Employee Benefit Plans, whether accrued, contingent or otherwise, nor to the knowledge of A1 are any such liabilities or obligations expected to be incurred.

(b) As used herein:

(i) "A1 Employee Benefit Plan" means any Plan entered into, established, maintained, sponsored, contributed to or required to be contributed to by any A1 Entity for the benefit of the current or former employees or directors of any A1 Entity and existing on the date of this Agreement or at any time subsequent thereto and on or prior to the Effective Time and, in the case of a Plan which is subject to Part 3 of Title I of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder ("ERISA"), Section 412 of the Code or Title IV of ERISA, at any time during the five-year period preceding the date of this Agreement; and

(ii) "Plan" means any employment, bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, leave of absence, layoff, vacation, day or dependent care, legal services, cafeteria, life, health, medical, accident, disability, workmen's compensation or other insurance, severance, separation, termination, change of control or other benefit plan, agreement, practice, policy, program or arrangement of any kind, whether written or oral, including, but not limited to any "employee benefit plan" within the meaning of Section 3(3) of ERISA.

(c) No part of the assets of Al or any Al Entity constitute "plan assets" within the meaning of 29 C.F.R. Section 2510.101.

3.1.14. Labor Matters. Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.14 of the A1 Disclosure Letter, there are no material controversies pending or, to the knowledge of A1, threatened between any A1 Entity and any representatives of its employees, except as

would not, individually or in the aggregate, have a material adverse effect on the A1 Entities taken as a whole, and, to the knowledge of A1, there are no material organizational efforts presently being made involving any of the now unorganized employees of any A1 Entity except as could not, individually or in the aggregate, have a material adverse effect on the A1 Entities taken as a whole.

3.1.15. Environmental Matters. (a) Except as disclosed in Section 3.1.15 of the A1 Disclosure Letter, each A1 Entity has obtained or submitted timely applications for all licenses, permits, authorizations, registrations approvals and consents from Governmental or Regulatory Authorities which are required under any applicable Environmental Law (as defined below) in respect of its business or operations ("Environmental Permits"), except for such failures to have Environmental Permits and to submit timely applications which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole. Each of such Environmental Permits obtained by such A1 Entity is in full force and effect and each A1 Entity is in compliance with the terms and conditions of all such Environmental Permits and with all applicable Environmental Laws, except for such failures to be in full force and effect or in compliance which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole.

(b) Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.15 of the A1 Disclosure Letter, to the knowledge of A1 as of the date hereof, no site or facility now or previously owned, operated or leased by any A1 Entity is listed or proposed for listing on the National Priorities List promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the rules and regulations thereunder ("CERCLA"), or on any similar state or local list of sites requiring investigation or cleanup.

(c) Except as disclosed in the A1 SEC Reports filed prior to the date of this Agreement or in Section 3.1.15 of the A1 Disclosure Letter, no Liens have arisen under or pursuant to any Environmental Law on any site or facility owned, operated or leased by any A1 Entity, other than any such Liens not individually or in the aggregate material to the A1 Entities taken as a whole, and no action of any Governmental or Regulatory Authority has been taken or, to the knowledge of A1, is in process which could subject any of such properties to such Liens, except for such Liens which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole, and no A1 Entity is required to place any notice or restriction relating to the presence of Hazardous Materials at any such site or facility owned by it in any deed to the real property on which such site or facility is located, except for such notices or restrictions which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole.

(d) Except as disclosed in Section 3.1.15 of the A1 Disclosure Letter, as of the date hereof, there have been no written reports, environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, any A1 Entity in relation to any site or facility now or previously owned, operated or leased by any A1 Entity that both (i) conclude that any A1 Entity could have liability under Environmental Laws that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole, and (ii) have not been delivered to C1 and C2 prior to the execution of this Agreement.

(e) As used herein:

(i) "Environmental Law" means any law, regulation or order of any Governmental or Regulatory Authority relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes; and

(ii) "Hazardous Material" means (A) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam

insulation and transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs); (B) any chemicals or other materials or substances which are now or hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants" or words of similar import under any Environmental Law; and (C) any other chemical or other material or substance, exposure to which is prohibited, limited or regulated by any Governmental or Regulatory Authority under any Environmental Law.

3.1.16. Intellectual Property Rights. Each A1 Entity has all right, title and interest in, or a valid and binding license to use, all Intellectual Property (as defined below) individually or in the aggregate material to the conduct of the businesses of the A1 Entities taken as a whole. No A1 Entity is in default (or with the giving of notice or lapse of time or both, would be in default) under any license to use such Intellectual Property, such Intellectual Property is not, to the knowledge of A1, being infringed by any third party, and no A1 Entity is infringing any Intellectual Property of any third party, except for such defaults and infringements which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the A1 Entities taken as a whole. For purposes of this Agreement, "Intellectual Property" means patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights and other proprietary intellectual property rights and all pending applications for and registrations of any of the foregoing.

3.1.17. Real Property. Section 3.1.17 of the A1 Disclosure Letter sets forth a list of all principal properties owned or leased (as lessee) by the A1 Entities as of the date hereof.

3.1.18. Vote Required. Assuming the accuracy of the representation and warranty contained in Sections 4.1.20 and 4.2.19, the affirmative vote of the holders of record of at least two-thirds of the outstanding shares of A1 Common Stock with respect to the adoption of this Agreement is the only vote of the holders of any class or series of the capital stock of A1 required to approve the Merger and the other transactions contemplated hereby.

3.1.19. Opinion of Financial Advisor. The Board of Directors of A1 has received the opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), financial advisor to A1, to the effect that, as of the date hereof, the consideration to be received by the holders of A1 Common Stock pursuant to this Agreement is fair from a financial point of view to such holders.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF C1 AND C2

Section 4.1. Representations and Warranties of C1. C1 represents and warrants to A1 as follows:

4.1.1. Organization and Qualification. Each of C1 and the Consolidated Non-Corporate Affiliates of C1 is a trust, limited liability company or partnership duly organized, validly existing and, if applicable, is in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to conduct its business as and to the extent conducted and to own, use and lease its assets and properties, except for such failures to be so organized, existing or in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not reasonably be expected to have a material adverse effect on C1 and the Subsidiaries and Consolidated Non-Corporate Affiliates of C1 (collectively, the "C1 Entities") and C2 and the Subsidiaries and Consolidated Non-Corporate Affiliates of C2 (collectively, the "C2 Entities"; and, together with the C1 Entities, the "C1/C2 Entities") taken as a whole. Each Subsidiary of C1 is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets and properties, except for such failures to be so incorporated, existing and in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each C1 Entity is duly qualified, licensed or admitted to do business and is in good

standing in each jurisdiction in which the ownership, use or leasing of its assets and properties, or the conduct or nature of its business, makes such qualification, licensing or admission necessary, except for such failures to be so qualified, licensed or admitted and in good standing which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Section 4.1.1 of the letter dated the date hereof and delivered by C1 to A1 concurrently with the execution and delivery of this Agreement (the "C1 Disclosure Letter") sets forth, as of the date hereof, (i) with respect to each Subsidiary of C1, (A) the name and jurisdiction of incorporation of such Subsidiary and (B) if such Subsidiary is not wholly owned, directly or indirectly, by C1, (1) its authorized capital stock, (2) the number of issued and outstanding shares of its capital stock and (3) the record and beneficial owners of outstanding shares of its capital stock and (ii) with respect to each Consolidated Non-Corporate Affiliate of C1, (A) the name, type of entity and jurisdiction of organization of such Consolidated Non-Corporate Affiliate, (B) the names of all parties that own equity interests therein and (C) the method of consolidation employed with respect to the consolidation of the accounts of such Consolidated Non-Corporate Affiliate in the financial statements of C1, including the percentage(s) employed in the case of proportional consolidation. Except for interests in the C1 Entities and as disclosed in Section 4.1.1 of the C1 Disclosure Letter, as of the date hereof, neither C1 nor any other C1 Entity directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, (i) any corporation (other than less than 9.8% of any series or class of capital stock acquired or held for the purpose of meeting C1's obligations under its Trustees' and Officers' Deferred Remuneration Plan and Supplemental Executive Retirement Plan (the "C1 Deferral Plans")) or (ii) any trust, limited liability company, partnership, joint venture or other non-corporate business association or entity (other than (x) as noncontrolling investments acquired or held for the purpose of meeting C1's obligations under the C1 Deferral Plans and (y) investments in such entities that (A) in the aggregate are reflected in the latest C1 Financial Statements (as defined herein) as having a value not exceeding $20,000,000, (B) by operation of law (including the interposition of a C1 Entity holding only such investments) expose no C1 Entity (other than such an interposed C1 Entity) to any liability with respect to the obligations of such entities, whether as a controlling person, partner, guarantor, surety or otherwise and (C) do not and could not reasonably be expected to cause C1 to fail to meet any REIT Requirement (the exceptions to the general representation set forth in this sentence, the "C1 Permitted Minority Investments")). C1 has previously delivered to A1 correct and complete copies of the Second Amended and Restated Declaration of Trust (C1's "Declaration of Trust") and Trustee's Regulations of C1, each as amended to the date hereof.

4.1.2. Capital Stock. (a) As of the date of this Agreement, the total number of preference shares of beneficial interest in C1 ("C1 Preference Shares") which C1 has the authority to issue is 209,249 and the total number of common shares of beneficial interest in C1 (the "C1 Common Shares") which C1 has the authority to issue is as set forth in Exhibit A of C1's Declaration of Trust, as amended through the date hereof. As of the date hereof, the C1 Preference Shares and the C1 Common Shares represent all the authorized shares of beneficial interest in C1. As of February 17, 1998, 209,249 C1 Preference Shares were issued and outstanding, consisting solely of the C1 6.50% Preference Shares. As of February 17, 1998, 25,326,909 C1 Common Shares were issued and outstanding 1,092,500, C1 Common Shares were held in the treasury of C1 and 2,600,000 C1 Common Shares were reserved for issuance pursuant to C1 Permissible Issuance Arrangements (as defined below) other than those described in clause (i) of the definition thereof. Between such date and the date hereof, except as set forth in Section 4.1.2 of the C1 Disclosure Letter, there has been no change in the number of issued and outstanding C1 Common Shares or the number of C1 Common Shares held in treasury or reserved for issuance other than pursuant to (i) contracts entered into pursuant to C1's 1997 Plan for Shareholder Contractual Purchases (the "C1 QSPP"), (ii) contracts (the "C1 ESPP Contracts") styled "Employee Share Purchase Plan Contract", or similarly styled, entered into before the date hereof, (iii) option agreements entered into in connection with grants of options under the 1993 Share Option Plan of C1 (the "C1 Option Plan") made before the date hereof, (iv) the C1 Deferral Plans, (v) the conversion provisions of the Certificate of Designation for the C1 Preference Shares and (vi) contracts ("C1 Termination Agreements") with individuals, other than executive officers, whose employment with C1 has been terminated in the ordinary course of business of the C1 Entities, which contracts provide for the repurchase of C1 Common Shares held by such individuals and/or the cancelation of options issued to such

individuals under the C1 Option Plan (the contracts and arrangements described in clauses (i), (iii), (iv) and (v), the "C1 Permissible Issuance Arrangements"; the contracts and arrangements described in clauses (ii), (iii), (iv), (v) and (vi), the "C1 Permissible Redemption Arrangements"). All of the issued and outstanding C1 Common Shares and C1 Preference Shares are, and all such shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable and all C1 Common Shares issuable in exchange for shares of A1 Common Stock at the Effective Time and the related beneficial interests in shares of C2 Common Stock will be paired with each other pursuant to the C2 Trust Agreements in the same ratio as all other C1 Common Shares and related beneficial interests in shares of C2 Common Stock are paired, as such ratio may be changed from time to time. Except pursuant to this Agreement and except as set forth in Section 4.1.2 of the C1 Disclosure Letter, as of the date hereof, there are no outstanding Options obligating any C1/C2 Entity to issue or sell any shares of beneficial interest or other equity interest in C1 or to grant, extend or enter into any Option with respect thereto other than pursuant to C1 Permissible Issuance Arrangements. Except pursuant to this Agreement and except as set forth in Section 4.1.2 of the C1 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any C1/C2 Entity to repurchase, redeem or otherwise acquire any shares of beneficial interest or other equity interest in C1 other than pursuant to C1 Permissible Redemption Arrangements.

(b) Except as disclosed in Section 4.1.2 of the C1 Disclosure Letter, all of the outstanding shares of capital stock of each Subsidiary of C1 are duly authorized, validly issued, fully paid and nonassessable and are owned, beneficially and of record, by C1 or another C1 Entity wholly owned, directly or indirectly, by C1, free and clear of any Liens. Except as disclosed in Section 4.1.2 of the C1 Disclosure Letter, all equity interests in the Consolidated Non-Corporate Affiliates of C1 that are not owned by third parties (as disclosed in Section 4.1.1 of the C1 Disclosure Letter) are owned by other C1 Entities, free and clear of any Liens. Except as disclosed in Section 4.1.2 of the C1 Disclosure Letter, as of the date hereof, there are no (i) outstanding Options (other than Options in favor of C1 or a C1 Entity wholly owned, directly or indirectly, by C1) obligating any C1 Entity to issue, sell or otherwise transfer any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of C1 or to grant, extend or enter into any such Option or (ii) voting trusts, proxies or other commitments, understandings, restrictions or arrangements in favor of any person other than C1 or another C1 Entity wholly owned, directly or indirectly, by C1 with respect to the voting of or the right to participate in dividends or other earnings on any capital stock of any Subsidiary of C1 or any equity interest in any Consolidated Non-Corporate Affiliate of C1, other than as set forth in such C1 Entity's Charter Documents.

(c) Except as disclosed in Section 4.1.2 of the C1 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations (other than Options in favor of C1 or a C1 Entity wholly owned, directly or indirectly, by C1) of any C1 Entity to repurchase, redeem or otherwise acquire any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of C1. Except as disclosed in Section 4.1.2 of the C1 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any C1 Entity to provide funds to, or to make any investment (in the form of a loan, capital contribution or otherwise) in, any C1 Entity or other person (except for C1 and C1 Entities wholly owned, directly or indirectly, by C1), other than in connection with C1 Permitted Minority Investments.

4.1.3. Authority Relative to this Agreement. C1 has all requisite power and authority to enter into this Agreement and, subject, (i) with respect to the C1 Delaware Reorganization, to obtaining the requisite approval of the shareholders of C1 and (ii) with respect to the Merger, to obtaining the C1 Stockholders' Approval (as defined in Section 6.3.2), to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by C1, and the consummation by C1 of the transactions contemplated hereby, have been duly and validly approved by its Board of Trustees, the Board of Trustees of C1 has recommended adoption of this Agreement by the shareholders of C1 and directed that this Agreement, the conduct of the C1 Delaware Reorganization and the issuance of C1 Common Shares in connection with the Merger and Section 1.1.2 be submitted to the shareholders of C1 for their consideration, and no other corporate or trust proceedings on the part of either of C1 or its shareholders are necessary to authorize the execution, delivery and performance of this Agreement

by C1 and the consummation by C1 of the transactions contemplated hereby, other than obtaining the requisite approval of the shareholders of C1 for the C1 Delaware Reorganization and obtaining the C1 Stockholders' Approval. This Agreement has been duly and validly executed and delivered by C1 and constitutes a legal, valid and binding obligation of C1 enforceable against C1 in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.1.4. Non-Contravention; Approvals and Consents. (a) The execution and delivery of this Agreement by C1 do not, and the performance by C1 of its obligations hereunder and the consummation of the transactions contemplated hereby will not, (i) conflict with, result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person any right of payment or reimbursement, termination, cancelation, modification or acceleration of, or result in the creation or imposition of any Lien upon any of the assets or properties of any C1 Entity under, any of the terms, conditions or provisions of (x) the Charter Documents of any C1 Entity, or (y) subject to the obtaining of requisite approval of the shareholders of C1 for the C1 Delaware Reorganization and the C1 Stockholders' Approval and the taking of the actions described in paragraph (b) of this Section and the obtaining of the consents and approvals, the making of the filings and the giving of the notices described in Section 4.1.4 of the C1 Disclosure Letter, (1) any laws or orders of any Governmental or Regulatory Authority applicable to any C1 Entity or any of its assets or properties, or (2) any Contracts to which any C1 Entity is a party or by which any C1 Entity or any of its assets or properties is bound, excluding from the foregoing clauses (1) and (2) conflicts, violations, breaches, defaults, rights of payment or reimbursement, terminations, cancellations, modifications, accelerations and creations and impositions of Liens which, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C1 to consummate the transactions contemplated by this Agreement or (ii) to the knowledge of C1, adversely affect the qualification of C1 as a REIT.

(b) Except (i) for the filing of the Proxy Statement and the Registration Statement with the SEC pursuant to the Exchange Act and the Securities Act, the declaration of the effectiveness of the Registration Statement by the SEC and filings with various state securities authorities that are required in connection with the transactions contemplated by this Agreement, (ii) for the filing by C1 of articles of merger and other appropriate merger documents required by the Massachusetts Business Corporation Law with the Secretary of the Commonwealth of Massachusetts and a certificate of merger and other appropriate merger documents required by the DGCL with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") and, in each case, with any local recording office in connection with the C1 Delaware Reorganization, and the filing of the Articles of Merger and other appropriate merger documents required by the MGCL with the Maryland Secretary of State and, in each case, with any local recording office, and appropriate documents with the relevant authorities of other states in which the Constituent Corporations are qualified to do business in connection with the Merger, (iii) for such other consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under (A) the laws of any foreign country in which any C1 Entity conducts any business or owns any property or assets or (B) any federal, state, local or foreign Environmental Law and (iv) as disclosed in Section 4.1.4 of the C1 Disclosure Letter, no consent, approval or action of, filing with or notice to any Governmental or Regulatory Authority or other public or private third party is necessary or required under any of the terms, conditions or provisions of any law or order of any Governmental or Regulatory Authority or any Contract to which any C1 Entity is a party (including, without limitation, any Charter Documents of any C1 Consolidated Non-Corporate Affiliate) or by which any C1 Entity or any of its assets or properties is bound for the execution and delivery of this Agreement by C1, the performance by C1 of its obligations hereunder or the consummation of the transactions contemplated hereby, other than such consents, approvals, actions, filings and notices which the failure to make or obtain, as the case may be, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C1 to consummate the transactions contemplated by this Agreement.

4.1.5. C1 Financial Statements and Other Documents. (a) Prior to the execution of this Agreement, C1 has delivered to A1 true and complete copies of the audited balance sheets of C1 as of December 31, 1995, 1996 and 1997, and the related audited statements of income, shareholders' equity and cash flows for each of the fiscal years then ended, together with the notes thereto and a true and correct copy of the report on such audited information by Ernst & Young LLP (such financial statements, including the notes, if any, thereto, being referred to herein as the "C1 Financial Statements"). The C1 Financial Statements were prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present the consolidated financial position of C1 as at the respective dates thereof and the related results of operations and cash flows for the respective periods indicated. Except as set forth in Section 4.1.1 of the C1 Disclosure Letter, each Subsidiary and Consolidated Non-Corporate Affiliate of C1 in existence on the date hereof is fully consolidated with C1 in the C1 Financial Statements for all periods covered thereby.

(b) C1 has delivered to A1 prior to the execution of this Agreement a true and complete copy of each letter, proxy and other document (together with all amendments thereof and supplements thereto) provided by C1 to its shareholders between December 31, 1996 and the date hereof (the "C1 Reports"). As of their respective dates, the C1 Reports did not contain any untrue statement of a material fact and did not omit any fact that directly conflicts with any material statement contained therein.

4.1.6. Absence of Certain Changes or Events. Except as disclosed in Section 4.1.6 of the C1 Disclosure Letter, (a) between December 31, 1997 and the date hereof there has not been any change, event or development having, or that could be reasonably expected to have, individually or in the aggregate, a material adverse effect on the C1/C2 Entities taken as a whole, (b) between December 31, 1997 and the date hereof, no party to any Charter Document or co-tenancy agreement of any C1 Entity has exercised any "buy-sell", right of first refusal, right or first offer or other comparable right (each, a "Charter Document Right") pursuant to such Charter Document or co-tenancy agreement and (c) between December 31, 1997 and the date hereof no C1 Entity has taken any action which, if taken after the date hereof, would constitute a breach of any provision of paragraphs (c), (d), (e), (f), (g), (h), (i), (j), (k) or, solely with respect to the foregoing paragraphs, (l) of Section 5.1.2.

4.1.7. Undisclosed Liabilities. C1 has no liabilities that would be required to be shown on the financial statements, including the notes thereto, of C1 prepared in accordance with generally accepted accounting principles applied on a consistent basis with prior periods and that (a) are not disclosed in the C1 Financial Statements and (b) would, or would reasonably be expected to, have a material adverse effect on C1 and C2 taken as a whole.

4.1.8. Legal Proceedings. Except as disclosed in the C1 Financial Statements or in Section 4.1.8 of the C1 Disclosure Letter, as of the date hereof, (i) there are no actions, suits, arbitrations or proceedings pending or, to the knowledge of C1, threatened against, relating to or affecting, nor to the knowledge of C1 are there any Governmental or Regulatory Authority investigations or audits pending or threatened against, relating to or affecting any C1 Entity or any of its assets and properties which, individually or in the aggregate, could be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C1 to consummate the transactions contemplated by this Agreement, and (ii) no C1 Entity is subject to any order of any Governmental or Regulatory Authority which, individually or in the aggregate, is having or could be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C1 to consummate the transactions contemplated by this Agreement.

4.1.9. Information Supplied. The registration statement to be filed with the SEC by C1 and C2 in connection with the issuance of C1 Common Shares and beneficial interests in C2 Common Stock pursuant to this Agreement, as amended or supplemented from time to time (as so amended and supplemented, the "Registration Statement"), and any other documents to be filed by C1 with the SEC or any other Governmental or Regulatory Authority in connection with the Merger and the other transactions contemplated hereby, will (in the case of the Registration Statement and any such other documents filed with the SEC under the Securities Act or the Exchange Act) comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and will not, on the date of its filing

or, in the case of the Registration Statement, at the time it becomes effective under the Securities Act, at the date the Proxy Statement is first mailed to stockholders of C1 and C2 and at the times of the Stockholders' Meetings, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation is made by C1 with respect to information supplied by or on behalf of A1 or any of its Subsidiaries expressly for inclusion therein and information incorporated by reference therein from documents filed with the SEC by any A1 Entity.

4.1.10. Compliance with Laws and Orders. The C1 Entities hold all permits, licenses, variances, exemptions, orders and approvals of all Governmental and Regulatory Authorities necessary for the lawful conduct of their respective businesses (the "C1 Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders and approvals which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. The C1 Entities are in compliance with the terms of the C1 Permits, except failures so to comply which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Except as disclosed in Section 4.1.10 of the C1 Disclosure Letter, the C1 Entities are not in violation of or default under any law or order of any Governmental or Regulatory Authority, except for such violations or defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

4.1.11. Compliance with Agreements; Certain Agreements. (a) Except as disclosed in Section 4.1.11 of the C1 Disclosure Letter, neither any C1 Entity nor, to the knowledge of C1, any other party thereto is in breach or violation of, or in default in the performance or observance of any term or provision of, and no event has occurred which, with notice or lapse of time or both, could be reasonably expected to result in a default under, (i) the Charter Documents of any C1 Entity that is a corporation, (ii) any Contract to which any C1 Entity is a party or by which any C1 Entity or any of its assets or properties is bound or any Charter Document of any C1 Entity that is not a corporation, except in the case of this clause (ii) for breaches, violations and defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each Charter Document or co-tenancy agreement of each C1 Consolidated Non-Corporate Affiliate and, to the knowledge of C1, each material Contract to which any C1 Entity is a party or by which any of its assets or properties is bound, is in full force and effect, other than invalidities and other defects (x) due to the actions of other parties to any such Charter Document or material Contract or (y) that have not had, and would not reasonably be expected to have, a material adverse effect on C1 and C2 taken as a whole. C1 has made available to A1 correct and complete copies of all Charter Documents and co-tenancy agreements of the C1 Entities, except as would not, and would not reasonably be expected to, have a material adverse effect on the ability of C1, C2 or A1 to consummate the transactions contemplated hereby.

(b) No C1 Entity other than C1 has employed any individuals, retained any current or former employees of C1 as consultants or reimbursed any current or former employees of C1 for any business related or other expenses (provided, however, that such C1 Entities may have reimbursed C1 for payments of such nature). No C1 Entity other than C1 has paid any trustees', directors' or similar fees to current or former trustees or directors of any C1 Entity other than C1. Except as disclosed in Section 4.1.11 of the C1 Disclosure Letter or as provided for in this Agreement, as of the date hereof, C1 is not a party to any oral or written (i) consulting agreement with any current or former employee of C1 not terminable on 30 days' or less notice involving the payment of more than $10,000 per annum or $100,000 per annum in the aggregate for all such agreements, (ii) union or collective bargaining agreement which covers more than 100 employees, (iii) agreement with any executive officer or other employee of C1 the benefits of which are contingent or vest, or the terms of which are materially altered, upon the occurrence of the transactions contemplated by this Agreement, (iv) agreement with respect to any executive officer or other employee of C1 providing any term of employment or compensation guarantee that extends for a period longer than one year or (v) agreement or plan, including any stock option, stock appreciation right, restricted stock or stock purchase plan, any of the benefits of which will be increased (other than as a result of any change in market values of the securities of

any party or the Surviving Corporation), or the vesting of the benefits under which will be accelerated by the occurrence of the transactions contemplated by this Agreement.

4.1.12. Taxes. (a) Each C1 Entity has timely filed all material tax returns and reports required to be filed by it, or requests for extensions to file such returns or reports have been timely filed or granted and have not expired, and all such tax returns and reports are complete and accurate in all respects, except to the extent that such failures to timely file or failures to be complete and accurate in all respects, as applicable, individually or in the aggregate, would not have a material adverse effect on the C1/C2 Entities taken as a whole. Each C1 Entity has paid (or C1 has paid on its behalf) all taxes shown as due on such tax returns and reports and all material taxes otherwise due. The most recent C1 Financial Statements reflect an adequate reserve for all taxes payable by the C1 Entities for all taxable periods and portions thereof accrued through the date of such financial statements, and no deficiencies for any taxes have been proposed, asserted or assessed against any C1 Entity that are not adequately reserved for, except for inadequately reserved taxes and inadequately reserved deficiencies that would not, individually or in the aggregate, have a material adverse effect on the C1/C2 Entities taken as a whole. Except as set forth in Section 4.1.12 of the C1 Disclosure Letter, as of the date hereof, no requests for waivers of the time to assess or collect any taxes against any C1 Entity have been granted or are pending, and no audits or examinations of any C1 Entity are being conducted or, to the knowledge of C1, threatened by any taxing authority.

(b) No C1 Entity has taken any action that would create a material risk that the Merger would not qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code.

(c) At all times since December 31, 1971, C1 has qualified as a REIT and its current method of operation will enable it to continue to qualify as a REIT.

(d) Except as set forth in Section 4.1.12 of the C1 Disclosure Letter, no C1 Entity is bound by any effective private letter ruling, closing agreement or similar agreement with any taxing authority (a "C1 Tax Ruling"), no C1 Entity has any applications or requests outstanding for any such rulings or agreements and no C1 Tax Ruling has been revoked or modified in any manner.

4.1.13. Employee Benefit Plans; ERISA. (a) Except as reflected in the C1 Financial Statements or as disclosed in Section 4.1.13 of the C1 Disclosure Letter or as would not have a material adverse effect on the C1/C2 Entities taken as a whole, as of the date hereof, (i) all C1 Employee Benefit Plans (as defined below) are in compliance with all applicable requirements of law, including ERISA and the Code, and (ii) no C1 Entity has any liabilities or obligations with respect to any such C1 Employee Benefit Plans, whether accrued, contingent or otherwise, nor to the knowledge of C1 are any such liabilities or obligations expected to be incurred. Except as disclosed in Section 4.1.13 of the C1 Disclosure Letter or as otherwise provided herein, no C1 Employee Benefit Plan in effect on the date hereof contains any provision that will or may result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee of C1 by virtue of the execution of, and performance of the transactions contemplated in, this Agreement (either alone or together with the occurrence of any additional of subsequent events). As of the date hereof, the only severance agreements or severance policies applicable to the employees, trustees or directors of any C1 Entity are the agreements and policies specifically referred to in Section 4.1.13 of the C1 Disclosure Letter. C1 has furnished to A1 correct and complete copies of all written C1 Employee Benefit Plans of each C1 Entity (or summary descriptions thereof) as in effect on the date hereof.

(b) As used herein "C1 Employee Benefit Plan" means any Plan entered into, established, maintained, sponsored, contributed to or required to be contributed to by any C1 Entity for the benefit of the current or former employees, trustees, or directors of any C1 Entity and existing on the date of this Agreement or at any time subsequent thereto and on or prior to the Effective Time and, in the case of a Plan which is subject to Part 3 of Title I of ERISA, Section 412 of the Code or Title IV of ERISA, at any time during the five-year period preceding the date of this Agreement.

(c) Except as reflected in Section 4.1.13 of the C1 Disclosure Letter, (i) no C1 Employee Benefit Plan provides retiree medical or retiree life insurance benefits to any person, (ii) no C1 Employee Benefit Plan is

subject to Title IV of ERISA or Section 412 of the Code and (iii) no event has occurred with respect to which any C1 Entity could reasonably be expected to have liability under Title IV of ERISA or Section 412 of the Code.

(d) Except as disclosed in Section 4.1.13 of the C1 Disclosure Letter, no C1 entity is a party to or obligated under any agreement, plan, contract or other arrangement to make payments, nor have any payments been made, that would be considered "excess parachute payments" under Section 280G of the Code.

(e) Each of C1 and C2 presently qualify, have at all times in the past qualified, and shall continue to qualify until the Effective Time as a "real estate operating company" for purposes of ERISA as defined in 29 C.F.R. Section 2510.101.

4.1.14. Labor Matters. Except as disclosed in Section 4.1.14 of the C1 Disclosure Letter, there are no material controversies pending or, to the knowledge of C1, threatened between any C1 Entity and any representatives of its employees, except as would not, individually or in the aggregate, have a material adverse effect on the C1/C2 Entities taken as a whole, and, to the knowledge of C1, there are no material organizational efforts presently being made involving any of the now unorganized employees of any C1 Entity, except as could not, individually or in the aggregate, have a material adverse effect on the C1/C2 Entities taken as a whole.

4.1.15. Environmental Matters. (a) Each C1 Entity has obtained or submitted timely applications for all Environmental Permits which are required under any applicable Environmental Law in respect of its business or operations, except for such failures to have Environmental Permits and to submit timely applications which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each of such Environmental Permits obtained by such C1 Entity is in full force and effect and each C1 Entity is in compliance with the terms and conditions of all such Environmental Permits and with all applicable Environmental Laws, except for such failures to be in effect or compliance which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

(b) To the knowledge of C1, as of the date hereof, no site or facility now or previously owned, operated or leased by any C1 Entity is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any similar state or local list of sites requiring investigation or clean-up.

(c) No Liens have arisen under or pursuant to any Environmental Law on any site or facility owned, operated or leased by any C1 Entity, other than Liens not individually or in the aggregate material to the C1/C2 Entities taken as a whole, and no action of any Governmental or Regulatory Authority has been taken or, to the knowledge of C1, is in process which could subject any of such properties to such Liens, except for such Liens which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole, and no C1 Entity is required to place any notice or restriction relating to the presence of Hazardous Materials at any such site or facility owned by it in any deed to the real property on which such site or facility is located, except for such notices or restrictions which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

(d) As of the date hereof, there have been no written reports, environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, any C1 Entity in relation to any site or facility now or previously owned, operated or leased by any C1 Entity that both (i) conclude that any C1 Entity could have liability under Environmental Laws that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole, and (ii) have not been delivered to A1 prior to the execution of this Agreement.

4.1.16. Intellectual Property Rights. Each C1 Entity has all right, title and interest in, or a valid and binding license to use, all Intellectual Property individually or in the aggregate material to the conduct of the businesses of the C1/C2 Entities taken as a whole. No C1 Entity is in default (or with the giving of notice or lapse of time or both, would be in default) under any license to use such Intellectual Property, such

Intellectual Property is not, to the knowledge of C1, being infringed by any third party, and no C1 Entity is infringing any Intellectual Property of any third party, except for such defaults and infringements which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

4.1.17. Real Property. Section 4.1.17 of the C1 Disclosure Letter sets forth a list of all principal properties owned or leased by the C1 Entities or the C2 Entities (the "Principal Properties") and the department stores that own or lease space in such Principal Properties (the "Department Stores"), in each case, as of the date hereof. As of the date hereof, (i) there are no conditions or events relating to (x) the ability of C1 or C2 to continue to own, lease or operate any Principal Property and (y) the value of any Principal Property, in each case, that is not a result of forces beyond the control of C1 and C2, (ii) C1 and C2 have made available to A1 (A) the leases and all amendments or modifications thereto pursuant to which the applicable C1 Entities leases the land on which the Haywood mall and Highland mall are located, (B) all reciprocal easement agreements, construction, operating and reciprocal easement agreements, operating agreements, development agreements, leases with Department Stores and similar agreements and all amendments and modifications thereto between any C1 Entity and a Department Store operating at the Principal Properties identified in Section 4.1.17 of the C1 Disclosure Letter (collectively, "REAs") and (C) Contracts evidencing, securing or guaranteeing or otherwise relating to indebtedness that is secured by an interest in any of the Principal Properties identified in Section 4.1.17 of the C1 Disclosure Letter and (iii) no party to any REA has given written notice that it has ceased, or that it intends to cease, operating the Department Store that such REA contemplates that it will operate that, in the case of (i), (ii) or (iii) above, would, or would reasonably be expected to, have a material adverse effect on (1) the ability of C1, C2 or A1 to consummate the transactions contemplated hereby or (2) C1 and C2 taken as a whole.

4.1.18. Vote Required. The affirmative vote of the holders of record of at least a majority of the outstanding C1 Common Shares and the outstanding C1 Preference Shares, voting together as a single class with respect to the approval of the C1 Delaware Reorganization, the affirmative vote of the holders of record of at least a majority of the outstanding C1 Common Shares and the outstanding C1 Preference Shares, voting together as a single class, with respect to this Agreement and the issuance of C1 Common Shares pursuant to this Agreement, and the affirmative vote of at least two-thirds of the outstanding C1 6.50% Preference Shares, voting separately as a class, with respect to the matters set forth in Section 1.1.2(v) of this Agreement are the only votes of the holders of any class or series of the beneficial interests of C1 or capital stock of C1 Delaware required to approve the C1 Delaware Reorganization, the Merger and the other transactions contemplated hereby.

4.1.19. Opinion of Financial Advisor. C1 has received the opinions of J.P. Morgan Securities Inc. and Lazard Freres & Co. LLC, to the effect that, as of the date hereof, the consideration to be received by the holders of C1 Common Stock pursuant to the Merger Agreement is fair from a financial point of view to such holders.

4.1.20. Ownership of A1 Common Stock. No C1 Entity beneficially owns any shares of A1 Common Stock.

Section 4.2. Representations and Warranties of C2. C2 represents and warrants to A1 as follows:

4.2.1. Organization and Qualification. Each of C2 and the Subsidiaries of C2 is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets and properties, except for such failures to be so incorporated, existing and in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each Consolidated Non-Corporate Affiliate of C2 is a trust, limited liability company or partnership duly organized, validly existing and, if applicable, is in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to conduct its business as and to the extent conducted and to own, use and lease its assets and properties, except for such failures to be so organized, existing or in good standing or to have such power and authority which, individually or in the aggregate, are not having and could not reasonably

be expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each C2 Entity is duly qualified, licensed or admitted to do business and is in good standing in each jurisdiction in which the ownership, use or leasing of its assets and properties, or the conduct or nature of its business, makes such qualification, licensing or admission necessary, except for such failures to be so qualified, licensed or admitted and in good standing which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Section 4.2.1 of the letter dated the date hereof and delivered by C2 to A1 concurrently with the execution and delivery of this Agreement (the "C2 Disclosure Letter") sets forth, as of the date hereof, (i) with respect to each Subsidiary of C2, (A) the name and jurisdiction of incorporation of such Subsidiary and (B) if such Subsidiary is not wholly owned, directly or indirectly, by C2, (1) its authorized capital stock, (2) the number of issued and outstanding shares of its capital stock and (3) the record and beneficial owners of outstanding shares of its capital stock and (ii) with respect to each Consolidated Non-Corporate Affiliate of C2, (A) the name, type of entity and jurisdiction of organization of such Consolidated Non-Corporate Affiliate, (B) the names of all parties that own equity interests therein and (C) the method of consolidation employed with respect to the consolidation of the accounts of such Consolidated Non-Corporate Affiliate in the financial statements of C2, including the percentage(s) employed in the case of proportional consolidation. Except for interests in the C2 Entities and as disclosed in Section 4.2.1 of the C2 Disclosure Letter, as of the date hereof, neither C2 nor any other C2 Entity directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, trust, limited liability company, partnership, joint venture or other business association or entity (other than investments in such entities that as in the aggregate are reflected in the latest C2 Financial Statements (as defined herein) as having a value not exceeding $20,000,000, (ii) by operation of law (including the interposition of a C2 Entity holding only such investments) expose no C2 Entity (other than such an interposed C2 Entity) to any liability with respect to the obligations of such entities, whether as a controlling person, partner, guarantor, surety or otherwise and (iii) do not and could not reasonably be expected to cause C1 to fail to meet any REIT Requirement (the exceptions to the general representation set forth in this sentence, the "C2 Permitted Minority Investments")). C2 has previously delivered to A1 correct and complete copies of the Charter Documents of C2.

4.2.2. Capital Stock. (a) As of the date of this Agreement, the authorized capital stock of C2 consists solely of 3,542,767.5 shares of common stock, par value $.10 per share, of C2 ("C2 Common Stock"). As of February 17, 1998, 2,683,888.9 shares of C2 Common Stock were issued and outstanding, no shares were held in the treasury of C2 and 858,878.6 shares were reserved for issuance. Since such date, except as set forth in Section 4.2.2 of the C2 Disclosure Letter, there has been no change in the number of issued and outstanding shares of C2 Common Stock, or the number of shares of C2 Common Stock held in treasury or reserved for issuance, other than as a result of the stock dividend described in Section 1.1.2 and shares issuable in connection with the issuance of C1 Common Shares pursuant to the C1 Permissible Issuance Arrangements. All of the issued and outstanding shares of C2 Common Stock are, and all shares of C2 Common Stock reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. Except pursuant to this Agreement and except as set forth in Section 4.2.2 of the C2 Disclosure Letter, as of the date hereof, there are no outstanding Options obligating any C1/C2 Entity to issue or sell any equity interest in C2 or to grant, extend or enter into any Option with respect thereto, other than in connection with the issuance of C1 Common Shares pursuant to C1 Permissible Issuance Arrangements. Except pursuant to this Agreement and except as set forth in Section 4.2.2 of the C2 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any C1/C2 Entity to repurchase, redeem or otherwise acquire any equity interest in C2 other than in connection with the redemption, repurchase or other acquisition of C1 Common Shares pursuant to C1 Permissible Redemption Arrangements.

(b) Except as disclosed in Section 4.2.2 of the C2 Disclosure Letter, all of the outstanding shares of capital stock of each Subsidiary of C2 are duly authorized, validly issued, fully paid and nonassessable and are owned, beneficially and of record, by C2 or another C2 Entity wholly owned, directly or indirectly, by C2, free and clear of any Liens. Except as disclosed in Section 4.2.2 of the C2 Disclosure Letter, all equity interests in the Consolidated Non-Corporate Affiliates of C2 that are not owned by third parties (as disclosed in

Section 4.2.1 of the C2 Disclosure Letter) are owned by other C2 Entities, free and clear of any Liens. Except as disclosed in Section 4.2.2 of the C2 Disclosure Letter, as of the date hereof, there are no (i) outstanding Options (other than Options in favor of C2 or a C2 Entity wholly owned, directly or indirectly, by C2) obligating any C2 Entity to issue or sell any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of C2 or to grant, extend or enter into any such Option or (ii) voting trusts, proxies or other commitments, understandings, restrictions or arrangements in favor of any person (other than C2 or another C2 Entity wholly owned, directly or indirectly, by C2) with respect to the voting of or the right to participate in dividends or other earnings on any capital stock of any Subsidiary of C2 or an any equity interest in any Consolidated Non-Corporate Affiliate of C2, other than as set forth in such C2 Entity's Charter Documents.

(c) Except as disclosed in Section 4.2.2 of the C2 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations (other than Options in favor of C2 or a C2 Entity wholly owned, directly or indirectly, by C2) of any C2 Entity to repurchase, redeem or otherwise acquire any shares of capital stock of, or other equity interest in, any Subsidiary or Consolidated Non-Corporate Affiliate of C2. Except as disclosed in Section 4.2.2 of the C2 Disclosure Letter, as of the date hereof, there are no outstanding contractual obligations of any C2 Entity to provide funds to, or to make any investment (in the form of a loan, capital contribution or otherwise) in, any C2 Entity or other person (except for C2 and C2 Entities wholly owned, directly or indirectly, by C2), other than in connection with C2 Permitted Minority Investments.

(d) As of the date hereof, substantially all the issued and outstanding shares of C2 Common Stock are held by a corporate trustee as trustee under two trust agreements (the "C2 Trust Agreements"), correct and complete copies of which have been delivered to A1 on or before the date hereof, for the ratable benefit of the holders of substantially all the issued and outstanding C1 Common Shares and C1 Preference Shares, respectively. The C2 Trust Agreements have been duly executed and delivered by C2 and the trustees thereunder, are legal, valid and binding obligations of C2 and such trustees, enforceable against C2 and such trustees, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). The shares of C2 Common Stock held pursuant to the C2 Trust Agreements are owned of record by the trustees thereunder free and clear of any Liens (other than Liens in favor of such trustees related to their performance of their duties under the C2 Trust Agreements).

4.2.3. Authority Relative to this Agreement. C2 has all requisite power and authority to enter into this Agreement and, subject to obtaining the C2 Stockholders' Approval (as defined in Section 6.3.2), to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by C2, and the consummation by C2 of the transactions contemplated hereby, have been duly and validly approved by its Board of Directors, the Board of Directors of C2 has recommended adoption of this Agreement by the stockholders of C2 and directed that this Agreement and the issuance of C2 Common Stock in connection with the Merger be submitted to the stockholders of C2 for their consideration, and no other corporate proceedings on the part of either of C2 or its stockholders are necessary to authorize the execution, delivery and performance of this Agreement by C2 and the consummation by C2 of the transactions contemplated hereby, other than the C2 Stockholders' Approval. This Agreement has been duly and validly executed and delivered by C2 and constitutes a legal, valid and binding obligation of C2 enforceable against C2 in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2.4. Non-Contravention; Approvals and Consents. (a) The execution and delivery of this Agreement by C2 do not, and the performance by C2 of its obligations hereunder and the consummation of the transactions contemplated hereby will not, conflict with, result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person any right of payment or reimbursement, termination, cancelation, modification or acceleration of, or result in the creation or imposition of any Lien upon any of the assets or properties of any C2 Entity under, any of the terms,

conditions or provisions of (x) the Charter Documents of any C2 Entity, or (y) subject to the obtaining of the C2 Stockholders' Approval and the taking of the actions described in paragraph (b) of this Section and the obtaining of the consents and approvals, the making of the filings and the giving of the notices described in Section 4.2.4 of the C2 Disclosure Letter, (1) any laws or orders of any Governmental or Regulatory Authority applicable to any C2 Entity or any of its assets or properties, or (2) any Contracts to which any C2 Entity is a party (including, without limitation, any Charter Document of any C1 Consolidated Non-Corporate Affiliate) or by which any C2 Entity or any of its assets or properties is bound, excluding from the foregoing clauses (1) and (2) conflicts, violations, breaches, defaults, rights of payment or reimbursement, terminations, cancellations, modifications, accelerations and creations and impositions of Liens which, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C2 to consummate the transactions contemplated by this Agreement.

(b) Except (i) for the filing of the Proxy Statement and the Registration Statement with the SEC pursuant to the Exchange Act and the Securities Act, the declaration of the effectiveness of the Registration Statement by the SEC and filings with various state securities authorities that are required in connection with the transactions contemplated by this Agreement, (ii) for the filing by C2 of a Certificate of Merger and other appropriate merger documents required by the DGCL with the Delaware Secretary of State and any local recording office in connection with the C2 Merger, (iii) such other consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under (A) the laws of any foreign country in which any C2 Entity conducts any business or owns any property or assets or (B) any federal, state, local or foreign Environmental Law and (iv) as disclosed in Section 4.2.4 of the C2 Disclosure Letter, no consent, approval or action of, filing with or notice to any Governmental or Regulatory Authority or other public or private third party is necessary or required under any of the terms, conditions or provisions of any law or order of any Governmental or Regulatory Authority or any Contract to which any C2 Entity is a party or by which any C2 Entity or any of its assets or properties is bound for the execution and delivery of this Agreement by C2, the performance by C2 of its obligations hereunder or the consummation of the transactions contemplated hereby, other than such consents, approvals, actions, filings and notices which the failure to make or obtain, as the case may be, individually or in the aggregate, could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C2 to consummate the transactions contemplated by this Agreement.

4.2.5. C2 Financial Statements and Stockholder Reports. (a) Prior to the execution of this Agreement, C2 has delivered to A1 true and complete copies of the condensed balance sheets of C2 and its subsidiaries as of December 31, 1995, 1996 and 1997, and the related condensed consolidated statements of operations for each of the fiscal years then ended, together with the notes thereto, all such financial statements being in the form appearing in notes to the C1 Financial Statements (such financial statements, including the notes, if any, thereto, being referred to herein as the "C2 Financial Statements"). The C2 Financial Statements were condensed from financial statements that were prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved. Except as set forth in Section 4.2.1 of the C2 Disclosure Letter, each Subsidiary and Consolidated Non-Corporate Affiliate of C2 in existence on the date hereof is fully consolidated with C2 in the C2 Financial Statements for all periods covered thereby.

(b) C2 has not delivered any letter, proxy or other document to the beneficiaries under the Trust Agreements between December 31, 1996 and the date hereof, other than as part of the C1 Reports.

4.2.6. Absence of Certain Changes or Events. Except as disclosed in Section 4.2.6 of the C2 Disclosure Letter, (a) between December 31, 1997 and the date hereof there has not been any change, event or development having, or that could be reasonably expected to have, individually or in the aggregate, a material adverse effect on the C1/C2 Entities taken as a whole, (b) between December 31, 1997 and the date hereof, no party to any Charter Document or co-tenancy agreement of any C2 Entity has exercised any Charter Document Right pursuant to such Charter Document or co-tenancy agreement and (c) between December 31, 1997 and the date hereof no C2 Entity has taken any action which, if taken after the date hereof, would constitute a breach of any provision of paragraphs (c), (d), (e), (f), (g), (h), (j), (k) or, solely with respect to the foregoing paragraphs, (l) of Section 5.1.2.

4.2.7. [Intentionally Omitted].

4.2.8. Legal Proceedings. Except as disclosed in the C1 Financial Statements or C2 Financial Statements or in Section 4.2.8 of the C2 Disclosure Letter, as of the date hereof (i) there are no actions, suits, arbitrations or proceedings pending or, to the knowledge of C2, threatened against, relating to or affecting, nor to the knowledge of C2 are there any Governmental or Regulatory Authority investigations or audits pending or threatened against, relating to or affecting any C2 Entity or any of its assets and properties which, individually or in the aggregate, could be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C2 to consummate the transactions contemplated by this Agreement, and (ii) no C2 Entity is subject to any order of any Governmental or Regulatory Authority which, individually or in the aggregate, is having or could be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole or on the ability of C2 to consummate the transactions contemplated by this Agreement.

4.2.9. Information Supplied. The Registration Statement, and any other documents to be filed by C2 with the SEC or any other Governmental or Regulatory Authority in connection with the Merger and the other transactions contemplated hereby, will (in the case of the Registration Statement and any such other documents filed with the SEC under the Securities Act or the Exchange Act) comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and will not, on the date of its filing or, in the case of the Registration Statement, at the time it becomes effective under the Securities Act, at the date the Proxy Statement is first mailed to stockholders of C1 and C2 and at the times of the Stockholders' Meetings, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation is made by C2 with respect to information supplied by or on behalf of A1 or any of its Subsidiaries expressly for inclusion therein and information incorporated by reference therein from documents filed with the SEC by any A1 Entity.

4.2.10. Compliance with Laws and Orders. The C2 Entities hold all permits, licenses, variances, exemptions, orders and approvals of all Governmental and Regulatory Authorities necessary for the lawful conduct of their respective businesses (the "C2 Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders and approvals which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. The C2 Entities are in compliance with the terms of the C2 Permits, except failures so to comply which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Except as disclosed in Section 4.2.10 of the C2 Disclosure Letter, the C2 Entities are not in violation of or default under any law or order of any Governmental or Regulatory Authority, except for such violations or defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

4.2.11. Compliance with Agreements; Certain Agreements. (a) Except as disclosed in Section 4.2.11 of the C2 Disclosure Letter, neither any C2 Entity nor, to the knowledge of C2, any other party thereto is in breach or violation of, or in default in the performance or observance of any term or provision of, and no event has occurred which, with notice or lapse of time or both, could be reasonably expected to result in a default under, (i) the Charter Documents of any C2 Entity that is a corporation or (ii) any Contract to which any C2 Entity is a party or by which any C2 Entity or any of its assets or properties is bound or any Charter Document of any C1 Entity that is not a corporation, except in the case of this clause (ii) for breaches, violations and defaults which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each Charter Document of each C2 Consolidated Non-Corporate Affiliate and, to the knowledge of C2, each material Contract to which any C2 Entity is a party or by which any of its assets or property is bound, is in full force and effect, other than invalidities and other defects (x) due to the actions of other parties to any such Charter Document or Contract or (y) that have not had, and would not reasonably be expected to have, a material adverse effect on C1 and C2 taken as a whole. C2 has made available to A1 correct and complete copies of all Charter Documents of the C2 Entities, except as would not, and would not reasonably be expected to, have a material adverse effect on the ability of C1, C2 or A1 to consummate the transactions contemplated hereby.

(b) Since January 1, 1988, neither C2 nor any other C2 Entity has employed any individual, retained any current or former employees of C1 as consultants or reimbursed any current or former employees of C1 for any business-related or other expenses (provided, however, that C2 and the other C2 Entities may have reimbursed C1 for payments of such nature). No C2 Entity has, since January 1, 1988, paid any directors' or similar fees to any directors of any C2 Entity other than C2.

4.2.12. Taxes. (a) Each C2 Entity has timely filed all material tax returns and reports required to be filed by it, or requests for extensions to file such returns or reports have been timely filed or granted and have not expired, and all such tax returns and reports are complete and accurate in all respects, except to the extent that such failures to timely file or failures to be complete and accurate in all respects, as applicable, individually or in the aggregate, would not have a material adverse effect on the C1/C2 Entities taken as a whole. Each C2 Entity has paid (or C2 has paid on its behalf) all taxes shown as due on such tax returns and reports and all material taxes otherwise due. The most recent C2 Financial Statements reflect an adequate reserve for all taxes payable by the C2 Entities for all taxable periods and portions thereof accrued through the date of such financial statements, and no deficiencies for any taxes have been proposed, asserted or assessed against any C2 Entity that are not adequately reserved for, except for inadequately reserved taxes and inadequately reserved deficiencies that would not, individually or in the aggregate, have a material adverse effect on the C1/C2 Entities taken as a whole. Except as set forth in Section 4.2.12 of the C2 Disclosure Letter, as of the date hereof, no requests for waivers of the time to assess or collect any taxes against any C2 Entity have been granted or are pending, and no audits or examinations of any C2 Entity are being conducted or, to the knowledge of C2, threatened by any taxing authority.

(b) No C2 Entity has taken any action that would create a material risk that the Merger would not qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code.

(c) Except as set forth in Section 4.2.12 of the C2 Disclosure Letter, no C2 Entity is bound by any effective private letter ruling, closing agreement or similar agreement with any taxing authority (a "C2 Tax Ruling"), no C2 Entity has any applications or requests outstanding for any such rulings or agreements and no C2 Tax Ruling has been revoked or modified in any manner.

4.2.13. Employee Benefit Plans; ERISA. (a) No C2 Employee Benefit Plans are in effect and no C2 Entity has any present or contingent liability with respect to any Plan.

(b) As used herein "C2 Employee Benefit Plan" means any Plan entered into, established, maintained, sponsored, contributed to or required to be contributed to by any C2 Entity for the benefit of the current or former employees or directors of any C2 Entity and existing on the date of this Agreement or at any time subsequent thereto and on or prior to the Effective Time and, in the case of a Plan which is subject to Part 3 of Title I of ERISA, Section 412 of the Code or Title IV of ERISA, at any time during the five-year period preceding the date of this Agreement.

4.2.14. [Intentionally Omitted].

4.2.15. Environmental Matters. (a) Each C2 Entity has obtained or submitted timely applications for all Environmental Permits which are required under any applicable Environmental Law in respect of its business or operations, except for such failures to have Environmental Permits and to submit timely applications which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole. Each of such Environmental Permits obtained by such C2 Entity is in full force and effect and each C2 Entity is in compliance with the terms and conditions of all such Environmental Permits and with all applicable Environmental Laws, except for such failures to be in full force and effect or compliance which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

(b) To the knowledge of C2, as of the date hereof, no site or facility now or previously owned, operated or leased by any C2 Entity is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any similar state or local list of sites requiring investigation or cleanup.

(c) No Liens have arisen under or pursuant to any Environmental Law on any site or facility owned, operated or leased by any C2 Entity, other than Liens not individually or in the aggregate material to the C1/C2 Entities taken as a whole, and no action of any Governmental or Regulatory Authority has been taken or, to the knowledge of C2, is in process which could subject any of such properties to such Liens, except for such Liens which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole, and no C2 Entity would be required to place any notice or restriction relating to the presence of Hazardous Materials at any such site or facility owned by it in any deed to the real property on which such site or facility is located, except for such notices or restrictions which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

(d) As of the date hereof, there have been no written reports, environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, any C2 Entity in relation to any site or facility now or previously owned, operated or leased by any C2 Entity that both (i) conclude that any C2 Entity could have liability under Environmental Laws that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole, and (ii) have not been delivered to A1 prior to the execution of this Agreement.

4.2.16. Intellectual Property Rights. Each C2 Entity has all right, title and interest in, or a valid and binding license to use, all Intellectual Property individually or in the aggregate material to the conduct of the businesses of the C1/C2 Entities taken as a whole. No C2 Entity is in default (or with the giving of notice or lapse of time or both, would be in default) under any license to use such Intellectual Property, such Intellectual Property is not, to the knowledge of C2, being infringed by any third party, and no C2 Entity is infringing any Intellectual Property of any third party, except for such defaults and infringements which, individually or in the aggregate, are not having and could not be reasonably expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

4.2.17. [Intentionally Omitted.]

4.2.18. Vote Required. The affirmative vote of the holders of record of at least a majority of the outstanding shares of C2 Common Stock with respect to the C2 Merger, this Agreement and the issuance of C2 Common Stock pursuant to this Agreement is the only vote of the holders of any class or series of the capital stock of C2 required to approve the Merger and the other transactions contemplated hereby.

4.2.19. Ownership of A1 Common Stock. No C2 Entity beneficially owns any shares of A1 Common Stock.

ARTICLE V.

COVENANTS

Section 5.1. Conduct Pending the Closing. At all times from and after the date hereof until the Effective Time, each party hereto covenants and agrees as follows:

5.1.1. Preservation of REIT Status. No party hereto shall take any action or omit to take any action reasonably within its power to take that (i) would cause A1 to be disqualified as a REIT, (ii) would cause C1 to be disqualified as a REIT or (iii) would result in a loss of the status of C1 and C2 (prior to the Merger) or the Surviving Corporation and C2 (from and after the Merger) as grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984.

5.1.2. Conduct of Business by C1 and C2 Pending the Closing. Each of C1 and C2 and its Subsidiaries and Consolidated Non-Corporate Affiliates (such party's "Entities") shall use all commercially reasonable efforts to preserve intact in all material respects its present business organizations and reputation, to keep available the services of its key officers and employees, to maintain its assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on its tangible assets and businesses in such amounts and against such risks and losses as are currently in effect, to preserve its relationships with tenants and other occupiers of properties, customers, suppliers, lenders, partners and others

having significant business dealings with them and to comply in all material respects with all laws and orders of all Governmental or Regulatory Authorities applicable to them, and neither C1 nor C2 shall, except as otherwise expressly provided for in this Agreement, as contemplated by the "C1/C2 Business Plan," which is identified in Section 5.1.2 of the C1 Disclosure Letter, or as otherwise described in Section 5.1.2 of the C1 Disclosure Letter, as applicable, or with the prior written consent of A1:

(a) incorporate or organize any new Entity of such party, unless such Entity shall be wholly owned, directly or indirectly, by C1 or C2 and A1 shall receive prompt notice of such incorporation or organization, including the information that would have been disclosed pursuant to Articles III and IV hereof had such Entity been in existence on the date hereof;

(b) amend or propose to amend its Charter Documents or permit the amendment of the Charter Documents of the Entities of C1 or C2, except, in the case of Entities of C1 or C2, for the amendment of the Charter Documents of such Entities as are wholly owned, directly or indirectly, by C1 or C2, so long as such action shall be promptly disclosed to A1;

(c) (w) declare, set aside or pay any dividends on or make other distributions in respect of any of the beneficial interests or capital stock of such party, except that C1 and C2 each may declare and pay (1) quarterly cash dividends on C1 Common Stock and C2 Common Stock in an amount not to exceed $1.95 per C1 Common Share and related beneficial interest in shares of C2 Common Stock, with usual record and payment dates for such dividends in accordance with past dividend practice, (2) cash dividends on C1 Common Stock and C2 Common Stock in amounts proportional to the dividends paid on C1 Common Stock and C2 Common Stock for the last full quarter preceding the Effective Time prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time and (3) cash dividends on C1 Preference Shares in the amounts, and with the record and payment dates, required in accordance with the terms thereof, (x) split, combine, reclassify or take similar action with respect to any of its beneficial interests or capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its beneficial interest or capital stock, or permit any of its Entities (other than Entities wholly owned, directly or indirectly, by C1 or C2) to split, combine, reclassify or take similar action with respect to such Entities' capital stock or equity interests or issue or authorize or propose the issuance of any other securities or equity interests in respect of, in lieu of, or in substitution for such capital stock or equity interests, (y) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such liquidation or a dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or permit any of such party's Entities (other than Entities wholly owned, directly or indirectly, by C1 or C2) to take any such action, or (z) directly or indirectly redeem, repurchase or otherwise acquire, or permit any Entity of C1 or C2 to redeem, repurchase or otherwise acquire, directly or indirectly, any shares of capital stock of, or beneficial or other equity interests in, C1 or C2 or any of their Entities, or any Option with respect thereto (other than in transactions solely involving C1 or C2 and their Entities that are wholly owned, directly or indirectly, by C1 or C2) and other than pursuant to C1 Permissible Redemption Arrangements;

(d) issue, deliver, sell or otherwise transfer, or authorize or propose the issuance, delivery, sale or other transfer of, or permit any of its Entities to issue, deliver, sell, or otherwise transfer or authorize or propose the issuance, delivery or sale of, any shares of capital stock of, or beneficial or other equity interests in, it or any of its Entities or any Option with respect thereto (other than (x) issuances of C1 Common Shares or beneficial interests in C2 Common Stock in connection with C1 Permissible Issuance Arrangements; provided that management of C1 shall use its best efforts to suspend sales of C1 Common Shares under the C1 QSPP from the date hereof until the Effective Time or (y) the issuance, sale or transfer by an Entity that is wholly owned, directly or indirectly, by C1 or C2 of such Entity's capital stock or other equity interests, or Options with respect thereto, to C1 or C2 or other Entities wholly owned, directly or indirectly, by C1 or C2), or modify or amend any right of any holder of outstanding Options with respect thereto (other than the modification or amendment of the rights of C1 or C2 or an Entity wholly owned, directly or indirectly, by C1 or C2 under an Option issued by C1 or C2 or an Entity wholly owned, directly or indirectly, by C1 or C2);

(e) except, with respect to loans or capital contributions to any of C1's or C2's Entities, to the extent required under the express terms of any applicable Charter Document, provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in (or permit any of C1's or C2's Entities to take any such action with respect to), any Entity of C1 or C2 or other person (except for such Entities as shall be wholly owned, directly or indirectly, by C1 or C2), other than C1 Permitted Minority Investments, C2 Permitted Minority Investments and investments of the type described in Section 4.2.1 of the C1 Disclosure Letter or the C2 Disclosure Letter;

(f) in the case of C2, amend, modify or terminate the C2 Trust Agreements or propose such amendment, modification or termination;

(g) (x) acquire (by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner) or permitting any of its Entities to acquire any business or any corporation, partnership, association or other business organization or division thereof or any significant assets, (y) mortgage or otherwise encumber or subject to any Lien or sell, lease or otherwise dispose of, or permit any of its Entities to do any of the foregoing with respect to, any significant portion of its interest in one or more of the properties or interests identified in Section 4.1.17 of the C1 Disclosure Letter or assign or encumber the right to receive income, dividends or distributions with respect thereto or (z) make or agree to make any new capital expenditures;

(h) (x) incur (which shall not be deemed to include entering into credit agreements, lines of credit or similar arrangements until borrowings are made or committed to be borrowed under such arrangements) any indebtedness for borrowed money or guarantee any such indebtedness, or permit any of its Entities to take any such action, other than to meet the current cash needs of its and its Entities' business in an aggregate amount not to exceed that which is contemplated by the C1/C2 Business Plan, to permit it to perform its obligations hereunder or to effect a redemption of indebtedness permitted by clause (y), or (y) voluntarily purchase, cancel, prepay or otherwise provide for a complete or partial discharge in advance of a scheduled repayment date with respect to, or waive any right under, or otherwise modify the provisions of, any indebtedness, or guarantee of indebtedness, for borrowed money, or permit any of its Entities to take any of such actions;

(i) enter into, adopt, amend in any material respect (except as may be required by applicable law) or terminate any C1 Employee Benefit Plan or grant any Options, awards or other benefits or increase compensation, except for increases in benefits and compensation to employees other than executive officers having a value in the aggregate of not greater than $250,000 and except for changes therein contemplated by Section 6.8 and 6.9 of this Agreement;

(j) enter into any Contract, or amend or modify any existing Contract, or engage in any new transaction outside the ordinary course of business consistent with past practice or not on an arm's-length basis, or permit any of its Entities to take such actions, with any affiliate of C1 or C2 other than transactions among C1 or C2 and Entities that are wholly owned, directly or indirectly, by C1 or C2;

(k) make any change in the lines of business in which it and its Entities participate or are engaged; or

(l) enter into any Contract, commitment or arrangement to do or engage in any action the consummation of which would be prohibited by the foregoing.

5.1.3. Conduct of Business by A1 Pending the Closing. Except as set forth in Section 5.1.3 of the A1 Disclosure Letter, during the period from the date of this Agreement to the Effective Time, A1 shall, and shall cause each of the A1 Entities to, use all commercially reasonable efforts to preserve intact in all material respects its present business organizations and reputation, to keep available the services of its key officers and employees, to maintain its assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on its tangible assets and businesses in such amounts and against such risks and losses as are currently in effect, to preserve its relationships with tenants and other occupiers of properties, customers, suppliers, lenders, partners and others having significant business dealings with them and to comply in all material respects with all laws and orders of all Governmental or Regulatory Authorities applicable to

them, and A1 shall not, except as otherwise expressly provided for in this Agreement, as set forth in Section 5.1.3 of the A1 Disclosure Letter or with the prior written consent of C1:

(a) declare, set aside or pay any dividends on or make other distributions, except that A1 may declare and pay (1) quarterly cash dividends on A1 Common Stock in an amount not to exceed $0.505 per share of A1 Common Stock, with usual record and payment dates for such dividends in accordance with past dividend practice, (2) cash dividends on A1 Common Stock in amounts proportional to the dividends paid on A1 Common Stock in the last full quarter preceding the Effective Time prorated over the number of days elapsed in the quarter in which the Effective Time occurs from the beginning of such quarter to the Effective Time and (3) cash dividends on A1 Preferred Stock in the amounts, and with the record and payment dates, required in accordance with the terms thereof;

(b) enter into any Contract, or amend or modify any existing Contract, or engage in any new transaction outside the ordinary course of business consistent with past practice or not on an arm's length basis, or permit any A1 Entity to take such actions, with any affiliate of such party other than transactions among A1 and Entities of A1 that are wholly owned, directly or indirectly, by A1 or any A1 Entity;

(c) make any change in the lines of business in which it and its Entities participate or are engaged; or

(d) enter into any Contract, commitment or arrangement to do or engage in any action the consummation of which would be prohibited by the foregoing.

5.1.4. Advice of Changes. Each party shall confer on a regular and frequent basis with the others with respect to its business and operations and other matters relevant to the Merger, and shall promptly advise the others, orally and in writing, of any change or event, including, without limitation, any complaint, investigation or hearing by any Governmental or Regulatory Authority (or communication indicating the same may be contemplated) or the institution or threat of litigation, having, or which, insofar as can be reasonably foreseen, could have, a material adverse effect on the A1 Entities taken as a whole or on the C1/C2 Entities taken as a whole, as the case may be, or on the ability of any party to consummate the transactions contemplated hereby; provided that no party shall be required to make any disclosure to the extent such disclosure would constitute a violation of any applicable law.

5.1.5. Notice and Cure. Each party will notify the others of, and will use all commercially reasonable efforts to cure before the Closing, any event, transaction or circumstance, as soon as practical after it becomes known to such party, that causes or will cause any covenant or agreement of such party under this Agreement to be breached or that renders or will render untrue any representation or warranty of such party contained in this Agreement. Each party also will notify the others in writing of, and will use all commercially reasonable efforts to cure, before the Closing, any violation or breach, as soon as practical after it becomes known to such party, of any representation, warranty, covenant or agreement made by such party. No notice given pursuant to this paragraph shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein.

5.1.6. Fulfillment of Conditions. Subject to the terms and conditions of this Agreement, each party will take or cause to be taken all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each condition to the other's obligations contained in this Agreement and to consummate and make effective the transactions contemplated by this Agreement.

Section 5.2. No Solicitations by C1 and C2. (a) Prior to the Effective Time, each of C1 and C2 agree (i) that it shall, and shall direct and use its best efforts to cause its Entities, controlled affiliates and Representatives to, immediately cease any discussion or negotiations with any parties that may be ongoing with respect to an Alternative Proposal for C1 and C2 (as defined below); (ii) that it shall not, and it shall use its best efforts to cause its Entities, controlled affiliates and Representatives not to, initiate, solicit or encourage, directly or indirectly, any inquiries or the making or implementation of any proposal or offer (including, without limitation, any proposal or offer to its stockholders or shareholders) with respect to a merger, consolidation or other business combination transaction involving it or any acquisition or similar transaction (including, without limitation, a tender or exchange offer) involving (i) the purchase of all or substantially all of the assets of the C1/C2 Entities taken as a whole or (ii) the purchase, acquisition or

issuance of shares of beneficial interest in C1 representing at least a majority of the voting power of all the outstanding shares of beneficial interest in C1 (for purposes hereof, any such proposal or offer with respect to such merger, consolidation, other business combination, acquisition or similar transaction is hereinafter referred to as an "Alternative Proposal for C1 or C2"), or engage in any negotiations with or provide any confidential information or data to, any person or group relating to an Alternative Proposal for C1 or C2 (excluding the transactions contemplated by this Agreement), or otherwise knowingly facilitate any effort or attempt to make or implement an Alternative Proposal for C1 or C2, and (b) that it will notify A1 promptly if any such inquiries, proposals or offers are received by, any such information is requested from, or any such negotiations or discussions are sought to be initiated or continued with, it or any of such persons.

ARTICLE VI.

ADDITIONAL AGREEMENTS

Section 6.1. Access to Information; Confidentiality. Each party shall, and shall cause each of its Entities to, throughout the period from the date hereof to the Effective Time, (i) provide the other parties and their Representatives with full access, upon reasonable prior notice and during normal business hours, to all officers, employees, agents and accountants of such party and its Entities and their respective assets, properties and material books and records, but only to the extent that such access does not unreasonably interfere with the business and operations of such party and its Entities, and (ii) furnish promptly to such persons (x) a copy of each report, statement, schedule and other document filed or received by such party or any of its Entities pursuant to the requirements of Federal or state securities laws and each material report, statement, schedule and other document filed with any other Governmental or Regulatory Authority and (y) all other information and data (including, without limitation, copies of Contracts, A1 Employee Benefit Plans or C1 Employee Benefit Plans, as the case may be, and material other books and records and environmental assessments, investigations or studies concerning the properties of such party or the business or operations conducted thereon) concerning the business and operations of such party and its Entities as the other party or any of such other persons reasonably may request. No investigation pursuant to this paragraph or otherwise shall affect any representation or warranty contained in this Agreement or any condition to the obligations of the parties hereto. Any such information or material obtained pursuant to this Section 6.1 that constitutes "Evaluation Material" (as such term is defined in the letter agreement dated January 21, 1998 between A1 and C1 (the "Confidentiality Agreement")) shall be governed by the terms of the Confidentiality Agreement.

Section 6.2. Preparation of Registration Statement and Proxy Statement. A1, C1 and C2 shall prepare and file with the SEC as soon as reasonably practicable after the date hereof the Proxy Statement and C1 and C2 shall prepare and file with the SEC as soon as reasonably practicable after the date hereof the Registration Statement, in which the Proxy Statement will be included as the prospectus. A1, C1 and C2 shall use their best efforts to have the Registration Statement declared effective by the SEC as promptly as practicable after such filing. C1 and C2 shall also take any action (other than qualifying as a foreign corporation or taking any action which would subject it to service of process in any jurisdiction where A1 is not now so qualified or subject) required to be taken under applicable state blue sky or securities laws in connection with the issuance of the C1 Common Shares and C2 Common Stock (or beneficial interests therein) pursuant to this Agreement. If at any time prior to the Effective Time any event shall occur that should be set forth in an amendment of or a supplement to the Registration Statement, C1 and C2 shall prepare and file with the SEC such amendment or supplement as soon thereafter as is reasonably practicable. A1, C1 and C2 shall cooperate with each other in the preparation of the Registration Statement and the Proxy Statement and any amendment or supplement thereto, and each shall notify the others of the receipt of any comments of the SEC with respect to the Registration Statement or the Proxy Statement and of any requests by the SEC for any amendment or supplement thereto or for additional information, and shall provide to the other promptly copies of all correspondence between the SEC and A1, C1 or C2, as the case may be, or any of their Representatives with respect to the Registration Statement or the Proxy Statement. C1 and C2 shall give A1 and its counsel the opportunity to review the Registration Statement and all responses to requests for additional information by and replies to comments of the SEC before such registration statement is filed with, or sent to, the SEC. Each of A1, C1 and C2 agrees to use its best efforts, after consultation with the other parties hereto, to

respond promptly to all such comments of and requests by the SEC and to cause (x) the Registration Statement to be declared effective by the SEC at the earliest practicable time and to be kept effective as long as is necessary to consummate the Merger, and (y) the Proxy Statement to be mailed to the holders entitled to vote at the Stockholders Meetings at the earliest practicable time.

Section 6.3. Approvals of Stockholders.

6.3.1. A1 Stockholder Approval. Subject to the exercise of fiduciary obligations under applicable law as advised by outside counsel, A1 shall, through its Board of Directors, duly call, give notice of, convene and hold a meeting of its stockholders (the "A1 Stockholders' Meeting") for the purpose of voting on the adoption of this Agreement (the "A1 Stockholders' Approval"). Subject to the exercise of fiduciary obligations under applicable law as advised by outside counsel, A1 shall, through its Board of Directors, include in the Proxy Statement the recommendation of the Board of Directors of A1 that the stockholders of A1 adopt this Agreement and shall use its best efforts to obtain such adoption.

6.3.2. C1 and C2 Stockholders' Approvals. Subject to the exercise of fiduciary obligations under applicable law as advised by outside counsel, each of C1 and C2 shall, through its Board of Directors, duly call, give notice of, convene and hold a meeting of its stockholders (collectively, the "C1 and C2 Stockholders' Meeting" and, together with the A1 Stockholders' Meeting, the "Stockholders' Meetings") for the purpose of voting on the adoption of this Agreement and the issuance of C1 Common Shares and C2 Common Stock pursuant to this Agreement and under the C1 Option Plan, as in effect following the Merger after the Merger in accordance with this Agreement (the "C1 Stockholders' Approval" and the "C2 Stockholders' Approval", respectively) as soon as reasonably practicable after the date hereof. Subject to the exercise of fiduciary obligations under applicable law as advised by outside counsel, each of C1 and C2 shall, through its Board of Directors, include in the Proxy Statement the recommendation of its Board of Directors that its stockholders adopt this Agreement and approve such issuances, as applicable, and shall use its best efforts to obtain such adoption and approval.

6.3.3. Cooperation for Stockholders' Meetings. A1, C1 and C2 shall coordinate and cooperate with respect to the timing of the Stockholders' Meetings and shall use their best efforts to cause the Stockholders' Meetings to be held on the same day and as soon as practicable after the date hereof.

Section 6.4. Affiliates. At least 30 days prior to the Closing Date, A1 shall deliver a letter to C1 and C2 identifying all persons who, at the time of the A1 Stockholders' Meetings, may, in A1's reasonable judgment, be deemed to be "affiliates" (as such term is used in Rule 145 under the Securities Act) of A1 ("A1 Affiliates"). A1 shall use its best efforts to cause each A1 Affiliate to deliver to C1 and C2 on or prior to the Closing Date a written agreement substantially in the form and to the effect of Exhibit H hereto (an "Affiliate Agreement"). C1 shall be entitled to place legends as specified in such Affiliate Agreement on the certificates evidencing C1 Common Shares to be received by such A1 Affiliates pursuant to the terms of this Agreement, and to issue appropriate stop transfer instructions to the transfer agent for the C1 Common Shares consistent with the terms of such Affiliate Agreements.

Section 6.5. Stock Exchange Listing. C1 and C2 shall use their best efforts to cause C1 Common Shares and the related beneficial interests in the shares of C2 Common Stock and the shares of C1 Series A Preferred Stock to be issued pursuant to this Agreement or retained by C1 shareholders, and the C1 Common Shares and the paired interests in the C2 Common Stock issuable under the Option Plans or upon conversion of the C1 6.50% First Series Preferred Stock after the Merger, to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Closing Date.

Section 6.6. Certain Tax Matters. None of A1, C1 or C2 shall take or fail to take any action which would cause A1, C1 or C2 or their respective stockholders to recognize gain or loss for Federal income tax purposes as a result of the consummation of the Merger, except (i) to the extent that any stockholder may receive cash, interests in shares of C2 Common Stock or cash in lieu of fractional shares, (ii) to the extent attributable to any action described or referred to in Section 6.15 or (iii) to the extent described in Section 7.1.7.

Section 6.7. Regulatory and Other Approvals. Subject to the terms and conditions of this Agreement and without limiting the provisions of Sections 6.2 and 6.3, each of A1, C1 and C2 will proceed diligently and in good faith to, as promptly as practicable, (a) obtain all consents, approvals or actions of, make all filings with and give all notices to Governmental or Regulatory Authorities or any other public or private third parties required of A1, C1 and C2 or any of their Entities to consummate the Merger and the other matters contemplated hereby and (b) provide such other information and communications to such Governmental or Regulatory Authorities or other public or private third parties as the other party or such Governmental or Regulatory Authorities or other public or private third parties may reasonably request in connection therewith.

Section 6.8. Employee Benefit Plans. (a) The Surviving Corporation shall succeed to the rights and obligations of A1 under the A1 Employee Benefit Plans and C1 shall retain its rights and obligations under the C1 Employee Benefit Plans in accordance with their respective terms.

(b) The Surviving Corporation and C1 shall honor without modification all employee severance plans (or policies) and employment and severance agreements of A1, C1 and C2 and any of their respective Entities in existence on the date hereof as such agreements shall be in effect in accordance with the terms of this Agreement at the Effective Time, including, without limitation, the plans and agreements specified in Section 6.8 of the A1 Disclosure Letter, the C1 Disclosure Letter or the C2 Disclosure Letter.

Section 6.9. Stock Plans.

6.9.1. Treatment of A1 Stock Plans. Effective as of the Effective Time, each outstanding option to purchase a share of A1 Common Stock and related interests (an "A1 Stock Option") under any of the A1 Stock Plans, whether theretofore vested or unvested, shall constitute an option to acquire one C1 Common Share, together with the related beneficial interest in C2 Common Stock which shall be paired with the C1 Common Share pursuant to the C2 Trust Agreements, and shall otherwise have the same terms and provisions as such A1 Stock Option (subject to the next sentence). The price per C1 Common Share at which each such option is exercisable shall be the option exercise price per share of the A1 Common Stock at which such option is exercisable pursuant to the applicable A1 Stock Plan immediately prior to the Effective Time; provided, however, that, in the case of an incentive stock option under Section 422 of the Code, the option exercise price, the number of shares purchasable pursuant to such option and the terms and conditions of exercise of such option shall be determined in order to comply with Section 424(a) of the Code and the regulations relating thereto. In addition, each outstanding right to earn shares of A1 Common Stock shall constitute a right to earn C1 Common Shares (together with the related beneficial interest in C2 Common Stock) determined in accordance with the terms of the applicable A1 Stock Plans.

6.9.2. Treatment of C1 Stock Plan. (a) Effective as of the Effective Time, each outstanding option to purchase a C1 Common Share and related interests in C2 Common Stock (a "C1 Stock Option") under the C1 Option Plan, whether theretofore vested or unvested, shall become immediately exercisable. The price per C1 Common Share and the related beneficial interest in C2 Common Stock at which each such option is exercisable shall be the exercise price per share at which the C1 Stock Option is exercisable pursuant to the C1 Option Plan immediately prior to the Effective Time but after adjustment for the transactions described in Section 1.1.2 pursuant to the terms of the C1 Option Plan; provided, however, that, in the case of an incentive stock option under Section 422 of the Code, the option exercise price, the number of shares purchasable pursuant to such option and the terms and conditions of exercise of such option shall be determined in order to comply with Section 424(a) of the Code and the regulations relating thereto.

(b) As soon as practicable after the Effective Time, C1 Delaware shall file a registration statement on Form S-8 promulgated by the SEC under the Securities Act (or any successor or other appropriate form) with respect to the Paired Shares subject to A1 and C1 Stock Options and shall use its best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such Options remain outstanding. C1 shall comply with the terms of A1 Stock Plans and the C1 Option Plan (collectively, the "Option Plans") and ensure, to the extent required by, and subject to the provisions of, the Option Plans, that the A1 Stock Options which qualified as qualified stock options prior to the Effective Time continue to qualify as qualified stock options after the Effective Time.

(c) C1 Delaware shall take all corporate action necessary to reserve for issuance a sufficient number of Paired Shares for delivery under the Option Plans as adjusted in accordance with this Section 6.9. With respect to those individuals who, subsequent to the Merger, will be subject to the reporting requirements under Section 16(a) of the Exchange Act, where applicable, C1 shall administer the Option Plans in a manner that complies with Rule 16b-3 promulgated under the Exchange Act so that grants thereunder shall be exempt acquisitions under Section 16(b) of the Exchange Act.

6.9.3. Restricted Stock. Prior to the Effective Time, (i) C1 shall offer to the other party under each C1 ESPP Contract, and shall use its reasonable best efforts (it being understood that such efforts shall not require the expenditure of cash) to obtain the agreement of such party, to amend such C1 ESPP Contract (x) to release the transfer restrictions on the securities issued pursuant thereto and remove any associated legends from the certificates evidencing such securities, (y) to eliminate the right of such party to cause C1 to repurchase such securities and (z) to provide that upon any transfer of such securities, the transferor shall either pay to C1 the applicable portion of the "Permanent Restriction" thereunder or obtain an undertaking of the transferee thereof to pay such amount or obtain a comparable undertaking upon any subsequent transfer by such transferee and (ii) C1 may pay to such party (through forgiveness of indebtedness or otherwise) an amount equal to the principal of the indebtedness initially incurred, and any accrued interest subsequently added to the principal of such indebtedness, to purchase the securities purchased thereunder, but only if the per-unit purchase price thereof exceeded $150 (before deduction for any Permanent Restriction).

Section 6.10. Trustees', Directors' and Officers' Indemnification and Insurance. (a) From and after the Effective Time and until the sixth anniversary of the Effective Time and for so long thereafter as any claim for indemnification asserted on or prior to such date has not been fully adjudicated, C1 (each, an "Indemnifying Party") shall indemnify, defend and hold harmless each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, a trustee, director or officer of A1, C1 or C2 or any of their respective Entities (the "Indemnified Parties") against (i) all losses, claims, damages, costs and expenses (including reasonable attorneys' fees), liabilities, judgments and settlement amounts that are paid or incurred in connection with any claim, action, suit, proceeding or investigation (whether civil, criminal, administrative or investigative and whether asserted or claimed prior to, at or after the Effective Time) that is based on, or arises out of, the fact that such Indemnified Party is or was a trustee, director or officer of A1, C1 or C2 or any of their respective Entities and relates to or arises out of any action or omission occurring at or prior to the Effective Time ("Indemnified Liabilities"), and (ii) all Indemnified Liabilities based on, or arising out of, or pertaining to this Agreement or the transactions contemplated hereby, in each case to the full extent a corporation is permitted under applicable law to indemnify its own trustees, directors or officers, as the case may be; provided that no Indemnifying Party shall be liable for any settlement of any claim effected without its written consent, which consent shall not be unreasonably withheld; and provided further that no Indemnifying Party shall be liable to an Indemnified Party for any Indemnified Liabilities which occur as a result of the gross negligence or wilful misconduct of such Indemnified Party. If any such action is brought against any of the Indemnified Parties and such Indemnified Parties notify the Indemnifying Parties of its commencement, the Indemnifying Parties will be entitled to participate in and, to the extent that they elect by delivering written notice to such Indemnified Parties promptly after receiving notice of the commencement of the action from the Indemnified Parties, to assume the defense of the action and after notice from the Indemnifying Parties to the Indemnified Parties of their election to assume the defense, the Indemnifying Parties will not be liable to the Indemnified Parties for any legal or other expenses except for the reasonable costs of investigation subsequently incurred by the Indemnified Parties in connection with the defense. Subject to the foregoing, in the event that any such claim, action, suit, proceeding or investigation is brought against any Indemnified Party (whether arising prior to or after the Effective Time), (w) the Indemnifying Parties will pay expenses in advance of the final disposition of any such claim, action, suit, proceeding or investigation to each Indemnified Party to the full extent permitted by applicable law; provided that the person to whom expenses are advanced provides any undertaking required by applicable law to repay such advance if it is ultimately determined that such person is not entitled to indemnification; (x) the Indemnified Parties shall retain counsel reasonably satisfactory to the Indemnifying Parties; (y) the Indemnifying Parties shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties (subject to the final sentence of this paragraph) promptly as statements therefor are received; and (z) the Indemnifying Parties shall use all

commercially reasonable efforts to assist in the defense of any such matter. Any Indemnified Party wishing to claim indemnification under this Section, upon learning of any such claim, action, suit, proceeding or investigation, shall notify the applicable Indemnifying Party, but the failure so to notify an Indemnifying Party shall not relieve such Indemnifying Party from any liability which it may have under this paragraph except to the extent such failure materially prejudices such Indemnifying Party. The Indemnified Parties, as a group, may retain only one law firm to represent them with respect to each such matter unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties, in which case the Indemnified Parties may retain more than one law firm.

(b) Except to the extent required by law, until the sixth anniversary of the Effective Time, C1 shall not amend, modify or repeal the provisions for indemnification of trustees, directors, officers or employees contained in the certificates or articles of incorporation or by-laws (or other comparable Charter Documents) of such corporation and its Entities in such a manner as would adversely affect the rights of any individual who shall have served as a trustee, director, officer or employee of any of A1, C1 or C2 or any of their respective Entities prior to the Effective Time to be indemnified by such corporations in respect of their serving in such capacities prior to the Effective Time.

(c) C1 shall, until the sixth anniversary of the Effective Time and for so long thereafter as any claim for insurance coverage asserted on or prior to such date has not been fully adjudicated, cause to be maintained in effect, to the extent commercially available, the policies of trustees', directors' and officers' liability insurance maintained by A1, C1 and C2, respectively, as of the date hereof (or policies of at least the same coverage and amounts containing terms that are no less advantageous to the insured parties) with respect to claims arising from facts or events that occurred on or prior to the Effective Time; provided that C1 shall not be obligated to expend in order to maintain or procure insurance coverage pursuant to this paragraph any amount per annum in excess of 150 percent of the aggregate of the last annual premiums paid by A1, C1 and C2 for such policies prior to the date hereof, but if the cost of maintaining such insurance (or providing such new policies) would but for this proviso exceed such aggregate amount, then C1 shall purchase as much coverage as possible for such amount.

(d) The provisions of this Section are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party and each party entitled to insurance coverage under paragraph (c) above, respectively, and his or her heirs and legal representatives, and shall be in addition to any other rights an Indemnified Party may have under the certificate or articles of incorporation or bylaws of C1, C2 or either Constituent Corporation or any of its Entities, under the Massachusetts Business Corporation Law, the DGCL, the MGCL or otherwise.

Section 6.11. Expenses. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense, except that expenses incurred in connection with printing and mailing the Proxy Statement and the Registration Statement, as well as any filing fees relating thereto, shall be shared equally by A1 and C1.

Section 6.12. Brokers or Finders. Each party represents, as to itself and its affiliates, that no agent, broker, investment banker, financial advisor or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, except Merrill Lynch, whose fees and expenses will be paid by A1 in accordance with A1's agreement with such firm (a true and complete copy of which has been delivered by A1 to C1 prior to the execution of this Agreement), and Lazard Freres & Co. LLC and J.P. Morgan Securities Inc., whose fees and expenses will be paid by C1 in accordance with C1's agreements with such firms (a true and complete copy of which has been delivered by C1 to A1 prior to the execution of this Agreement), and each party shall indemnify and hold the others harmless from and against any and all claims, liabilities or obligations with respect to any other such fee or commission or expenses related thereto asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.13. Takeover Statutes. If any "fair price", "moratorium", "control share acquisition" or other form of antitakeover statute or regulation shall become applicable to the transactions contemplated hereby, each party and the members of the Board of Directors of such party shall grant such approvals and take such

actions as are reasonably necessary so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of such statute or regulation on the transactions contemplated hereby and thereby.

Section 6.14. Conveyance Taxes. A1, C1 and C2 shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, any transfer, recording, registration and other fees, and any similar taxes which become payable in connection with the transactions contemplated by this Agreement that are required or permitted to be filed on or before the Effective Time.

Section 6.15. Transfer Tax. Each of A1, C1 and C2 shall pay, without deduction or withholding from any amount payable to any stockholders of A1, C1 or C2, any New York State Real Estate Transfer Tax, New York City Real Property Transfer Tax and New York State Stock Transfer Tax (the "Transfer Taxes") and any similar taxes imposed by any other State of the United States (and any penalties and interest with respect to such taxes), which become payable in connection with the transactions contemplated by this Agreement, on behalf of the stockholders of A1, C1 or C2, respectively. Each of A1, C1 and C2 shall cooperate in the preparation, execution and filing of any required returns with respect to such taxes (including returns on behalf of any stockholders) and in the determination of the portion of the consideration allocable to real property of A1, C1 or C2 and its Entities in New York State and City (or in any other jurisdiction, if applicable). The terms of the Proxy Statement shall provide that the stockholders of A1, C1 or C2 shall be deemed to have agreed to be bound by the allocation established in this Section in the preparation of any return with respect to the Transfer Taxes and any similar taxes, if applicable.

Section 6.16. Post-Closing Asset Sales. During the period commencing at the Effective Time and ending on December 31, 1998, the Surviving Corporation shall not assign, sell or otherwise transfer to an unaffiliated third party any asset owned by A1 prior to the Effective Time if, as a result of such assignment, sale or other transfer, the Surviving Corporation would recognize a gain, unless directors representing two-thirds of the entire Board of Directors of the Surviving Corporation have duly adopted a resolution authorizing such assignment, sale or other transfer.

Section 6.17. Merger Sub. C1 will use commercially reasonable efforts to ensure that Merger Sub will be formed solely for the purpose of engaging in the transactions contemplated by this Agreement and that, prior to the Closing Date, it will not engage in any business activities or conduct any operations other than in connection with the transactions contemplated by this Agreement.

Section 6.18. Transfer of Assets. (a) At the direction of Al, C1 shall cause the applicable C1 Entity to enter into an agreement to sell the General Motors Building, located at 767 Fifth Avenue, New York, New York, and any property related thereto (collectively the "GM Building") to one or more parties designated by A1. Under such agreement, the sale of the GM Building will be scheduled to close (with "time being of the essence" with respect to such closing) immediately prior to the consummation of the Merger or at such later date as A1 may agree to in writing. C1 shall, and shall cause the applicable C1 Entities to, use its and their reasonable best efforts to consummate the sale of the GM Building in accordance with the terms and conditions of such agreement. C1 shall cooperate with A1 in the negotiation and consummation of any agreement relating to the sale of the GM Building, including, without limitation, granting any potential buyer permission to conduct usual and customary due diligence in connection with such sale. The applicable C1 Entity shall enter into any agreement relating to the sale of the GM Building as A1 shall in good faith direct; provided, however, that, at the option of such C1 Entity, such agreement shall provide that (i) such C1 Entity shall not be obligated to consummate such sale unless the Merger will be consummated immediately thereafter and (ii) that in the event this Agreement is terminated such C1 Entity shall have the right to terminate such agreement without any cost, penalty or liability to the other parties thereto. Except as contemplated by the preceding sentence, neither C1 nor any C1 Entity shall make any decision it is entitled to make under, or relating to, any such agreement, or exercise any remedy in connection with any such agreement, without the prior written consent of A1.

(b) The parties hereto agree to use their best efforts (it being understood that such efforts shall not require the expenditure of other than a nominal amount of cash) to obtain all necessary consents of third

parties to permit the contribution at or, at A1's request, promptly following the Effective Time of substantially all the assets of C1 and its Subsidiaries to Simon DeBartolo Group, L.P. ("A1 Operating Partnership") and/or to limited liability companies and/or limited partnerships, all the beneficial interests of which will be held by A1 Operating Partnership, or, at A1's request, to effectuate the transfer, effective as of the Effective Time or promptly following the Effective Time, of all or substantially all the economic benefits of such assets to A1 Operating Partnership and/or such limited liability companies and/or such limited partnerships.

Section 6.19. Existing Agreements. (a) The parties hereto acknowledge and agree that all contractual rights to registration of C1 Common Shares and beneficial interests in shares of C2 Common Stock under the Securities Act in existence at the Effective Time shall continue in effect after the Effective Time without being affected by the Merger in accordance with their terms; provided that in the event the Merger is restructured pursuant to Section 1.2(b), shareholders of CPI having such contractual rights shall have substantially similar rights with respect to the securities received in the Merger as so restructured. The parties also agree to negotiate in good faith with the holders of C1 Common Shares and beneficial interests in shares of C2 Common Stock to modify such registration rights to appropriately reflect the nature of the transactions contemplated hereby.

(b) By approving this Agreement the shareholders of C1 and C2 having contractual rights to representation on the Board of Trustees of C1 or the Board of Directors of C2 shall irrevocably waive, effective as of the Effective Time, all such rights. C1 acknowledges that each shareholder of C1 and C2 having such contractual representation rights is entering into a Stockholder Agreement.

ARTICLE VII.

CONDITIONS

Section 7.1. Conditions to Each Party's Obligation To Effect the Merger. The respective obligation of each party to effect the Merger and the other transactions contemplated hereby is subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

7.1.1. Stockholder Approvals. This Agreement shall have been adopted by the requisite vote of the stockholders of A1 under the MGCL and the Articles of Incorporation and By-laws of A1. The issuance of C1 Common Shares and the related beneficial interests in C2 Common Stock pursuant to this Agreement and under the Option Plans after the Merger in accordance with this Agreement shall been approved by the requisite vote of the stockholders of C1 and C2 under the DGCL and the Certificates of Incorporation and By-laws of C1 and C2.

7.1.2. Registration Statement; State Securities Laws. The Registration Statement shall have become effective in accordance with the provisions of the Securities Act, and no stop order suspending such effectiveness shall have been issued and remain in effect and no proceeding seeking such an order shall be pending or threatened. C1 and C2 shall have received all state securities or "Blue Sky" permits and other authorizations necessary to issue the C1 Common Shares and C2 Common Stock pursuant to this Agreement, under the Option Plans after the Merger and to issue the C1 Common Shares and C2 Common Stock upon conversion of the C1 6.50% First Series Preferred Stock.

7.1.3. Exchange Listing. The C1 Common Shares, the related beneficial interests in shares of C2 Common Stock to be paired with the C1 Common Shares and the C1 Series A Preferred Stock to be issued pursuant to this Agreement, and the C1 Common Shares and the paired interests in the C2 Common Stock previously outstanding and issuable under the Option Plans or upon conversion of the C1 6.50% First Series Preferred Stock and the C1 Series A Preferred Stock after the Merger, shall have been authorized for listing on the New York Stock Exchange (the "NYSE"), upon official notice of issuance.

7.1.4. No Injunctions or Restraints. No court of competent jurisdiction or other competent Governmental or Regulatory Authority shall have enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making illegal or

otherwise restricting, preventing or prohibiting consummation of the Merger or the other transactions contemplated by this Agreement.

7.1.5. Tax Opinions. (a) A1 shall have received the opinion, based on appropriate representations of A1, C1 and C2, and applicable to the A1 stockholders referred to therein, of Willkie Farr & Gallagher, special tax counsel to A1, dated on or about the date on which the Registration Statement shall have become effective, which opinion shall have been confirmed in writing on and as of the Closing Date, generally to the effect that:

(i) The Merger will constitute a "reorganization" within the meaning of Section 368(a) of the Code;

(ii) A1 will not recognize gain or loss as a result of the Merger;

(iii) the holders of shares of A1 Common Stock will recognize gain, but not loss, upon the exchange of each share of A1 Common Stock for C1 Common Shares and C2 Common Stock in the Merger, but only to the extent of the fair market value of the beneficial interest in shares of C2 Common Stock received;

(iv) a holder's tax basis in each C1 Common Shares received in the Merger will be the same as the tax basis of the shares of A1 Common Stock exchanged therefor, decreased by the fair market value of the beneficial interest in shares of C2 Common Stock also received in part exchange therefor in the Merger, and increased by the amount of gain recognized by the holder in respect of the exchanged share of A1 Common Stock;

(v) a holder's tax basis in the beneficial interest in C2 Common Stock received in exchange for a portion of a share of A1 Common Stock in the Merger will be the fair market value of such beneficial interest in C2 Common Stock at the Effective Time;

(vi) a holder's holding period for each C1 Common Share received in exchange for shares of A1 Common Stock in the Merger will include that holder's holding period of the share exchanged therefor at the Effective Time; and

(vii) a holder's holding period for the beneficial interest in C2 Common Stock received in exchange for shares of A1 Common Stock in the Merger will commence at the Effective Time.

(b) C1 and C2 shall have received the opinion, based on appropriate representations of A1, C1 and C2 and in form and substance reasonably satisfactory to C1 and C2, of Cravath, Swaine & Moore, special tax counsel to C1 and C2, dated as of the Closing Date, which opinion shall have been confirmed in writing on and as of the Closing Date, generally to the effect that:

(i) the Merger will constitute a "reorganization" within the meaning of Section 368(a) of the Code;

(ii) C1 will not recognize gain or loss as a result of the Merger;

(iii) neither the consummation of the C1 Delaware Reorganization nor the consummation of the Merger and the other transactions contemplated by this Agreement (x) will adversely affect the qualification of C1 or the Surviving Corporation as a REIT or (y) will adversely affect the status of C1 Delaware and C2 as grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984;

(iv) the distribution of stock made to C1 shareholders pursuant to Section 1.1.2 of this Agreement will be treated as a tax-free distribution under Section 305(a) of the Code;

(v) the distribution of cash made to C1 shareholders pursuant to Section 1.1.2 of this Agreement will be treated as a distribution of property to which Section 301 of the Code applies; and

(vi) as of December 31, 1997, C1 qualified as a REIT, and if C1 continues its operations in the same manner as the operations of C1 since January 1, 1997, C1 will continue to qualify as a REIT.

(c) A1, C1 and C2 shall have received the opinion, based on appropriate representations of A1 and in form and substance reasonably satisfactory to C1 and C2, of Baker & Daniels, special counsel to A1, dated on or about the date on which the Registration Statement (or the last amendment thereto) shall have become effective, which opinion shall have been confirmed in writing on and as of the Closing Date to the effect that:

(i) At all times from and after December 31, 1993, A1 has qualified as a REIT, and if A1 continues its operations in the same manner as the operations of A1 since the beginning of such period, A1 will continue to so qualify; and

(ii) the consummation of the Merger and the other transactions contemplated by this Agreement will not adversely affect the ability of A1 or the Surviving Corporation to qualify as a REIT.

7.1.6. C1 Delaware Reorganization. The C1 Delaware Reorganization shall have occurred.

Section 7.2. Conditions to Obligation of C1 and C2 To Effect the Merger. The obligation of C1 and C2 to effect the Merger and the other transactions contemplated hereby is further subject to the fulfillment, at or prior to the Closing, of each of the following additional conditions (all or any of which may be waived in whole or in part by C1 and C2 in their sole discretion):

7.2.1. Representations and Warranties. The representations and warranties made by A1 in this Agreement that are qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the Closing Date as though made on and as of the Closing Date or, in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date, except as affected by the transactions contemplated by this Agreement, and A1 shall have delivered to C1 and C2 a certificate, dated the Closing Date and executed in the name and on behalf of it by its Chairman of the Board, President or any Vice President, to such effect.

7.2.2. Performance of Obligations. A1 shall have performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement to be so performed or complied with by it at or prior to the Closing, and A1 shall have delivered to C1 and C2 a certificate, dated the Closing Date and executed in the name and on behalf of it by its Chairman of the Board, President or any Vice President, to such effect.

7.2.3. Comfort Letters. C1 and C2 shall have received "cold comfort letters" in customary form from Arthur Andersen LLP, A1's accountants, the first dated within five days prior to the date the Proxy Statement is mailed to A1 stockholders and the second dated the Effective Date, in substantially the form and substance as is customarily given in a similar merger transaction.

7.2.4. No Material Adverse Change. Since the date of the Stockholders' Meetings, there shall not have been any change, event or occurrence which, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the A1 Entities taken as a whole.

7.2.5. Proceedings. All proceedings to be taken on the part of A1 in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to C1 and C2, and C1 and C2 shall have received copies of all such documents and other evidences as C1 or C2 may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

7.2.6. Governmental and Regulatory and Other Consents and Approvals. Other than the filings provided for by Section 1.4, all consents, approvals and actions of, filings with and notices to any Governmental or Regulatory Authority or any other public or private third parties required of A1, C1 or C2 or any of their respective Entities to consummate the Merger and the other matters contemplated hereby, the failure of which to be obtained or taken could reasonably be expected to result in personal liability for any Representative of C1 or C2 or any Representative of their respective Entities shall have been obtained, all in form and substance reasonably satisfactory to C1.

Section 7.3. Conditions to Obligation of A1 To Effect the Merger. The obligations of A1 to effect the Merger and the other transactions contemplated hereby is further subject to the fulfillment, at or prior to the

Closing, of each of the following additional conditions (all or any of which may be waived in whole or in part by A1 in their sole discretion):

7.3.1. Representations and Warranties. The representations and warranties made by C1 and C2 in this Agreement that are qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the Closing Date as though made on and as of the Closing Date or, in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date, except as affected by the transactions contemplated by this Agreement, and C1 and C2 shall each have delivered to A1 a certificate, dated the Closing Date and executed in the name and on behalf of it by its Chairman of the Board, President or any Vice President, to such effect.

7.3.2. Performance of Obligations. C1 and C2 shall have performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement to be so performed or complied with by C1 or C2 at or prior to the Closing, and C1 and C2 shall each have delivered to A1 a certificate, dated the Closing Date and executed in the name and on behalf of it by its Chairman of the Board, President or any Vice President, to such effect.

7.3.3. Comfort Letters. A1 shall have received "cold comfort letters" in customary form from Ernst & Young LLP, C1's and C2's accountants, the first dated within five days prior to the date the Proxy Statement is mailed to C1 and C2 stockholders and the second dated the Effective Date, in substantially the form and substance as is customarily given in a similar merger transaction.

7.3.4. No Material Adverse Change. Since the date of the Stockholders' Meetings, there shall not have been any change, event or occurrence which, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the C1/C2 Entities taken as a whole.

7.3.5. Proceedings. All proceedings to be taken on the part of C1 or C2 in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to A1, and A1 shall have received copies of all such documents and other evidences as A1 may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

7.3.6. Related Agreements. Stockholder Agreements shall have been duly executed by the holders of (i) at least a majority of the total voting power of all the outstanding C1 Common Shares and C1 Preference Shares and (ii) at least two thirds of the total voting power of all the outstanding C1 Preference Shares and each such agreement shall be in full force and effect.

7.3.7. Governmental and Regulatory and Other Consents and Approvals. Other than the filings provided for by Section 1.4, all consents, approvals and actions of, filings with and notices to any Governmental or Regulatory Authority or any other public or private third parties required of A1, C1 or C2 or any of their respective Entities to consummate the Merger and the other matters contemplated hereby, the failure of which to be obtained or taken could reasonably be expected to have a material adverse effect on C1, C2 and their respective Entities, taken as a whole, or on the ability of A1, C1 or C2 to consummate the transactions contemplated hereby shall have been obtained, all in form and substance reasonably satisfactory to A1.

ARTICLE VIII.

TERMINATION, AMENDMENT AND WAIVER

Section 8.1. Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Effective Time, whether prior to or after the A1 Stockholders' Approval or the C1 Stockholders' Approval and the C2 Stockholders' Approval:

(a) by mutual written agreement of the parties hereto duly authorized by action taken by or on behalf of their respective Boards;

(b) by either A1 or C1 upon notification to the nonterminating party by the terminating party:

(i) at any time after November 30, 1998, if the Merger shall not have been consummated on or prior to such date and such failure to consummate the Merger is not caused by a breach of this Agreement by the terminating party or any of its Affiliates;

(ii) if the A1 Stockholders' Approval or the C1 Stockholders' Approval and C2 Stockholders' Approval shall not be obtained by reason of the failure to obtain the requisite vote upon a vote held at a meeting of such stockholders, or any adjournment thereof, called therefor;

(iii) if there has been a material breach of any representation, warranty, covenant or agreement on the part of the nonterminating party set forth in this Agreement, which breach is not curable or, if curable, has not been cured within 30 days following receipt by the nonterminating party of notice of such breach from the terminating party; or

(iv) if any court of competent jurisdiction or other competent Governmental or Regulatory Authority shall have issued an order making illegal or otherwise restricting, preventing or prohibiting either of the Merger and such order shall have become final and nonappealable;

Section 8.2. Effect of Termination. (a) If this Agreement is validly terminated by either A1 or C1 pursuant to Section 8.1, this Agreement will forthwith become null and void and there will be no liability or obligation on the part of either A1, C1 or C2 (or any of their respective Representatives or affiliates), except (i) that the provisions of Sections 6.11, 6.12 and this Section 8.2 will continue to apply following any such termination, (ii) that nothing contained herein shall relieve any party hereto from liability for wilful breach of its representations, warranties, covenants or agreements contained in this Agreement and (iii) as provided in paragraph (b) or (c) below.

(b) (i) In the event that this Agreement is terminated (x) by C1 pursuant to Section 8.1(b)(iii) due to a willful breach by A1 or (y) at any time on or prior to November 30, 1998 by either party pursuant to Section 8.1 b(ii) as a result of the A1 Stockholders' Approval not being obtained, then C1 shall become entitled to receive from A1 a termination fee of $50,000,000 (the "C1 Termination Fee"), payable annually in installments over a two-year period. The portion of the C1 Termination Fee that shall be payable each year shall equal the amount that C1 may receive in such taxable year without violating the REIT Requirements minus $1,000,000 (the "C1 Payment Amount"). On December 20 of each year in such two-year period C1's independent public accountants shall certify to A1 the C1 Payment Amount for such year, and A1 shall pay such C1 Payment Amount to C1 by December 31 of such year by wire transfer to an account specified by C1. Any portion of the C1 Termination Fee that is not paid to C1 by the end of the second year shall be forfeited and A1 will have no further obligation to make any C1 Termination Fee payments.

(ii) A1 acknowledges that the agreements contained in the preceding paragraph are an integral part of the transactions contemplated by this Agreement and that, without these agreements, C1 and C2 would not enter into this Agreement; accordingly, if A1 fails promptly to pay the amounts due in accordance with the terms of such paragraph, and in order to obtain any such payment, C1 commences a suit which results in a judgment against A1 for any such payment, A1 shall pay to C1 its cost and expenses (including reasonable attorneys' fees and expenses) in connection with such suit.

(c) (i) In the event that this Agreement is terminated by A1 pursuant to Section 8.1(b)(iii) due to a willful breach by C1, then A1 shall become entitled to receive from C1 a termination fee of $50,000,000 (the "A1 Termination Fee"), payable annually in installments over a two-year period. The portion of the A1 Termination Fee that shall be payable each year shall equal the amount that A1 may receive in such taxable year without violating the REIT Requirements minus $1,000,000 (the "A1 Payment Amount"). On December 20 of each year in such two-year period A1's independent public accountants shall certify to A1 the A1 Payment Amount for such year, and C1 shall pay such A1 Payment Amount to A1 by December 31 of such year by wire transfer to an account specified by A1. Any portion of the A1 Termination Fee that is not paid to A1 by the end of the second year shall be forfeited and C1 will have no further obligation to make any A1 Termination Fee payments.

(ii) C1 acknowledges that the agreements contained in the preceding paragraph are an integral part of the transactions contemplated by this Agreement and that, without these agreements, A1 would not enter into

this Agreement; accordingly, if C1 fails promptly to pay the amounts due in accordance with the terms of such paragraph, and in order to obtain any such payment, A1 commences a suit which results in a judgment against A1 for any such payment, C1 shall pay to A1 its cost and expenses (including reasonable attorneys' fees and expenses) in connection with such suit.

Section 8.3. Amendment. This Agreement may be amended, supplemented or modified by action taken by or on behalf of the respective Boards of Directors of the parties hereto at any time prior to the Effective Time, whether prior to or after the A1 Stockholders' Approval or the C1 Stockholders' Approval and C2 Stockholders' Approval shall have been obtained, but after such adoption and approval only to the extent permitted by applicable law. No such amendment, supplement or modification shall be effective unless set forth in a written instrument duly executed by or on behalf of each party hereto.

Section 8.4. Waiver. At any time prior to the Effective Time any party hereto, by action taken by or on behalf of its Board of Directors, may to the extent permitted by applicable law (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered pursuant hereto or (iii) waive compliance with any of the covenants, agreements or conditions of the other parties hereto contained herein. No such extension or waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party extending the time of performance or waiving any such inaccuracy or noncompliance. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

ARTICLE IX.

GENERAL PROVISIONS

Section 9.1. Non-Survival of Representations, Warranties, Covenants and Agreements. The representations, warranties, covenants and agreements contained in this Agreement or in any instrument delivered pursuant to this Agreement shall not survive the Merger but shall terminate at the Effective Time, except for the agreements contained in Article I and Article II, in Sections 6.6, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17 and 6.18, this Article IX and the agreements of the "affiliates" of A1 delivered pursuant to Section 6.4, which shall survive the Effective Time.

Section 9.2. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally, by overnight courier, by facsimile transmission or mailed (first-class postage prepaid) to the parties at the following addresses or facsimile numbers:

If to C1 or C2, to:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, New York 10017
Facsimile No.: (212) 319-9845
Attn: General Counsel

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475
Facsimile No.: (212) 474-3700
Attn: Samuel C. Butler

If to A1, to:

Simon DeBartolo Group, Inc.
115 West Washington Street
Indianapolis, Indiana 46204
Facsimile No.: (317) 685-7377
Attn: General Counsel

with a copy to:

Willkie Farr & Gallagher
153 East 53rd Street
New York, New York 10022
Facsimile No.: (212) 821-8111
Attn: Richard L. Posen

All such notices, requests and other communications will (i) if delivered personally or by reputable overnight courier to the address as provided in this Section, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section, be deemed given when confirmation is received, and (iii) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Section 9.3. Entire Agreement; Incorporation of Exhibits; Construction. (a) This Agreement supersedes all prior discussions and agreements among the parties hereto with respect to the subject matter hereof, other than the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement, and contains, together with the Confidentiality Agreement, the sole and entire agreement among the parties hereto with respect to the subject matter hereof.

(b) The A1 Disclosure Letter, the C1 Disclosure Letter and any Exhibit attached to this Agreement and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

(c) The parties hereby acknowledge that this Agreement has been the subject of active and complete negotiations among the parties and represents the parties' agreement. The parties agree that the terms and conditions of this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professional advisors participated in the preparation of this Agreement.

Section 9.4. Public Announcements. Except as otherwise required by law or the rules of any applicable securities exchange or national market system, so long as this Agreement is in effect, A1, C1 and C2 will not, and will not permit any of their respective Representatives to, issue or cause the publication of any press release or make any other public announcement with respect to the transactions contemplated by this Agreement without the consent of the other party, which consent shall not be unreasonably withheld. A1, C1 and C2 will cooperate with each other in the development and distribution of all press releases and other public announcements with respect to this Agreement and the transactions contemplated hereby, and will furnish the other with drafts of any such releases and announcements as far in advance as practicable.

Section 9.5. No Third-Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and except as provided in Sections 6.9 and 6.10 (which are intended to be for the benefit of the persons entitled to therein, and may be enforced by any of such persons), it is not the intention of the parties to confer third-party beneficiary rights upon any other person.

Section 9.6. No Assignment; Binding Effect. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto without the prior written consent of the other parties

hereto and any attempt to do so will be void. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

Section 9.7. Headings. The table of contents and headings used in this Agreement have been inserted for convenience of reference only and do not define, modify or limit the provisions hereof.

Section 9.8. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law or order, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (i) such provision will be fully severable, (ii) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 9.9. Governing Law. Except to the extent that the Massachusetts Business Corporation Law, the DGCL or the MGCL is mandatorily applicable to the Merger and the rights of the stockholders of the Constituent Corporations, this Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to a contract executed and performed in such State, without giving effect to the conflicts of laws principles thereof.

Section 9.10. Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specified terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 9.11. Certain Definitions. As used in this Agreement:

(a) except as provided in Section 6.4, the term "affiliate", as applied to any person, shall mean any other person directly or indirectly controlling, controlled by, or under common control with, that person; for purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise;

(b) a person will be deemed to "beneficially" own securities if such person would be the beneficial owner of such securities under Rule 13d-3 under the Exchange Act, including securities which such person has the right to acquire (whether such right is exercisable immediately or only after the passage of time);

(c) the term "business day" means a day other than Saturday, Sunday or any day on which banks located in the States of Maryland or New York are authorized or obligated to be closed;

(d) the term "Consolidated Non-Corporate Affiliate" means, with respect to any party, any trust, limited liability company or partnership, the accounts of which would be consolidated (including through a proportional consolidation of assets, liabilities, revenues and expenses) with those of such party in its consolidated financial statements in accordance with the principles of consolidation employed by C1 and C2 (if such party is an affiliate of C1 or C2) or A1 (if such party is an affiliate of A1);

(e) the term "knowledge" or any similar formulation of "knowledge" shall mean, with respect to A1, the knowledge of its Chairman, President or Chief Financial Officer, and with respect to C1 or C2, the knowledge of its Chairman, President or Chief Financial Officer;

(f) any reference to any event, change or effect being "material" or "materially adverse" or having a "material adverse effect" on or with respect to an entity (or group of entities taken as a whole) means such event, change or effect is material or materially adverse, as the case may be, to the business,

properties, assets, liabilities, condition financial or otherwise or results of operations of such entity (or of such group of entities taken as a whole); provided, however, that a downgrade in the credit rating of C1 shall be deemed materially adverse to the C1/C2 Entities taken as a whole if, and only if, such downgrade shall be to a level below a rating of Baa3 (or the equivalent) by Moody's Investors Services, Inc. and BBB- (or the equivalent) by Standard & Poor's Rating Services;

(g) the term "person" shall include individuals, corporations, partnerships, trusts, other entities and groups (which term shall include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act);

(h) the "Representatives" of any entity means such entity's trustees, directors, officers, employees, legal, investment banking and financial advisors, accountants and any other agents and representatives, in each case to the extent acting in such capacity;

(i) the term "Significant Entities" means, with respect to A1, the Entities of A1 which constitute "significant subsidiaries" under Rule 405 promulgated by the SEC under the Securities Act and, in the case of C1 or C2, the Entities of either C1 or C2 which constitute "significant subsidiaries" of C1 and C2 taken as a whole under Rule 405 promulgated by the SEC under the Securities Act;

(j) the term "Subsidiary" means, with respect to any party, any corporation of which more than 50 percent of either the equity interests in, or the voting control of, such corporation is, directly or indirectly through Entities or otherwise, beneficially owned by such party; and

(k) following the C1 Delaware Reorganization, (i) all references to "Cl" shall be deemed to refer to C1 Delaware, (ii) all references to C1 Common Shares shall be deemed to refer to shares of C1 Delaware Common Stock, (iii) all references to any other shares of any class of beneficial interest in or of C1 shall be deemed to refer to shares of capital stock of equivalent class of C1 Delaware, (iv) all references to shareholders of C1 shall be deemed to refer to stockholders of C1 Delaware and (v) all references to the Board of Trustees of C1 shall be deemed to refer to the Board of Directors of C1 Delaware.

Section 9.12. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR ITSELF AND FOR THE THIRD- PARTY BENEFICIARIES HEREUNDER, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.13. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be signed by its officer thereunto duly authorized as of the date first above written.

Attest:

/s/ JAMES M. BARKLEY
Secretary

SIMON DEBARTOLO GROUP, INC.,

By /s/ RICHARD S. SOKOLOV
Name: Richard S. Sokolov
Title: President and Chief Operating Officer

Attest:

CORPORATE PROPERTY INVESTORS,*

By /s/ HANS C. MAUTNER
Secretary
Name: Hans C. Mautner
Title: Chairman and Chief Executive Officer

Attest:

CORPORATE REALTY CONSULTANTS, INC.,

By /s/ HANS C. MAUTNER
Secretary
Name: Hans C. Mautner
Title: Chairman and Chief Executive Officer

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* Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance thereof.

ANNEX B

[MERRILL LYNCH LETTERHEAD]

February 19, 1998

Board of Directors
Simon DeBartolo Group, Inc.
115 West Washington Street
Indianapolis, Indiana 46204

Members of the Board of Directors:

Simon DeBartolo Group, Inc. (the "Company"), Corporate Property Investors ("CPI") and Corporate Realty Consultants, Inc. ("CRCI") have entered into an Agreement and Plan of Merger, dated as of February 18, 1998 (the "Agreement"), pursuant to which a newly formed subsidiary of CPI Delaware (as defined below) will be merged with the Company (the "Merger") and, as a result, the Company will become a wholly-owned subsidiary of CPI Delaware. The Merger and all of the other transactions contemplated by the Agreement are referred to herein as the "Transaction." Pursuant to the Agreement, at the effective time of the Merger (the "Effective Time"), (i) each outstanding share of common stock, par value $.0001 per share, of the Company ("Company Class A Common Stock") will be converted into the right to receive one share of common stock, par value $.0001 per share, of CPI Delaware ("CPI Class A Common Stock"), (ii) each outstanding share of class B common stock, par value $.0001 per share, of the Company ("Company Class B Common Stock") will be converted into the right to receive one share of class B common stock, par value $.0001 per share, of CPI Delaware ("CPI Class B Common Stock") and (iii) each outstanding share of class C common stock, par value $.0001 per share, of the Company ("Company Class C Common Stock" and together with the Company Class A Common Stock and the Company Class B Common Stock, the "Company Common Stock") will be converted into the right to receive one share of class C common stock, par value $.0001 per share, of CPI Delaware ("CPI Class C Common Stock" and together with the CPI Class A Common Stock and the CPI Class B Common Stock, the "CPI Common Stock"); in each case, other than any shares of such stock owned by the Company as treasury stock or by CPI Delaware, CRCI or certain of their affiliates, all of which shall be canceled, or held by stockholders who properly exercise their rights under applicable law to demand payment of the fair value of their stock. Also at the Effective Time, CPI Delaware and CRCI will take such action as is necessary so that each and every share of CPI Common Stock outstanding or issued in connection with the Transaction will be entitled to a beneficial interest in shares of CRCI common stock, par value $.10 per share, which shares are paired with, and are transferable only in combination with, CPI Class A Common Stock, CPI Class B Common Stock and CPI Class C Common Stock, as the case may be (the "CPI Paired Shares").

As a condition to the respective obligation of each party to effect the Merger, and prior to the record date for the stockholder meeting of CPI to be held to vote on the Transaction, CPI will reorganize as a Delaware corporation (as so reorganized, "CPI Delaware"). Immediately prior to the Effective Time, and as part of the Transaction, CPI Delaware will declare the following dividends per share of CPI Class

A Common Stock, payable to the holders of record of CPI Class A Common Stock immediately preceding the Effective Time: (i) a cash dividend consisting of an amount equal to the Cash Amount (as defined below); (ii) a stock dividend consisting of 1.0818 new shares of CPI Class A Common Stock; and (iii) a stock dividend consisting of 0.19 of a share of Series A Convertible Preferred Stock, par value $.01 per share, of CPI Delaware. The "Cash Amount" is equal to $90.00 per share of CPI Class A Common Stock, subject to adjustment as follows: (i) if the average of the closing prices per share for the Company Class A Common Stock on the New York Stock Exchange for the 20 consecutive trading days ending on the fifth trading day prior to the Effective Time (the "Market Price") exceeds $38.67, then the Cash Amount shall be reduced by an amount equal to such excess multiplied by 2.0818, and (ii) if the Market Price is less than $28.58, then the Cash Amount shall be increased by an amount equal to such deficiency multiplied by 2.0818. The terms and conditions of the Transaction are more fully set forth in the Agreement. With your consent, we have assumed that the Company will not exercise its right pursuant to Section 1.2(b) of the Agreement to change the structure of the Transaction.

You have asked us whether, in our opinion, the consideration to be received by the holders of Company Common Stock pursuant to the Transaction is fair from a financial point of view to such holders.

In arriving at the opinion set forth below, we have, among other things:

(1) Reviewed certain publicly available business and financial information relating to the Company that we deemed to be relevant;

(2) Reviewed certain business and financial information relating to CPI that we deemed to be relevant, including but not limited to CPI's Annual Report, dated December 31, 1996, CPI's Quarterly Report to Shareholders, dated September 30, 1997, and CPI's draft 1997 audited financial statements;

(3) Reviewed certain information, including financial forecasts, relating to the business, earnings, funds from operations, cash flow, assets, liabilities and prospects of the Company, CPI and CRCI, as well as the amount and timing of the cost savings and related expenses, synergies and revenue enhancements expected to result from the Transaction (the "Expected Synergies"), furnished to us by the Company, CPI and CRCI respectively;

(4) Conducted discussions with members of senior management and representatives of the Company, CPI and CRCI concerning the matters described in clauses 1 and 2 above, as well as their respective businesses and prospects before and after giving effect to the Transaction and the Expected Synergies;

(5) Reviewed the appraisal dated February 5, 1998 (the "Appraisal") of the assets of CPI and CRCI as of December 31, 1997, as prepared by Landauer Associates, Inc. (the "Appraiser");

(6) Reviewed the results of operations of the Company, CPI and CRCI and compared them with those of certain publicly traded companies that we deemed to be relevant;

(7) Compared the proposed financial terms of the Transaction with the financial terms of certain other transactions that we deemed to be relevant;

(8) Participated in certain discussions and negotiations among representatives of the Company, CPI and CRCI and their financial and legal advisors;

(9) Reviewed the potential pro forma impact of the Transaction;

(10) Reviewed the Agreement; and

(11) Reviewed such other financial studies and analyses and took into account such other matters as we deemed necessary, including our assessment of general economic, market and monetary conditions.

In preparing our opinion, we have assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to us, discussed with or reviewed by or for us, or publicly available, and we have not assumed any responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities of the Company, CPI or CRCI, or been furnished with any such evaluation or appraisal other than the Appraisal. In addition, we have not assumed any obligation to conduct, nor have we conducted, any physical inspection of the properties or facilities of the Company, CPI or CRCI. With respect to the financial forecast information and the Expected Synergies furnished to or discussed with us by the Company, CPI or CRCI, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of the Company's CPI's or CRCI's management as to the expected future financial performance of the Company, CPI or CRCI as the case may be, and the Expected Synergies. Additionally, we have assumed that the Appraisal has been reasonably prepared and reflects the best available estimates and judgments of the Appraiser as to the fair value of the assets of CPI and CRCI as of the date thereof. We have further assumed that the Transaction, upon approval by the stockholders of the Company, will qualify as a tax-free reorganization for U.S. federal income tax purposes.

Our opinion is necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and on the information made available to us as of, the date hereof. We have assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the Transaction, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the Transaction. We have also assumed that the combined entity will continue to qualify after the Transaction as a Real Estate Investment Trust for federal income tax purposes. In addition, we have assumed that the consummation of the Transaction will not adversely affect the status of CPI Delaware, as successor to CPI, and CRCI as grandfathered from the application of Section 269B(a)(3) of the Internal Revenue Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984.

We are acting as financial advisor to the Company in connection with the Transaction and will receive a fee from the Company for our services, a significant portion of which is contingent upon the consummation of the Transaction. In addition, the Company has agreed to indemnify us for certain

liabilities arising out of our engagement. We have, in the past, provided financial advisory and financing services to the Company and may continue to do so and have received, and may receive, fees for the rendering of such services. In addition, in the ordinary course of our business, we may actively trade Company Common Stock and other securities of the Company, for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. As of the date hereof, Merrill Lynch & Co. held approximately 8.4% of the outstanding shares of the Company Class A Common Stock.

This opinion is for the use and benefit of the Board of Directors of the Company. Our opinion does not address the merits of the underlying decision by the Company to engage in the Transaction and does not constitute a recommendation to any shareholder of the Company as to how such shareholder should vote on the proposed Transaction or any other matter related thereto.

We are not expressing any opinion herein as to the prices at which the Company Common Stock will trade following the announcement of the Transaction or as to the prices at which the CPI Paired Shares will trade following the consummation of the Transaction.

On the basis of and subject to the foregoing, we are of the opinion that, as of the date hereof, the consideration to be received by the holders of Company Common Stock pursuant to the Transaction is fair from a financial point of view to such holders.

Very truly yours,

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

ANNEX C

[LAZARD FRERES & CO. LLC LETTERHEAD]

February 18, 1998

The Board of Trustees
Corporate Property Investors
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, New York 10017

Gentlemen:

We understand that Corporate Property Investors (Corporate Property Investors and its corporate successor are each referred to herein as "CPI"), Corporate Realty Consultants, Inc. ("CRC") and Simon DeBartolo Group, Inc. ("Simon") have entered into an Agreement and Plan of Merger dated as of February 18, 1998 (the "Agreement") pursuant to which, among other things, CPI will declare a dividend to its shareholders and immediately thereafter a newly formed wholly owned subsidiary of CPI will merge with and into Simon (the dividend and merger being collectively referred to as the "Transaction"). In the Transaction, (i) each CPI common shareholder will retain its CPI common shares and, in addition, will receive with respect to each common share $90 in cash (subject to adjustment based on the value of Simon common stock), 1.0818 newly issued CPI common shares and 0.19 of a share of a new series of 6.50% convertible preferred stock of CPI having $100 liquidation preference per share and other terms as set forth in the Agreement and (ii) each CPI preferred shareholder will retain its CPI preference shares, the conversion price of which shall be adjusted as set forth in the Agreement and in the Certificate of Designation for such preference shares. We note that each common shareholder of Simon will receive in exchange for each share of Simon common stock one share of a substantially similar series of the common stock of CPI. We also note that each share of common stock of CPI including the new series of CPI common stock that will be issued in the merger is or will be entitled to an indirect beneficial interest in the common stock of CRC.

You have requested our opinion as to the fairness, from a financial point of view, to the shareholders of CPI of the consideration to be received or retained by them, including beneficial interests in CRC, in the Transaction. In connection with this opinion, we have:

(i) Reviewed the financial terms and conditions of the Agreement;

[LAZARD FRERES & CO. LLC LOGO]

(ii) Reviewed certain publicly available financial information concerning CPI, CRC and Simon;

(iii) Reviewed various financial forecasts and other data provided to us by CPI, CRC and Simon relating to their respective businesses;

(iv) Held discussions with members of the senior managements of CPI, CRC and Simon concerning their respective businesses and prospects of CPI and CRC together on one hand and Simon on the other, the strategic objectives of each, and possible benefits which might be realized following the Transaction;

(v) Reviewed public information with respect to certain publicly-traded real estate investment trusts (REITs) and other companies in lines of business we believe to be generally comparable to the businesses of CPI and CRC together on one hand and Simon on the other;

(vi) Reviewed the financial terms of certain recent business combinations involving REITs or companies in lines of businesses we believe to be generally comparable to those of CPI and CRC together on one hand and Simon on the other;

(vii) Reviewed the historical market prices and trading volume of the shares of Simon's common stock;

(viii) Analyzed the pro forma financial impact of the Transaction on CPI and CRC together on one hand and Simon on the other;

(ix) Conferred with and relied upon the counsel to the Board of Trustees as to all legal matters pertaining to the Agreement and the Transaction; and

(x) Conducted such other financial studies, analyses and investigations as we deemed appropriate.

We have relied upon the accuracy and completeness of the foregoing information, and have not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of CPI, CRC or Simon. It is expressly understood that this opinion does not constitute a valuation or appraisal of the shares of common stock, assets or liabilities of CPI, CRC or Simon. In addition, we are not expressing any opinion as to the price or range of prices at which the common stock of Simon or CPI and CRC may trade subsequent to the announcement of the execution of the Agreement or the consummation of the Transaction. With respect to financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgements of management of CPI, CRC and Simon as to the future financial performance of CPI and CRC together on one hand and Simon on the other. We assume no responsibility for and express no view as to such forecasts or the assumptions on which they are based. Further, our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion.

[LAZARD FRERES & CO. LLC LETTERHEAD]

In rendering our opinion, we have assumed that the Transaction will be consummated on the terms described in the Agreement, without any waiver of any material terms or conditions by CPI or CRC and that obtaining necessary regulatory approvals for the Transaction will not have an adverse effect on CPI, CRC or Simon. We have noted that the 6.50% Preference Shares of CPI are immediately convertible, and we have treated them, for the purpose of this opinion, as though they had been converted into the shares of common stock of CPI. As you know, CPI received proposals from other parties with respect to merger transactions involving CPI. In this regard, we are expressing no opinion herein as to the fairness, from a financial point of view, to the shareholders of CPI of the consideration proposed by any such other parties, and no opinion is expressed as to the relative values to be received by the shareholders of CPI under the Transaction and under such other proposals.

Lazard Freres & Co. LLC is acting as investment banker to CPI in connection with the Transaction and will receive a fee for our services, a substantial portion of which is contingent upon the closing of the Transaction. Our Firm has provided investment banking services to CPI in the past and has received customary fees for such services. In the ordinary course of its business, our Firm may actively trade the debt and equity securities of CPI or Simon for its own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities. In addition, we call to your attention that a Vice Chairman of our Firm is a Trustee of CPI.

Our engagement has been, and the opinion expressed herein is for the benefit of the Board of Trustees of CPI. The opinion expressed herein does not constitute a recommendation to the shareholders of CPI or CRC as to how they should vote at the shareholders' meeting in connection with the Transaction.

It is understood that this letter may not be disclosed or otherwise referred to without our prior consent, except as may otherwise be required by law or by a court of competent jurisdiction, except that it may be reproduced in its entirety and described in a proxy statement mailed to the shareholders of CPI and CRC.

Based on and subject to the foregoing, we are of the opinion that the consideration to be received or retained by the shareholders of CPI, including beneficial interests in CRC, in the Transaction is fair to them from a financial point of view.

Very truly yours,

LAZARD FRERES & CO. LLC

By /s/ Matthew J. Lustig

Matthew J. Lustig
Managing Director

cc: Corporate Realty Consultants, Inc.

[JPMORGAN LOGO]

ANNEX D

[JP MORGAN LETTERHEAD]

February 18, 1998

The Board of Trustees
Corporate Property Investors
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, NY 10017

Attention: Hans C. Mautner
Chairman of the Board and Chief Executive Officer

Gentlemen:

You have requested our opinion as to the fairness, from a financial point of view, to the shareholders of Corporate Property Investors (Corporate Property Investors and its corporate successor are referred to herein as "CPI") of the consideration proposed to be received or retained by them in connection with the transactions contemplated by the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Agreement"), among CPI, Corporate Realty Consultants, Inc. ("CRC") and Simon DeBartolo Group, Inc. ("Simon"), pursuant to which, among other things, CPI will declare a dividend to its shareholders and immediately thereafter a newly formed wholly owned subsidiary of CPI will merge with and into Simon (the dividend and the merger being referred to collectively as the "Transaction"). In the Transaction (i) each CPI common shareholder will retain its CPI common shares and will receive with respect to each common share $90 in cash (subject to adjustment based on the value of Simon common stock), 1.0818 newly issued CPI common shares and 0.19 shares of a new series of 6.50% convertible preferred stock of CPI having a $100 liquidation preference per share and other terms as set forth in the Agreement; (ii) each CPI preferred shareholder will retain its CPI preference shares, the conversion price of which shall be adjusted as set forth in the Agreement and in the Certificate of Designation for such preference shares; and (iii) each common shareholder of Simon will receive in exchange for each share of Simon common stock one share of a substantially similar series of the common stock of CPI. We note that each share of common stock of CPI including the new series of CPI common stock that will be issued in the merger is or will be entitled to an indirect beneficial interest in the common stock of CRC.

In arriving at our opinion, we have reviewed (i) the Agreement; (ii) certain information concerning the business of CPI and CRC, together, and certain other companies engaged in businesses comparable to those of CPI and CRC, together, and the reported market prices for certain other companies' securities deemed comparable; (iii) publicly available terms of certain transactions involving companies comparable to CPI and CRC, together, and the consideration received for such companies; (iv) current and historical market prices of the common stock of Simon; (v) the audited financial statements of CPI and Simon for the fiscal year ended December 31, 1996 and for the nine-month period ended September 30, 1997;

(vi) the audited financial statements of CPI for the fiscal year ended December 31, 1997; (vii) certain agreements with respect to outstanding indebtedness or obligations of CPI and Simon; (viii) certain internal financial analyses and forecasts prepared by CPI and CRC, together, on the one hand, and Simon, on the other, and their respective managements; and (ix) the terms of other business combinations that we deemed relevant.

In addition, we have held discussions with certain members of the management of CPI, CRC and Simon with respect to certain aspects of the Transaction, the past and current business operations of CPI and CRC, together, on the one hand, and Simon, on the other, the financial condition and future prospects and operations of CPI and CRC, together, on the one hand, and Simon, on the other, the effects of the Transaction on the financial condition and future prospects of CPI and CRC, together, on the one hand, and Simon, on the other, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or was furnished to us by CPI, CRC and Simon or otherwise reviewed by us, and we have not assumed any responsibility or liability therefor. Though we have not conducted any valuation or appraisal of any assets or liabilities, nor have any such valuations or appraisals been provided to us, we have noted the per share estimates of the net asset value of CPI and CRC, together, as of December 31, 1996 and December 31, 1997, as determined by Landauer Associates, Inc. In relying on financial analyses and forecasts provided to us, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of CPI and CRC, together, on the one hand, and Simon, on the other, to which such analyses or forecasts relate. We have also assumed that the Transaction will have the tax consequences described in discussions with, and materials furnished to us by, representatives of CPI and CRC, and that the other transactions contemplated by the Agreement will be consummated as described in the Agreement. We have relied as to all legal matters relevant to rendering our opinion upon the advice of counsel.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. We are expressing no opinion herein as to the price of which Simon's stock will trade at any future time. We have noted that the 6.50% Preference Shares of CPI are immediately convertible, and we have treated them, for the purpose of this opinion, as though they had been converted into the shares of common stock of CPI and a related beneficial interest in CRC. As you know, CPI received proposals from other parties with respect to possible merger transactions involving CPI and CRC. In this regard, we are expressing no opinion herein as to the fairness, from a financial point of view, to CPI's shareholders of the consideration offered by any such parties, and no opinion is expressed as to the relative values of any such proposal as compared with the Transaction.

We have acted as financial advisor to CPI with respect to the proposed Transaction and will receive a fee from CPI for our services. We will also receive an additional fee if the proposed Transaction is consummated. We have in the past provided investment banking services to CPI and Simon for which we have received customary fees. Certain principals of CPI are and have been private banking clients of J.P. Morgan & Co. Incorporated and its affiliates. In addition, our affiliate, Morgan Guaranty Trust Company of New York, is the co-lead agent on revolving credit facilities for both CPI and Simon. In the ordinary course of their businesses, our affiliates may actively trade the debt and equity securities of CPI, CRC or Simon for their own account or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the consideration to be received or retained by the shareholders of CPI, including beneficial interests in CRC, in the proposed Transaction is fair, from a financial point of view, to such shareholders.

This letter is provided to the Board of Trustees of CPI in connection with and for the purposes of their evaluation of the Transaction. This opinion does not constitute a recommendation to any shareholder of CPI or CRC as to how such shareholder should vote with respect to the Transaction. This opinion may be reproduced in full and described in any proxy or information statement mailed to shareholders of CPI and CRC.

Very truly yours,

J.P. MORGAN SECURITIES INC.

By: /s/ Peter E. Baccile

Name: Peter E. Baccile
Title: Managing Director

cc:
Board of Directors
Corporate Realty Consultants, Inc.

ANNEX E

ANNOTATED CODE OF MARYLAND
CORPORATIONS AND ASSOCIATIONS

TITLE 3. CORPORATIONS IN GENERAL -- EXTRAORDINARY ACTIONS

SUBTITLE 2. RIGHTS OF OBJECTING STOCKHOLDERS

MD. CORPORATIONS AND ASSOCIATIONS CODE ANN. SEC. 3-201 (1997)

sec. 3-201. "Successor" defined

(a) Corporation amending charter. -- In this subtitle, except as provided in subsection (b) of this section, "successor" includes a corporation which amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock, unless the right to do so is reserved by the charter of the corporation.

(b) Corporation whose stock is acquired. -- When used with reference to a share exchange, "successor" means the corporation the stock of which was acquired in the share exchange.

sec. 3-202. Right to fair value of stock

(a) General rule. -- Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

(1) The corporation consolidates or merges with another corporation;

(2) The stockholder's stock is to be acquired in a share exchange;

(3) The corporation transfers its assets in a manner requiring action under sec. 3-105 (d) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation; or

(5) The transaction is governed by sec. 3-602 of this title or exempted by sec. 603 (b) of this title.

(b) Basis of fair value. --

(1) Fair value is determined as of the close of business:

(i) With respect to a merger under sec. 3-106 of this title of a 90 percent or more owned subsidiary into its parent, on the day notice is given or waived under sec. 3-106; or

(ii) With respect to any other transaction, on the day the stockholders voted on the transaction objected to.

(2) Except as provided in paragraph (3) of this subsection, fair value may not include any appreciation or depreciation which directly or indirectly results from the transaction objected to or from its proposal.

(3) In any transaction governed by sec. 3-602 of this title or exempted by sec. 3-603 (b) of this title, fair value shall be value determined in accordance with the requirements of sec. 3-603 (b) of this title.

(c) When right to fair value does not apply. -- Unless the transaction is governed by sec. 3-602 of this title or is exempted by sec. 3-603 (b) of this title, a stockholder may not demand the fair value of his stock and is bound by the terms of the transaction if:

(1) The stock is listed on a national securities exchange or is designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.:

(i) With respect to a merger under sec. 3-106 of this title of a 90 percent or more owned subsidiary into its parent, on the date notice is given or waived under sec. 3-106; or

(ii) With respect to any other transaction, on the record date for determining stockholders entitled to vote on the transaction objected to;

(2) The stock is that of the successor in a merger, unless:

(i) The merger alters the contract rights of the stock as expressly set forth in the charter, and the charter does not reserve the right to do so; or

(ii) The stock is to be changed or converted in whole or in part in the merger into something other than either stock in the successor or cash, scrip, or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor; or

(3) The stock is that of an open-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the value placed on the stock in the transaction is its net asset value.

sec. 3-203. Procedure by stockholder

(a) Specific duties. -- A stockholder of a corporation who desires to receive payment of the fair value of his stock under this subtitle:

(1) Shall file with the corporation a written objection to the proposed transaction:

(i) With respect to a merger under sec. 3-106 of this title of a 90 percent or more owned subsidiary into its parent, within 30 days after notice is given or waived under sec. 3-106; or

(ii) With respect to any other transaction, at or before the stockholders' meeting at which the transaction will be considered;

(2) May not vote in favor of the transaction; and

(3) Within 20 days after the Department accepts the articles for record, shall make a written demand on the successor for payment for his stock, stating he number and class of shares for which he demands payment.

(b) Failure to comply with section. -- A stockholder who fails to comply with this section is bound by the terms of the consolidation, merger, share exchange, transfer of assets, or charter amendment.

sec. 3-204. Effect of demand on dividend and other rights

A stockholder who demands payment for his stock under this subtitle:

(1) Has no right to receive any dividends or distributions payable to holders of record of that stock on a record date after the close of business on the day as at which fair value is to be determined under sec. 3-202 of this subtitle; and

(2) Ceases to have any rights of a stockholder with respect to that stock, except the right to receive payment of its fair value.

sec. 3-205. Withdrawal of demand

A demand for payment may be withdrawn only with the consent of the successor.

sec. 3-206. Restoration of dividend and other rights

(a) When rights restored. -- The rights of a stockholder who demands payment are restored in full, if:

(1) The demand for payment is withdrawn;

(2) A petition for an appraisal is not filed within the time required by his subtitle;

(3) A court determines that the stockholder is not entitled to relief; or

(4) The transaction objected to is abandoned or rescinded.

(b) Effect of restoration. -- The restoration of a stockholder's rights entitles him to receive the dividends, distributions, and other rights he would have received if he had not demanded payment for his stock. However, the restoration does not prejudice any corporate proceedings taken before the restoration.

sec. 3-207. Notice and offer to stockholders

(a) Duty of successor. --

(1) The successor promptly shall notify each objecting stockholder in writing of the date the articles are accepted for record by the Department.

(2) The successor also may send a written offer to pay the objecting stockholder what it considers to be the fair value of his stock. Each offer shall be accompanied by the following information relating to the corporation which issued the stock:

(i) A balance sheet as of a date not more than six months before the date of the offer;

(ii) A profit and loss statement for the 12 months ending on the date of the balance sheet; and

(iii) Any other information the successor considers pertinent.

(b) Manner of sending notice. -- The successor shall deliver the notice and offer to each objecting stockholder personally or mail them to him by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, at the address he gives the successor in writing, or, if none, at his address as it appears on the records of the corporation which issued the stock.

sec. 3-208. Petition for appraisal; consolidation of proceedings; joinder of objectors

(a) Petition for appraisal. -- Within 50 days after the Department accepts the articles for record, the successor or an objecting stockholder who has not received payment for his stock may petition a court of equity in the county where the principal office of the successor is located or, if it does not have a principal office in this State, where the resident agent of the successor is located, for an appraisal to determine the fair value of the stock.

(b) Consolidation of suits; joinder of objectors. --

(1) If more than one appraisal proceeding is instituted, the court shall direct the consolidation of all the proceedings on terms and conditions it considers proper.

(2) Two or more objecting stockholders may join or be joined in an appraisal proceeding.

sec. 3-209. Notation on stock certificate

(a) Submission of certificate. -- At any time after a petition for appraisal is filed, the court may require the objecting stockholders parties to the proceeding to submit their stock certificates to the clerk of the court for notation on them that the appraisal proceeding is pending. If a stockholder fails to comply with the order, the court may dismiss the proceeding as to him or grant other appropriate relief.

(b) Transfer of stock bearing notation. -- If any stock represented by a certificate which bears a notation is subsequently transferred, the new certificate issued for the stock shall bear a similar notation and the name

of the original objecting stockholder. The transferee of this stock does not acquire rights of any character with respect to the stock other than the rights of the original objecting stockholder.

sec. 3-210. Appraisal of fair value

(a) Court to appoint appraisers. -- If the court finds that the objecting stockholder is entitled to an appraisal of his stock, it shall appoint three disinterested appraisers to determine the fair value of the stock on terms and conditions the court considers proper. Each appraiser shall take an oath to discharge his duties honestly and faithfully.

(b) Report of appraisers -- Filing. -- Within 60 days after their appointment, unless the court sets a longer time, the appraisers shall determine the fair value of the stock as of the appropriate date and file a report stating the conclusion of the majority as to the fair value of the stock.

(c) Same -- Contents. -- The report shall state the reasons for the conclusion and shall include a transcript of all testimony and exhibits offered.

(d) Same -- Service; objection. --

(1) On the same day that the report is filed, the appraisers shall mail a copy of it to each party to the proceedings.

(2) Within 15 days after the report is filed, any party may object to it and request a hearing.

sec. 3-211. Action by court on appraisers' report

(a) Order of court. -- The court shall consider the report and, on motion of any party to the proceeding, enter an order which:

(1) Confirms, modifies, or rejects it; and

(2) If appropriate, sets the time for payment to the stockholder.

(b) Procedure after order. --

(1) If the appraisers' report is confirmed or modified by the order, judgment shall be entered against the successor and in favor of each objecting stockholder party to the proceeding for the appraised fair value of his stock.

(2) If the appraisers' report is rejected, the court may:

(i) Determine the fair value of the stock and enter judgment for the stockholder; or

(ii) Remit the proceedings to the same or other appraisers on terms and conditions it considers proper.

(c) Judgment includes interest. --

(1) Except as provided in paragraph (2) of this subsection, a judgment for the stockholder shall award the value of the stock and interest from the date as at which fair value is to be determined under sec. 3-202 of this subtitle.

(2) The court may not allow interest if it finds that the failure of the stockholder to accept an offer for the stock made under sec. 3-207 of this subtitle was arbitrary and vexatious or not in good faith. In making this finding, the court shall consider:

(i) The price which the successor offered for the stock;

(ii) The financial statements and other information furnished to the stockholder; and

(iii) Any other circumstances it considers relevant.

(d) Costs of proceedings. --

(1) The costs of the proceedings, including reasonable compensation and expenses of the appraisers, shall be set by the court and assessed against the successor. However, the court may direct the costs to be apportioned and assessed against any objecting stockholder if the court finds that the failure of the stockholder to accept an offer for the stock made under sec. 3-207 of this subtitle was arbitrary and vexatious or not in good faith. In making this finding, the court shall consider:

(i) The price which the successor offered for the stock;

(ii) The financial statements and other information furnished to the stockholder; and

(iii) Any other circumstances it considers relevant.

(2) Costs may not include attorney's fees or expenses. The reasonable fees and expenses of experts may be included only if:

(i) The successor did not make an offer for the stock under sec. 3-207 of this subtitle; or

(ii) The value of the stock determined in the proceeding materially exceeds the amount offered by the successor.

(e) Effect of judgment. -- The judgment is final and conclusive on all parties and has the same force and effect as other decrees in equity. The judgment constitutes a lien on the assets of the successor with priority over any mortgage or other lien attaching on or after the effective date of the consolidation, merger, transfer, or charter amendment.

sec. 3-212. Surrender of stock

The successor is not required to pay for the stock of an objecting stockholder or to pay a judgment rendered against it in a proceeding for an appraisal unless, simultaneously with payment:

(1) The certificates representing the stock are surrendered to it, endorsed in blank, and in proper form for transfer; or

(2) Satisfactory evidence of the loss or destruction of the certificates and sufficient indemnity bond are furnished.

sec. 3-213. Rights of successor with respect to stock

(a) General rule. -- A successor which acquires the stock of an objecting stockholder is entitled to any dividends or distributions payable to holders of record of that stock on a record date after the close of business on the day as at which fair value is to be determined under sec. 3-202 of this subtitle.

(b) Successor in transfer of assets. -- After acquiring the stock of an objecting stockholder, a successor in a transfer of assets may exercise all the rights of an owner of the stock.

(c) Successor in consolidation, merger, or share exchange. -- Unless the articles provide otherwise, stock in the successor of a consolidation, merger, or share exchange otherwise deliverable in exchange for the stock of an objecting stockholder has the status of authorized but unissued stock of the successor. However, a proceeding for reduction of the capital of the successor is not necessary to retire the stock or to reduce the capital of the successor represented by the stock.

ANNEX F

VOTING PREFERRED AMENDMENT

SDG CHARTER AMENDMENTS TO
ARTICLE SIXTH (c-3)(7)(A) AND ARTICLE SIXTH (c-4)(7)(A)

(Filed with the Maryland State Department as Article THIRD (c-3)(7)(A) of the Articles Supplementary to the SDG Charter, dated September 26, 1996 and Article THIRD (c-4)(7)(A) of the Articles Supplementary to the SDG Charter, dated July 8, 1997, respectively.)

The Voting Preferred Amendment will be filed with the Maryland State Department and become effective immediately thereafter.

8 3/4% Series B Cumulative Redeemable Preferred Stock:

Article SIXTH (c-3)

(7) (A) Each share of Series B Preferred Stock shall have one vote for the election of directors of the Corporation and as otherwise provided in this paragraph (c-3) and in paragraph (c) to Article SEVENTH of the Charter. Shares of the Series B Preferred Stock shall not have cumulative voting rights. The holders of the shares of Series B Preferred Stock shall vote with the holders of Common Stock, Class B Common Stock, Class C Common Stock and Series C Preferred Stock (voting together as a single class) to elect directors (other than the directors to be elected by the holders of the Class B Common Stock and the Class C Common Stock voting as separate classes).

7.89% Series C Cumulative Step-Up Premium Rate Preferred Stock:

Article SIXTH (c-4)

(7) (A) Each share of Series C Preferred Stock shall have one vote for the election of directors of the Corporation and as otherwise provided in this paragraph (c-3) and in paragraph (c) to Article SEVENTH of the Charter. Shares of the Series C Preferred Stock shall not have cumulative voting rights. The holders of the shares of Series C Preferred Stock shall vote with the holders of Common Stock, Class B Common Stock, Class C Common Stock and Series B Preferred Stock (voting together as a single class) to elect directors (other than the directors to be elected by the holders of the Class B Common Stock and the Class C Common Stock voting as separate classes).

PROXY SOLICITED BY THE BOARD OF DIRECTORS OF
SIMON DEBARTOLO GROUP, INC.

FOR USE AT THE
SPECIAL MEETING OF STOCKHOLDERS TO BE
HELD ON SEPTEMBER 23, 1998

The undersigned holder of shares of common stock of Simon DeBartolo Group, Inc., a Maryland Corporation ("SDG"), hereby appoints Herbert Simon and David Simon, and each of them, with power of substitution to each, to vote all shares of common stock which the undersigned is entitled to vote at the special meeting (the "SDG Special Meeting") of stockholders of SDG to be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana on September 23, 1998 at 10:00 a.m. (Indianapolis time) and at every adjournment or postponement thereof and otherwise to represent the undersigned at this meeting with all powers possessed by the undersigned if present at the SDG Special Meeting, hereby revoking all prior proxies on the matters set below, as indicated below. The undersigned hereby acknowledges receipt of the Notice of Special Meeting of Stockholders and of the accompanying Proxy Statement/Prospectus.

SDG SPECIAL MEETING

1. [ ] VOTE FOR or [ ] VOTE AGAINST or [ ] ABSTAIN ON the approval and adoption of an amendment to SDG's Amended and Restated Articles of Incorporation to provide certain voting rights to holders of SDG preferred stock;

2. [ ] VOTE FOR or [ ] VOTE AGAINST or [ ] ABSTAIN ON the approval and adoption of an Agreement and Plan of Merger, dated as of February 18, 1998, by and among SDG, Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc.; and

3. In their discretion with respect to such other business as may properly come before the SDG Special Meeting or any adjournment or postponement thereof.

THE SDG BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1, 2 AND 3 AT THE SDG SPECIAL MEETING.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2 AND 3.

The signer hereby revokes all proxies heretofore given by the signer to vote at the SDG Special Meeting or any adjournments or postponements thereof. Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature(s)

Date

PROXY SOLICITED BY THE BOARD OF DIRECTORS OF
SIMON DEBARTOLO GROUP, INC.

FOR USE AT THE
ANNUAL MEETING OF STOCKHOLDERS TO BE
HELD ON SEPTEMBER 23, 1998

The undersigned holder of shares of common stock of Simon DeBartolo Group, Inc., a Maryland Corporation ("SDG"), hereby appoints Herbert Simon and David Simon, and each of them, with power of substitution to each, to vote all shares of common stock which the undersigned is entitled to vote at the annual meeting (the "SDG Annual Meeting") of stockholders of SDG to be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana on September 23, 1998 at 10:00 a.m. (Indianapolis time) and at every adjournment or postponement thereof and otherwise to represent the undersigned at this meeting with all powers possessed by the undersigned if present at the SDG Annual Meeting, hereby revoking all prior proxies on the matters set below, as indicated below. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and of the accompanying Proxy Statement/Prospectus.

SDG ANNUAL MEETING

1. [ ] VOTE FOR or [ ] WITHHOLD VOTE for all of the following nominees for election to the SDG Board of Directors: Robert E. Angelica, Birch Bayh, Hans C. Mautner, G. William Miller and Pieter S. van den Berg;

   [ ] VOTE FOR, except withhold from the following nominee(s):
   ---------- ;

2. [ ] VOTE FOR or [ ] VOTE AGAINST or [ ] ABSTAIN ON approval of the 1998 Stock Incentive Plan;

3. [ ] VOTE FOR or [ ] VOTE AGAINST or [ ] ABSTAIN ON ratification of the appointment of Arthur Andersen LLP as independent accountants for the fiscal year ending December 31, 1998; and

4. In their discretion with respect to other such other business as may properly come before the SDG Annual Meeting or any adjournment or postponement thereof.

THE SDG BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1 AND A VOTE FOR PROPOSALS 2, 3 AND 4 AT THE SDG ANNUAL MEETING.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1 AND FOR PROPOSALS 2, 3 AND 4.

The signer hereby revokes all proxies heretofore given by the signer to vote at the SDG Annual Meeting or any adjournments or postponements thereof. Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature(s)

Date

PROXY SOLICITED BY THE BOARD OF DIRECTORS OF
SIMON DEBARTOLO GROUP, INC.

FOR USE AT THE
ANNUAL MEETING OF STOCKHOLDERS TO BE
HELD ON SEPTEMBER 23, 1998

The undersigned holder of all of the shares of Class B Common Stock of Simon DeBartolo Group, Inc., a Maryland Corporation ("SDG"), hereby appoints Herbert Simon and David Simon, and each of them, with power of substitution to each, to vote all shares of Class B Common Stock which the undersigned is entitled to vote at the annual meeting (the "SDG Annual Meeting") of stockholders of SDG to be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana on September 23, 1998 at 10:00 a.m. (Indianapolis time) and at every adjournment or postponement thereof and otherwise to represent the undersigned at this meeting with all powers possessed by the undersigned if present at the SDG Annual Meeting, hereby revoking all prior proxies on the matters set below, as indicated below. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and of the accompanying Proxy Statement/Prospectus.

SDG ANNUAL MEETING

1. [ ] VOTE FOR or [ ] WITHHOLD VOTE for all of the following nominees for election to the SDG Board of Directors: David Simon, Herbert Simon, Melvin Simon and Richard S. Sokolov;

   [ ] VOTE FOR, except withhold from the following nominee(s):
   ---------- .

THE SDG BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1 AT THE SDG ANNUAL MEETING.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1.

The signer hereby revokes all proxies heretofore given by the signer to vote at the SDG Annual Meeting or any adjournments or postponements thereof. Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature(s)

Date

PROXY SOLICITED BY THE BOARD OF DIRECTORS OF
SIMON DEBARTOLO GROUP, INC.

FOR USE AT THE
ANNUAL MEETING OF STOCKHOLDERS TO BE
HELD ON SEPTEMBER 23, 1998

The undersigned holder of all of the shares of Class C Common Stock of Simon DeBartolo Group, Inc., a Maryland Corporation ("SDG"), hereby appoints Herbert Simon and David Simon, and each of them, with power of substitution to each, to vote all shares of Class C Common Stock which the undersigned is entitled to vote at the annual meeting (the "SDG Annual Meeting") of stockholders of SDG to be held at The Indianapolis Hyatt Regency, One South Capitol Avenue, Indianapolis, Indiana on September 23, 1998 at 10:00 a.m. (Indianapolis time) and at every adjournment or postponement thereof and otherwise to represent the undersigned at this meeting with all powers possessed by the undersigned if present at the SDG Annual Meeting, hereby revoking all prior proxies on the matters set below, as indicated below. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and of the accompanying Proxy Statement/Prospectus.

SDG ANNUAL MEETING

1. [ ] VOTE FOR or [ ] WITHHOLD VOTE for all of the following nominees for election to the SDG Board of Directors: Frederick W. Petri and M. Denise DeBartolo York;

   [ ] VOTE FOR, except withhold from the following nominee(s):
   ---------- .

THE SDG BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1 AT THE SDG ANNUAL MEETING.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES IN PROPOSAL 1.

The signer hereby revokes all proxies heretofore given by the signer to vote at the SDG Annual Meeting or any adjournments or postponements thereof. Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature(s)

Date

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (the "DGCL") empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. A corporation may, in advance of the final action of any civil, criminal, administrative or investigative action, suit or proceeding, pay the expenses (including attorneys' fees) incurred by any officer, director, employee or agent in defending such action, provided that the director or officer undertakes to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. A corporation may indemnify such person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation to procure a judgment in its favor under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith. The indemnification provided is not deemed to be exclusive of any other rights to which an officer or director may be entitled under any corporation's by-law, agreement, vote or otherwise.

In accordance with Section 145 of the DGCL, Article VII of the Certificate of Incorporation of Corporate Property Investors, Inc. ("CPI", to be renamed Simon Property Group, Inc. ("Simon Group")) ("CPI's Charter"), Section 6.07(a) of the By-laws of CPI ("CPI's By-laws") and Article VII of the By-laws of Corporate Realty Consultants, Inc. ("CRC") ("CRC's By-laws") provide, and Article Sixth, Paragraph 4(a) of the Restated Certificate of Incorporation of CPI ("Simon Group's Charter"), the Restated Certificate of Incorporation of SPG Realty Consultants, Inc. ("SRC") ("SRC's Charter") and Article VIII of the By-laws of SRC ("SRC's By-laws") will provide, that CPI, CRC, Simon Group or SRC, as applicable, shall indemnify to the fullest extent permitted under and in accordance with the laws of the State of Delaware any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director or officer of CPI, CRC, Simon Group or SRC, as applicable, or is or was serving at the request of CPI, CRC, Simon Group or SRC, as applicable, as a director, officer, trustee or in any other capacity with another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of CPI, CRC, Simon Group or SRC, as applicable, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The indemnification provided by CPI's Charter and CPI's By-laws, and to be provided by Simon Group's Charter, the By-laws of Simon Group ("Simon Group's By-laws"), SRC's Charter and SRC's By-laws, shall not be deemed exclusive of any other rights to which any of those seeking indemnification or advancement of expenses may be entitled under any other contract or agreement between CPI, Simon Group or SRC, as applicable, and any officer, director, employee or agent of CPI, Simon Group or SRC, as applicable. Expenses incurred in defending a civil or criminal action, suit or proceeding shall (in the case of any action, suit or proceeding against a director or officer of CPI, Simon Group or SRC, as applicable) or may

(in the case of any action, suit or proceeding against an employee or agent) be paid by CPI, Simon Group or SRC, as applicable, in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors of CPI, Simon Group or SRC, as applicable, upon receipt of an undertaking by or on behalf of the indemnified person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by CPI or Simon Group, as applicable. Article VII of CPI's Charter and Section 6.07(b) of CPI's By-laws provide, Article Sixth, Paragraph 4(d) of Simon Group's Charter, Section 8.02 of Simon Group's By-laws, Article Sixth, Paragraph 4(d) of SRC's Charter and Section 8.02 of SRC's By-laws will provide, that neither the amendment or repeal of, nor the adoption of any provision inconsistent with, the above-referenced provisions of CPI's Charter or CPI's By-laws, Simon Group's Charter or Simon Group's By-laws, and SRC's Charter or SRC's By-laws, respectively, and shall eliminate or reduce the effect of such provisions in respect of any matter occurring before such amendment, repeal or adoption of an inconsistent provision or in respect of any cause of action, suit or claim relating to any such matter which would have given rise to a right of indemnification or right to receive expenses pursuant to such provisions if any such provision had not been so amended or repealed or if a provision inconsistent therewith had not been so adopted. Article Sixth, Paragraph (4)(e) of Simon Group's Charter and Article Sixth, Paragraph (4)(e) of SRC's Charter will provide that a director of Simon Group or SRC shall not be personally liable to Simon Group, SRC or their stockholders, as applicable, for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Simon Group, SRC or their stockholders, as applicable, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or any amendment thereto or successor provision thereto, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of CPI, Simon Group or SRC, as applicable, shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

2.1	Purchase and Sale Agreement, dated December 12, 1997, between The Equitable Life Assurance Society of the United States and SM Portfolio Partners. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 2.4).
2.2	Agreement and Plan of Merger, dated February 18, 1998, among SDG and CPI and CRC. (Incorporated by reference to the Form 8-K filed by SDG on February 24, 1998 Exhibit 10.1).
3.1	Certificate of Incorporation of CPI.
3.2	Form of Restated Certificate of Incorporation of Simon Group.
3.3	By-laws of CPI.
3.4	Form of Restated By-laws of Simon Group.
3.5	Certificate of Incorporation of CRC.
3.6	Form of Restated Certificate of Incorporation of SPG Realty Consultants, Inc.
3.7	By-laws of CRC.
3.8	Form of Restated By-laws of SPG Realty Consultants, Inc.
4.1	Secured Promissory Note and Open-End Mortgage and Security Agreement from Simon Property Group, L.P. in favor of Principal Mutual Life Insurance Company (Pool 2) (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 4.2).
4.2	Second Amended and Restated Credit Agreement, dated as of December 22, 1997, among the SDG Operating Partnership and Morgan Guaranty Trust Company of New York, Union Bank of Switzerland and Chase Manhattan Bank, as Lead Agents. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 4.3).
4.3	Form of Simon Group Common Stock Certificate.

4.4	Form of Simon Group Class B Common Stock Certificate.
4.5	Form of Simon Group Class C Common Stock Certificate.
4.6	Form of SPG Realty Consultants, Inc. Common Stock Certificate.
4.7	Trust Agreement, dated as of October 30, 1979, among shareholders of CPI, CRC and First Jersey National Bank, as Trustee.
4.8	Trust Agreement, dated as of August 26, 1994, among the holders of the 6.50% First Series Preference Shares of CPI, CRC and Bank of Montreal Trust Company, as Trustee.
4.9	Indenture, dated March 15, 1992, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $250,000,000 9% Notes Due 2002.
4.10	Indenture, dated August 15, 1992, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $150,000,000 7 3/4% Notes Due 2004.
4.11	Indenture, dated April 1, 1993, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $100,000,000 7.05% Notes Due 2003.
4.12	Indenture, dated September 1, 1993, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $75,000,000 7.18% Notes Due 2013.
4.13	Indenture, dated March 15, 1996 between CPI and The Chase Manhattan Bank (as successor to Chemical Bank), as Trustee, with respect to $250,000,000 7.875% Notes Due 2016.
4.14	$21,000,000 Mortgage Note dated January 1, 1994 of 303-313 East 47th Street Associates Payable to CPI.
5.1	Opinion of Cravath, Swaine & Moore.
8.1	Opinion of Willkie Farr & Gallagher.
8.2	Opinion of Cravath, Swaine & Moore.
8.3	Opinion of Baker & Daniels.
9.1	Voting Trust Agreement, Voting Agreement and Proxy between MSA, on the one hand, and Melvin Simon, Herbert Simon and David Simon, on the other hand. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 9.1).
10.1	Fifth Amended and Restated Limited Partnership Agreement of the SDG Operating Partnership. (Incorporated by reference to of the Form S-4 filed by SDG (Registration No. 333-06933) Exhibit 10.1).
10.2	Noncompetition Agreement, dated as of December 1, 1993, between SDG and each of Melvin Simon and Herbert Simon. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.3).
10.3	Noncompetition Agreement, dated as of December 1, 1993, between SDG and David Simon. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.4).
10.4	Restriction and Noncompetition Agreement, dated as of December 1, 1993 among SDG and DRC Management Company and M.S. Management Associates, Inc. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.5).
10.5	Simon Property Group, L.P. 1998 Stock Incentive Plan.
10.6	Restated Indemnity Agreement, dated as of August 9, 1996, between SDG and its directors and officers. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.8).
10.7	Form of Simon Group Indemnity Agreement between Simon Group and its directors and officers.
10.8	Option Agreement to acquire the retail properties in which the Simons or the DeBartolos own an interest that are not included in the SDG Portfolio Properties and that are subject of options in favor of Simon Property Group, Inc. or DeBartolo Realty Corporation. (Incorporated by reference the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.10).

10.9	Option Agreement to acquire the properties in which the Simons own an interest that were not transferred to Simon Property Group, Inc. or M.S. Management Associates, Inc. in connection with the initial public offering of SDG Common Stock consummated in December 1993. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.11).
10.10	Option Agreement, dated as of December 1, 1993, between the M.S. Management Associates, Inc. and Simon Property Group, L.P. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.20).
10.11	Option Agreement, dated as of December 1, 1993, to acquire Development Land. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.22).
10.12	Option Agreement, dated December 1, 1993, between the M.S. Management Associates, Inc. and Simon Property Group, L.P. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.25).
10.13	First Amendment to the Corporate Services Agreement between DeBartolo Realty Corporation and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.17).
10.14	Service Agreement between The Edward J. DeBartolo Corporation and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(f)).
10.15	Master Services Agreement between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(g)).
10.16	First Amendment to Master Services Agreement between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.20).
10.17	DeBartolo Realty Corporation 1994 Stock Incentive Plan. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(k)).
10.18	Office Lease between DeBartolo Realty Partnership, L.P. and an affiliate of EJDC (Southwoods Executive Center). (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.69).
10.19	Representative Form of Lease with respect to The Limited Stores, Inc.
10.20	Sublease between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.70).
10.21	Purchase Option and Right of First Refusal Agreement between DeBartolo Realty Partnership, L.P. and EJDC (for SouthPark Center Development Site). (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(p)(2)).
10.22	Purchase Option and Right of First Offer Agreement between DeBartolo Realty Partnership, L.P. and Cutler Ridge Mall, Inc. (for Cutler Ridge Mall). (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(q)(1)).
10.23	Amended and Restated Articles of Incorporation of SD Property Group, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.53).
10.24	Amended and Restated Regulations of SD Property Group, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.54).

10.25	Contribution Agreement, dated as of June 25, 1996, by and among DeBartolo Realty Corporation and the former limited partners of Simon Property Group, L.P., excluding JCP Realty, Inc. and Brandywine Realty, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.56).
10.26	JCP Contribution Agreement, dated as of August 8, 1996, by and among DeBartolo Realty Corporation and JCP Realty, Inc., and Brandywine Realty, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.57).
10.27	Registration Rights Agreement, dated as of August 9, 1996, by and among the Simon Family Members (as defined therein), Simon Property Group, Inc., JCP Realty, Inc., Brandywine Realty, Inc., and the Estate of Edward J. DeBartolo Sr., Edward J. DeBartolo, Jr., Marie Denise DeBartolo York, and the Trusts and other entities listed on Schedule 2 therein, and any of their respective successors-in-interest and permitted assigns. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.60).
10.28	Form of Simon Group Registration Rights Agreement.
10.29	Fourth Amendment to Purchase Option Agreement, dated as of July 15, 1996, between JCP Realty, Inc., and DeBartolo Realty Partnership, L.P. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.61).
10.30	Partnership Agreement of SM Portfolio Limited Partnership. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.62).
10.31	Limited Partnership Agreement of SDG Macerich Properties, L.P. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.63).
10.32	Agreement of Limited Partnership of Simon Capital Limited Partnership. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.64).
10.33	Form of Sixth Amended and Restated Partnership Agreement of Simon Property Group, L.P.
10.34	Form of SPG Realty Consultants, L.P. Partnership Agreement.
10.35	Form of Agreement Between Operating Partnerships.
10.36	The Revolving Credit Agreement, dated June 26, 1996, among CPI, The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York and the lenders party thereto.
10.37	Purchase and Sale Agreement, dated November 26, 1997, between The Equitable Life Assurance Society of the United States and CPI-Phipps Limited Liability Company.
10.38	Agreement of Purchase and Sale, dated December 31, 1997, between CPI and Development Options, Inc.
10.39	Purchase and Exchange Agreement, dated November 15, 1996, among CPI, CRC and State Street Bank and Trust Company, not individually, but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust.
10.40	Redemption Agreement, dated as of December 31, 1996, between CPI and Rodamco North America B.V.
10.41	Stock Purchase Agreement, dated as of December 13, 1996, between CPI and Fifth and 59th Street Investors Corporation.
10.42	Amended and Restated Supplemental Executive Retirement Plan of CPI, effective as of August 1, 1997, as amended pursuant to a Statement of Amendments effective as of July 1, 1998.
10.43	Trustees' and Executives' Deferred Remuneration Plan of CPI, as amended and restated effective August 1, 1997, as amended pursuant to a Statement of Amendments effective as of July 1, 1998.
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99.8	Consent of Herbert Simon.
99.9	Consent of Melvin Simon.
99.10	Consent of Richard S. Sokolov.
99.11	Consent of Frederick W. Petri.
99.12	Consent of Pieter S. van den Berg.
99.13	Consent of Phillip J. Ward.
99.14	Consent of M. Denise DeBartolo York.

(b) Financial Statement Schedules

All schedules have been omitted because they are not applicable or not required or the required information is included in the financial statements or notes thereto.

ITEM 22. UNDERTAKINGS.

(a) The undersigned Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned Registrants hereby undertake to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(d) The undersigned Registrants hereby undertake as follows:

(1) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this Registration Statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuers undertake that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form; and

(2) That every prospectus (i) that is filed pursuant to the paragraph (e)(1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the Registration Statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(e) The undersigned Registrants hereby undertake that insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(f) The undersigned Registrants hereby undertake that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(g) The undersigned Registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(h) The undersigned Registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrants have duly caused this Registration Statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, August 13, 1998.

CORPORATE PROPERTY INVESTORS, INC.

By: /s/ HANS C. MAUTNER

Hans C. Mautner
Chief Executive Officer

CORPORATE REALTY CONSULTANTS, INC.

By: /s/ HANS C. MAUTNER

Hans C. Mautner
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons, in their capacities at Corporate Property Investors, Inc. and on the dates indicated.

NAME	TITLE	DATE
/s/ HANS C. MAUTNER Hans C. Mautner	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	August 13, 1998
/s/ MICHAEL L. JOHNSON Michael L. Johnson	Chief Financial Officer and Senior Vice President (Principal Financial Officer)	August 13, 1998
/s/ DANIEL J. COHEN Daniel J. Cohen	Vice President and Controller (Principal Accounting Officer)	August 13, 1998
* Abdlatif Y. Al-Hamad	Director	August 13, 1998
* Saleh F. Alzouman	Director	August 13, 1998
* Robert E. Angelica	Director	August 13, 1998
* Gilbert Butler	Director	August 13, 1998
* David P. Feldman	Director	August 13, 1998
* Andrea Geisser	Director	August 13, 1998
* Damon Mezzacappa	Director	August 13, 1998
* S. Lawrence Prendergast	Director	August 13, 1998
* Daniel Rose	Director	August 13, 1998

NAME	TITLE	DATE
*	Director	August 13, 1998
Dirk van den Bos		
*	Director	August 13, 1998
Jan H.W.R. van der Vlist		

* By /s/ HANS C. MAUTNER
Attorney-in-fact pursuant to a power of
attorney filed herewith as part of this
Registration Statement

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons, in their capacities at Corporate Realty Consultants, Inc. and on the dates indicated.

NAME	TITLE	DATE
/s/ HANS C. MAUTNER Hans C. Mautner	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	August 13, 1998
/s/ MICHAEL L. JOHNSON Michael L. Johnson	Chief Financial Officer and Senior Vice President (Principal Financial Officer)	August 13, 1998
/s/ DANIEL J. COHEN Daniel J. Cohen	Vice President and Controller (Principal Accounting Officer)	August 13, 1998
* David P. Feldman	Director	August 13, 1998
* Andrea Geisser	Director	August 13, 1998

* By /s/ HANS C. MAUTNER
Attorney-in-fact pursuant to a power of attorney filed herewith as part of this Registration Statement

EXHIBIT INDEX

2.1	Purchase and Sale Agreement, dated December 12, 1997, between The Equitable Life Assurance Society of the United States and SM Portfolio Partners. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 2.4).
2.2	Agreement and Plan of Merger, dated February 18, 1998, among SDG and CPI and CRC. (Incorporated by reference to the Form 8-K filed by SDG on February 24, 1998 Exhibit 10.1).
3.1	Certificate of Incorporation of CPI.
3.2	Form of Restated Certificate of Incorporation of Simon Group.
3.3	By-laws of CPI.
3.4	Form of Restated By-laws of Simon Group.
3.5	Certificate of Incorporation of CRC.
3.6	Form of Restated Certificate of Incorporation of SPG Realty Consultants, Inc.
3.7	By-laws of CRC.
3.8	Form of Restated By-laws of SPG Realty Consultants, Inc.
4.1	Secured Promissory Note and Open-End Mortgage and Security Agreement from Simon Property Group, L.P. in favor of Principal Mutual Life Insurance Company (Pool 2) (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 4.2).
4.2	Second Amended and Restated Credit Agreement, dated as of December 22, 1997, among the SDG Operating Partnership and Morgan Guaranty Trust Company of New York, Union Bank of Switzerland and Chase Manhattan Bank, as Lead Agents. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 4.3).
4.3	Form of Simon Group Common Stock Certificate.
4.4	Form of Simon Group Class B Common Stock Certificate.
4.5	Form of Simon Group Class C Common Stock Certificate.
4.6	Form of SPG Realty Consultants, Inc. Common Stock Certificate.
4.7	Trust Agreement, dated as of October 30, 1979, among shareholders of CPI, CRC and First Jersey National Bank, as Trustee.
4.8	Trust Agreement, dated as of August 26, 1994, among the holders of the 6.50% First Series Preference Shares of CPI, CRC and Bank of Montreal Trust Company, as Trustee.
4.9	Indenture, dated March 15, 1992, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $250,000,000 9% Notes Due 2002.
4.10	Indenture, dated August 15, 1992, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $150,000,000 7 3/4% Notes Due 2004.
4.11	Indenture, dated April 1, 1993, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $100,000,000 7.05% Notes Due 2003.
4.12	Indenture, dated September 1, 1993, between CPI and Morgan Guaranty Trust Company of New York, as Trustee, with respect to $75,000,000 7.18% Notes Due 2013.
4.13	Indenture, dated March 15, 1996 between CPI and The Chase Manhattan Bank (as successor to Chemical Bank), as Trustee, with respect to $250,000,000 7.875% Notes Due 2016.
4.14	$21,000,000 Mortgage Note dated January 1, 1994 of 303-313 East 47th Street Associates Payable to CPI.
5.1	Opinion of Cravath, Swaine & Moore.
8.1	Opinion of Willkie Farr & Gallagher.
8.2	Opinion of Cravath, Swaine & Moore.
8.3	Opinion of Baker & Daniels.
9.1	Voting Trust Agreement, Voting Agreement and Proxy between MSA, on the one hand, and Melvin Simon, Herbert Simon and David Simon, on the other hand. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 9.1).
10.1	Fifth Amended and Restated Limited Partnership Agreement of the SDG Operating Partnership. (Incorporated by reference to of the Form S-4 filed by SDG (Registration No. 333-06933) Exhibit 10.1).

10.2 Noncompetition Agreement, dated as of December 1, 1993, between SDG and each of Melvin Simon and Herbert Simon. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.3).

10.3 Noncompetition Agreement, dated as of December 1, 1993, between SDG and David Simon. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.4).

10.4 Restriction and Noncompetition Agreement, dated as of December 1, 1993, among SDG and DRC Management Company and M.S. Management Associates, Inc. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.5).

10.5 Simon Property Group, L.P. 1998 Stock Incentive Plan.

10.6 Restated Indemnity Agreement, dated as of August 9, 1996, between SDG and its directors and officers. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.8).

10.7 Form of Simon Group Indemnity Agreement between Simon Group and its directors and officers.

10.8 Option Agreement to acquire the retail properties in which the Simons or the DeBartolos own an interest that are not included in the SDG Portfolio Properties and that are subject of options in favor of Simon Property Group, Inc. or DeBartolo Realty Corporation. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.10).

10.9 Option Agreement to acquire the properties in which the Simons own an interest that were not transferred to Simon Property Group, Inc. or M.S. Management Associates, Inc. in connection with the initial public offering of SDG Common Stock consummated in December 1993. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.11).

10.10 Option Agreement, dated as of December 1, 1993, between the M.S. Management Associates, Inc. and Simon Property Group, L.P. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.20).

10.11 Option Agreement, dated as of December 1, 1993, to acquire Development Land. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.22).

10.12 Option Agreement, dated December 1, 1993, between the M.S. Management Associates, Inc. and Simon Property Group, L.P. (Incorporated by reference to the 1993 Form 10-K filed by SDG for the fiscal year ended December 31, 1993 Exhibit 10.25).

10.13 First Amendment to the Corporate Services Agreement between DeBartolo Realty Corporation and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.17).

10.14 Service Agreement between The Edward J. DeBartolo Corporation and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(f)).

10.15 Master Services Agreement between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(g)).

10.16 First Amendment to Master Services Agreement between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.20).

10.17 DeBartolo Realty Corporation 1994 Stock Incentive Plan. (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(k)).

10.18 Office Lease between DeBartolo Realty Partnership, L.P. and an affiliate of EJDC (Southwoods Executive Center). (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.69).

10.19 Representative Form of Lease with respect to The Limited Stores, Inc.

10.20 Sublease between DeBartolo Realty Partnership, L.P. and DeBartolo Properties Management, Inc. (Incorporated by reference to the 1995 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1995 Exhibit 10.70).

10.21 Purchase Option and Right of First Refusal Agreement between DeBartolo Realty Partnership, L.P. and EJDC (for SouthPark Center Development Site). (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(p)(2)).

10.22 Purchase Option and Right of First Offer Agreement between DeBartolo Realty Partnership, L.P. and Cutler Ridge Mall, Inc. (for Cutler Ridge Mall). (Incorporated by reference to the 1994 Form 10-K filed by DeBartolo Realty Corporation for the fiscal year ended December 31, 1994 Exhibit 10(q)(1)).

10.23 Amended and Restated Articles of Incorporation of SD Property Group, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.53).

10.24 Amended and Restated Regulations of SD Property Group, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.54).

10.25 Contribution Agreement, dated as of June 25, 1996, by and among DeBartolo Realty Corporation and the former limited partners of Simon Property Group, L.P., excluding JCP Realty, Inc. and Brandywine Realty, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.56).

10.26 JCP Contribution Agreement, dated as of August 8, 1996, by and among DeBartolo Realty Corporation and JCP Realty, Inc., and Brandywine Realty, Inc. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.57).

10.27 Registration Rights Agreement, dated as of August 9, 1996, by and among the Simon Family Members (as defined therein), Simon Property Group, Inc., JCP Realty, Inc., Brandywine Realty, Inc., and the Estate of Edward J. DeBartolo Sr., Edward J. DeBartolo, Jr., Marie Denise DeBartolo York, and the Trusts and other entities listed on Schedule 2 therein, and any of their respective successors-in-interest and permitted assigns. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.60).

10.28 Form of Simon Group Registration Rights Agreement.

10.29 Fourth Amendment to Purchase Option Agreement, dated as of July 15, 1996, between JCP Realty, Inc., and DeBartolo Realty Partnership, L.P. (Incorporated by reference to the 1996 Form 10-K filed by SDG for the fiscal year ended December 31, 1996 Exhibit 10.61).

10.30 Partnership Agreement of SM Portfolio Limited Partnership. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.62).

10.31 Limited Partnership Agreement of SDG Macerich Properties, L.P. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.63).

10.32 Agreement of Limited Partnership of Simon Capital Limited Partnership. (Incorporated by reference to the 1997 Form 10-K filed by SDG for the fiscal year ended December 31, 1997 Exhibit 10.64).

10.33 Form of Sixth Amended and Restated Partnership Agreement of Simon Property Group, L.P.

10.34 Form of SPG Realty Consultants, L.P. Partnership Agreement.

10.35 Form of Agreement Between Operating Partnerships.

10.36 The Revolving Credit Agreement, dated June 26, 1996, among CPI, The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York and the lenders party thereto.

10.37 Purchase and Sale Agreement, dated November 26, 1997, between The Equitable Life Assurance Society of the United States and CPI-Phipps Limited Liability Company.

10.38 Agreement of Purchase and Sale, dated December 31, 1997, between CPI and Development Options, Inc.

10.39 Purchase and Exchange Agreement, dated November 15, 1996, among CPI, CRC and State Street Bank and Trust Company, not individually, but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust.

10.40 Redemption Agreement, dated as of December 31, 1996, between CPI and Rodamco North America B.V.

10.41 Stock Purchase Agreement, dated as of December 13, 1996. between CPI and Fifth and 59th Street Investors Corporation.

10.42 Amended and Restated Supplemental Executive Retirement Plan of CPI, effective as of August 1, 1997, as amended pursuant to a Statement of Amendments effective as of July 1, 1998.

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99.8 Consent of Herbert Simon.
99.9 Consent of Melvin Simon.
99.10 Consent of Richard S. Sokolov.
99.11 Consent of Frederick W. Petri.
99.12 Consent of Pieter S. van den Berg.
99.13 Consent of Phillip J. Ward.
99.14 Consent of M. Denise DeBartolo York.

EXHIBIT 3.1

CERTIFICATE OF INCORPORATION

OF

CORPORATE PROPERTY INVESTORS, INC.

ARTICLE I

NAME

The name of the corporation (which is hereinafter referred to as the "Corporation") is:

Corporate Property Investors, Inc.

ARTICLE II

ADDRESS

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

ARTICLE IV

CAPITALIZATION

The total number of shares of stock which the Corporation shall have authority to issue is 36,209,249, consisting of 209,249 shares of 6.50% First Series Preferred Stock, par value $1,000 per share (hereinafter referred to as the "6.50% First Series Preferred Stock") and 36,000,000 shares of Common Stock, par value $.01 per share (hereinafter referred to as the "Common Stock"). The number of authorized shares of the Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (or any successor provision thereto), and no vote of the holders of the Common Stock voting separately as a class shall be required therefor.

The 6.50% First Series Preferred Stock shall have the designation, powers, preferences and rights and the qualifications, limitations and restrictions as set forth in Exhibit A hereto.

The Common Stock shall be subject to the express terms of the 6.50% First Series Preferred Stock. Except as may be provided in this Certificate of Incorporation or by applicable law, the holders of shares of Common Stock shall be entitled to one vote for each such share upon all questions presented to the stockholders, the holders of shares of Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes subject to the rights of the holders of shares of 6.50% First Series Preferred Stock or any other series or class of stock as set forth in this Certificate of Incorporation, and the holders of shares of 6.50% First Series Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote; provided, however, that, except as otherwise required by law, the holders of shares of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of the 6.50% First Series Preferred Stock if the holders thereof are entitled, either separately or together with the holders of one or more other such series or class, to vote thereon pursuant to this Certificate of Incorporation or pursuant to the General Corporation Law of the State of Delaware. The holders of shares of Common Stock shall at all times, except as otherwise provided in this Certificate of Incorporation or as required by law, vote as one class, together with the holders of any other class or series of stock of the Corporation accorded such general voting rights.

Subject to applicable law and the rights, if any, of the holders of shares of 6.50% First Series Preferred Stock or any class or series of stock having a preference over or the right to participate with the shares of Common Stock with respect to the payment of dividends, dividends may be declared and paid on the Common Stock at such times and in such amounts as the Board of Directors in its discretion shall determine.

Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of shares of 6.50% First Series Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of shares of Common Stock, as such, shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V

BY-LAWS

In furtherance of, and not in limitation of, the powers conferred by law, the Board of Directors is expressly authorized and empowered:

(1) to adopt, amend or repeal the By-laws of the Corporation; provided, however, that the By-laws adopted by the Board of Directors under the powers hereby conferred may be amended or repealed by the Board of Directors or by the stockholders having voting power with respect thereto, provided further that, in the case of amendments by stockholders, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class, shall be required in order for the stockholders to alter, amend or repeal any provision of the By-laws or to adopt any additional By-law; and

(2) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to inspection of stockholders; and, except as so determined or as expressly provided in this Certificate of Incorporation, no stockholder shall have any right to inspect any account, book or document of the Corporation other than such rights as may be conferred by applicable law.

The Corporation may in its By-laws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

ARTICLE VI

BOARD OF DIRECTORS

The number of directors of the Corporation shall be fixed in such manner as prescribed by the By-laws of the Corporation and may be increased or decreased from time to time in such manner as prescribed by the By-laws but, in any event, shall not exceed 24.

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

The directors, other than those who may be elected by the holders of any series or class of stock as set forth in this Certificate of Incorporation, shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. Class I directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 1999, Class II directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2000, and Class III directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2001. Members of each class shall hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation commencing with the 1999 annual meeting, directors elected to succeed those directors whose terms then expire shall be elected by a plurality vote of all votes cast at such meeting to hold office for a term expiring at the third succeeding annual meeting of stockholders after their election, with

each director to hold office until his or her successor shall have been duly elected and qualified. No stockholder shall be permitted to cumulate votes at any election of directors.

Subject to the rights of the holders of shares 6.50% First Series Preferred Stock or any other series or class of stock as set forth in this Certificate of Incorporation, to elect additional directors under specified circumstances, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Board of Directors shall shorten the term of any incumbent director.

Subject to the rights of the holders of shares 6.50% First Series Preferred Stock or any other series or class of stock as set forth in this Certificate of Incorporation, to elect additional directors under specified circumstances, any director may be removed from office at any time, but only for cause and by the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class. For purposes of this Article VI, "cause" shall mean the wilful and continuous failure of a director to substantially perform such director's duties to the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) or the wilful engaging by a director in gross misconduct materially and demonstrably injurious to the Corporation. All directors shall retire upon reaching the age of 70 years.

ARTICLE VII

INDEMNIFICATION

Each person who is or was a director or officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, if permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents (other than a director or officer) of the Corporation, to directors, officers, employees or agents of a subsidiary, and to each person serving as a director, officer, partner, trustee, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Corporation, with the same scope and effect as the foregoing indemnification of directors and officers of the Corporation. The Corporation shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Certificate of Incorporation or otherwise by the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article VII. Any amendment or repeal of this Article VII shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE VIII

DIRECTORS' LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted the General Corporation Law of the State of Delaware or by any other applicable law. Any amendment or repeal of this Article VIII shall not adversely affect any right or protection of a director of the Corporation existing hereunder in respect of any act or omission occurring prior to such amendment or repeal. If the General Corporation Law of the State of Delaware shall be amended, to authorize corporate action further eliminating or limiting the liability of directors, then a director of the Corporation, in addition to the circumstances in which he is not liable immediately prior to such amendment, shall be free of liability to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

ARTICLE IX

AMENDMENTS

Except as may be expressly provided in this Certificate of Incorporation, the Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed herein or by applicable law, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whosoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX; provided, however, that any amendment or repeal of Article VII or Article VIII of this Certificate of Incorporation shall not adversely affect any right or protection existing thereunder in respect of any act or omission occurring prior to such amendment or repeal.

Notwithstanding anything contained in this Certificate of Incorporation to the contrary, and in addition to approval by the Board of Directors, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with paragraph (1) of Article V, Article VI or this second paragraph of this Article IX.

ARTICLE X

The name and mailing address of the sole incorporator is:

NAME	MAILING ADDRESS
Thomas P. Auth	Cravath, Swaine & Moore Worldwide Plaza 825 Eighth Avenue New York, NY 10019

IN WITNESS WHEREOF, I, Thomas P. Auth, the sole incorporator of the Corporation, have executed this Certificate of Incorporation as of the 9th day of March, 1998, and DO HEREBY CERTIFY under the penalties of perjury that the facts stated in this Certificate of Incorporation are true.

/s/ THOMAS P. AUTH

Thomas P. Auth
Sole Incorporator

Exhibit 3.2

FORM OF

RESTATED

CERTIFICATE OF INCORPORATION

OF

SIMON PROPERTY GROUP, INC.

Simon Property Group, Inc. (the "Corporation"), a corporation organized under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

1. That the name of the Corporation is Simon Property Group, Inc.

2. The original Certificate of Incorporation of the Corporation was filed under the name Corporate Property Investors, Inc. with the Secretary of State of Delaware on March 13, 1998.

3. This Restated Certificate of Incorporation was duly authorized by the Corporation's Board of Directors and stockholders, and all specifically affected classes or series of classes of stockholders, in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. This Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

5. The text of the Restated Certificate of Incorporation reads as follows:

RESTATED

CERTIFICATE OF INCORPORATION

OF

SIMON PROPERTY GROUP, INC.

FIRST: The name of the corporation (which is hereinafter called the "Corporation") is:

Simon Property Group, Inc.

SECOND: The purposes for which and any of which the Corporation is formed and the business and objects to be carried on and promoted by it are:

(a) To engage in the business of a real estate investment trust ("REIT") as that phrase is defined in the Internal Revenue Code of 1986, as amended (the "Code").

(b) To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

THIRD: The address of its registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware. The name of its registered agent at such address is The Corporation Trust Company.

FOURTH: (a) The total number of shares of stock of all classes which the Corporation has authority to issue is 750,000,000 shares of capital stock, of which 400,000 shares are classified as Common Stock, par value $.0001 per share ("Common Stock") 12,000,000 shares are classified as Class B Common Stock, par value $.0001 per share ("Class B Common Stock"), 4,000 shares are classified as Class C Common Stock, par value $.0001 per share ("Class C Common Stock"), 100,000,000 shares are classified as Preferred Stock, par value $.0001 per share, ("Preferred Stock"), and 237,996,000 shares are classified as Excess Common Stock, par value $.0001 per share ("Excess Common Stock").

(b) The following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Common Stock of the Corporation:

(1) Each share of Common Stock shall have one vote, and, except as otherwise provided in respect of any series of Preferred Stock and any series of Preferred Stock

hereafter created, and except as otherwise provided with respect to directors elected by the holders of the Class B Common Stock or of the Class C Common Stock, each voting as a separate class, the exclusive voting power for all purposes shall be vested in the holders of the Common Stock, the Class B Common Stock, the Class C Common Stock and the Excess Common Stock, voting together as a single class. Shares of Common Stock shall not have cumulative voting rights.

(2) Subject to the provisions of law and any preferences of any series of Preferred Stock and any series of Preferred Stock hereafter created, dividends or other distributions, including dividends or other distributions payable in shares of another class of the Corporation's stock, may be paid ratably on the Common Stock at such time and in such amounts as the Board of Directors may deem advisable, but only if at the same time, dividends are paid on outstanding shares of Class B Common Stock and Class C Common Stock in accordance with subparagraphs (c)(2) and (c-1)(2), respectively, of this Article FOURTH.

(3) Subject to the provisions of law and the preferences of any series of Preferred Stock and any series of Preferred Stock hereafter created, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Common Stock shall be entitled, together with the holders of Class B Common Stock, Class C Common Stock, Excess Common Stock and any other series of Preferred Stock hereafter created not having a preference on distributions in the liquidation, dissolution or winding up of the Corporation, to share ratably in the net assets of the Corporation remaining, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which the holders of any series of Preferred Stock and any series of Preferred Stock hereafter created having a preference on distributions in the liquidation, dissolution or winding up of the Corporation shall be entitled.

(4) Each share of Common Stock is convertible into Excess Common Stock, as provided in Article NINTH hereof.

(c) The following is a description (which should be read in conjunction with paragraph (c-1) of this Article FOURTH) of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Class B Common Stock of the Corporation:

(1) Each share of Class B Common Stock shall have one vote, and, except as otherwise provided in respect of any

series of Preferred Stock and any series of Preferred Stock hereafter created and except as otherwise provided in this paragraph (c) and in paragraph (c-1), the exclusive voting power for all purposes shall be vested in the holders of the Class B Common Stock, the Class C Common Stock and the Common Stock, voting together as a single class. Shares of Class B Common Stock shall not have cumulative voting rights. The holders of the shares of Class B Common Stock shall have the right, voting as a separate class, to elect four directors of the Corporation and shall vote with the holders of the Class C Common Stock, and the Common Stock (voting together as a single class) to elect the remaining directors (other than the director or directors to be elected by the holders of the Class C Common Stock voting as a separate class); provided that if the Simon Family Group (as defined in Article NINTH) shall sell or transfer a portion of their Common Stock, Class B Common Stock and Units (as defined in Article NINTH) so as to reduce their Aggregate Assumed Equity Interest in the Corporation (as defined in Article NINTH) to less than 50% of the Simon Family Group Initial Aggregate Assumed Equity Interest (as defined in Article NINTH) in the Corporation, from and after the date of such reduction the holders of the shares of Class B Common Stock shall have the right, voting as a separate class, to elect two directors of the Corporation. The right of the holders of Class B Common Stock to elect directors may be exercised by written consent of such holders. For purposes of this subparagraph, shares held in a voting trust shall be deemed owned by the beneficiaries of the voting trust.

(2) Subject to the provisions of law and the preferences of the Preferred Stock and of any series of Preferred Stock hereafter created, dividends or other distributions, including dividends or other distributions payable in shares of another class of the Corporation's stock, may be paid ratably on the Class B Common Stock at such time and in such amounts as the Board of Directors may deem advisable; provided that cash dividends or other distributions shall be paid on each share of Class B Common Stock at the same time as cash dividends or other distributions are paid on Common Stock or Class C Common Stock and in an amount equal to the amount payable on the number of shares of Common Stock into which each share of Class B Common Stock is then convertible; provided further that non-cash dividends or other non-cash distributions (including the issuance of warrants or rights to acquire securities of the Corporation) shall be distributed on each share of Class B Common Stock at the same time as such non-cash dividends or other non-cash distributions are distributed on Common Stock or Class C Common Stock and in an amount equal to the amount distributable on the number of shares of Common Stock into which each share of Class B

Common Stock is then convertible; provided further that any dividends or other distributions payable otherwise on the Class B Common Stock shall be paid in shares of Common Stock or securities convertible or exchangeable into Common Stock (or warrants or rights issued to acquire Common Stock or securities convertible or exchangeable into Common Stock).

(3) (A) Each share of Class B Common Stock is convertible into Excess Common Stock, as provided in Article NINTH hereof. Each share of Class B Common Stock may be converted at the option of the holder thereof into one share of Common Stock. Immediately and automatically each share of Class B Common Stock shall be converted into one share of Common Stock (i) if the Aggregate Assumed Equity Interest in the Corporation of the Simon Family Group is for any reason reduced to less than 5% of the Aggregate Assumed Equity Interest in the Corporation or (ii) if such share of Class B Common Stock is otherwise sold or otherwise transferred to or is otherwise held by anyone other than a member of the Simon Family Group. For purposes of this subparagraph, shares held in a voting trust shall be deemed owned by the beneficiaries of the voting trust.

(B) The Corporation may not subdivide its outstanding shares of Common Stock, combine its outstanding shares of Common Stock into a smaller number of shares, or issue by reclassification of its shares of Common Stock any shares of capital stock of the Corporation without making the same adjustment to the Class B Common Stock. The Corporation shall not distribute to all holders of its Common Stock evidences of its indebtedness or assets (excluding cash dividends or other distributions to the extent permitted by subparagraph (c)(2) of this Article FOURTH) or rights or warrants to subscribe for or purchase securities issued by the Corporation or property of the Corporation (excluding those referred to in subparagraph (c)(2) of this Article FOURTH), without making the same distribution to all holders of its Class B Common Stock. No adjustment of the conversion rate shall be made as a result of or in connection with the issuance of Common Stock of the Corporation pursuant to options or stock purchase agreements now or hereafter granted or entered into with officers or employees of the Corporation or its subsidiaries in connection with their employment, whether entered into at the beginning of the employment or at any time thereafter. In case of any capital reorganization of the Corporation, or the consolidation or merger of the Corporation with or into another corporation, or a statutory share exchange, or the sale, transfer or other disposition of all or substantially all of the property, assets or business of the Corporation then, in each such case, each share of Common Stock and each share of Class B Common Stock shall be treated the same unless the transaction is approved by the affirmative vote

of a majority of the holders of Class B Common stock shall be required to approve such a transaction.

(C) Upon conversion of any shares of Class B Common Stock, no payment or adjustment shall be made on account of dividends accrued, whether or not in arrears, on such shares or on account of dividends declared and payable to holders of Common Stock of record on a date prior to the date of conversion.

(D) Except with respect to shares of Class B Common Stock which have been deemed to have been automatically converted into Common Stock pursuant to subparagraph (c)(3)(A) of this Article FOURTH, in order to convert shares of Class B Common Stock into Common Stock the holder thereof shall surrender at the office of the Transfer Agent the certificate or certificates therefor, duly endorsed to the Corporation or in blank, and give written notice to the Corporation at said office that he elects to convert such shares and shall state in writing therein the name or names (with addresses) in which he wishes the certificate or certificates for Common Stock to be issued. Shares of Class B Common Stock shall be deemed to have been converted on the date of the surrender of such certificate or certificates for shares for conversion as provided above, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date. As soon as practicable on or after the date of conversion as aforesaid, the Corporation will issue and deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with cash for any fraction of a share, as provided in subparagraph (c)(3)(F) of this Article FOURTH, to the person or persons entitled to receive the same. The Corporation will pay any and all federal original issue taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of Class B Common Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Class B Common Stock so converted were registered, and no issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established to the satisfaction of the Corporation either that such tax has been paid or that no such tax is payable.

(E) All shares of Class B Common Stock converted into Common Stock shall be retired and cancelled and shall not be reissued.

(F) The Corporation shall not issue fractional shares of Common Stock upon any conversion of shares of Class B Common Stock. As to any final fraction of a share which the holder of one or more shares of Class B Common Stock would be entitled to receive upon exercise of such holder's conversion right the Corporation shall pay a cash adjustment in an amount equal to the same fraction of the Market Price (as defined in Article NINTH) for the date of exercise.

(G) The Corporation shall at all times have authorized and unissued a number of shares of Common Stock sufficient for the conversion of all shares of Class B Common Stock at the time outstanding. If any shares of Common Stock require registration with or approval of any governmental authority under any Federal or State law, before such shares may be validly issued upon conversion, then the Corporation will in good faith and as expeditiously as possible endeavor to secure such registration or approval as the case may be. The Corporation warrants that all Common Stock issued upon conversion of shares of Class B Common Stock will upon issue be fully paid and nonassessable by the Corporation and free from original issue taxes.

(4) Subject to the provisions of law and the preferences of the Preferred Stock and of any series of Preferred Stock hereafter created, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Class B Common Stock shall be entitled, together with the holders of Class C Common Stock, Common Stock, Excess Common Stock and any other series of Preferred Stock hereafter created not having a preference on distributions in the liquidation, dissolution or winding up of the Corporation, to share ratably in the net assets of the Corporation remaining, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which the holders of the Preferred Stock and of any series of Preferred Stock hereafter created having a preference on distributions in the liquidation, dissolution or winding up of the Corporation shall be entitled.

(c-1) The following is a description (which should be read in conjunction with paragraph (c) of this Article FOURTH) of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Class C Common Stock of the Corporation:

(1) Each share of Class C Common Stock shall have one vote, and, except as otherwise provided in respect of any series of Preferred Stock and any series of Preferred Stock hereafter created and except as otherwise provided in this

paragraph (c-1) and in paragraph (c), the exclusive voting power for all purposes shall be vested in the holders of the Class C Common Stock, the Class B Common Stock and the Common Stock, voting together as a single class. Shares of Class C Common Stock shall not have cumulative voting rights. Subject to paragraph (b) of Article FIFTH, the holders of the shares of Class C Common Stock shall have the right, voting as a separate class, to elect two directors of the Corporation and shall vote with the holders of the Class B Common Stock, and the Common Stock (voting together as a single class) to elect the remaining directors (other than the directors to be elected by the holders of the Class B Common Stock voting as a separate class); provided that if the DeBartolo Family Group (as defined in Article NINTH) shall sell or transfer a portion of their Common Stock, Class C Common Stock and Units (as defined in Article NINTH) so as to reduce their Aggregate Assumed Equity Interest in the Corporation (as defined in Article NINTH) to less than 50% of the DeBartolo Family Group Initial Aggregate Assumed Equity Interest (as defined in Article NINTH) in the Corporation, from and after the date of such reduction the holders of the shares of Class C Common Stock shall have the right, voting as a separate class, to elect one director of the Corporation. The right of holders of Class C Common Stock to elect directors may be exercised by written consent of such holders. For purposes of this subparagraph, shares held in a voting trust shall be deemed owned by the beneficiaries of the voting trust.

(2) Subject to the provisions of law and the preferences of the Preferred Stock and of any series of Preferred Stock hereafter created, dividends or other distributions, including dividends or other distributions payable in shares of another class of the Corporation's stock, may be paid ratably on the Class C Common Stock at such time and in such amounts as the Board of Directors may deem advisable; provided that cash dividends or other distributions shall be paid on each share of Class C Common Stock at the same time as cash dividends or other distributions are paid on Common Stock or Class B Common Stock and in an amount equal to the amount payable on the number of shares of Common Stock into which each share of Class C Common Stock is then convertible; provided further that non-cash dividends or other non-cash distributions (including the issuance of warrants or rights to acquire securities of the Corporation) shall be distributed on each share of Class C Common Stock at the same time as such non-cash dividends or other non-cash distributions are distributed on Common Stock or Class B Common Stock and in an amount equal to the amount distributable on the number of shares of Common Stock into which each share of Class C Common Stock is then convertible; provided further that any dividends or other distributions payable otherwise on the

Class C Common Stock shall be paid in shares of Common Stock or securities convertible or exchangeable into Common Stock (or warrants or rights issued to acquire Common Stock or securities convertible or exchangeable into Common Stock).

(3) (A) Each share of Class C Common Stock is convertible into Excess Common Stock, as provided in Article NINTH hereof. Each share of Class C Common Stock may be converted at the option of the holder thereof into one share of Common Stock. Immediately and automatically each share of Class C Common Stock shall be converted into one share of Common Stock (i) if the Aggregate Assumed Equity Interest in the Corporation of the DeBartolo Family Group is for any reason reduced to less than 5% of the Aggregate Assumed Equity Interest in the Corporation or (ii) if such share of Class C Common Stock is otherwise sold or otherwise transferred to or is otherwise held by anyone other than a member of the DeBartolo Family Group. For purposes of this subparagraph, shares held in a voting trust shall be deemed owned by the beneficiaries of the voting trust.

(B) The Corporation may not subdivide its outstanding shares of Common Stock, combine its outstanding shares of Common Stock into a smaller number of shares, or issue by reclassification of its shares of Common Stock any shares of the Corporation without making the same adjustment to the Class C Common Stock. The Corporation shall not distribute to all holders of its Common Stock evidences of its indebtedness or assets (excluding cash dividends or other distributions to the extent permitted by subparagraph (c-1)(2) of this Article FOURTH) or rights or warrants to subscribe for or purchase securities issued by the Corporation or property of the Corporation (excluding those referred to subparagraph (c-1)(2) of this Article FOURTH), without making the same distribution to all holders of its Class C Common Stock. No adjustment of the conversion rate shall be made as a result of or in connection with the issuance of Common Stock of the Corporation pursuant to options or stock purchase agreements now or hereafter granted or entered into with officers or employees of the Corporation or its subsidiaries in connection with their employment, whether entered into at the beginning of the employment or at any time thereafter. In case of any capital reorganization of the Corporation, or the consolidation or merger of the Corporation with or into another corporation, or a statutory share exchange, or the sale, transfer or other disposition of all or substantially all of the property, assets or business of the Corporation then, in each such case, each share of Common Stock and each share of Class C Common Stock shall be treated the same unless the transaction is approved by the affirmative vote of the holders of a majority of Class C Common Stock shall be required to approve such a transaction.

(C) Upon conversion of any shares of Class C Common Stock, no payment or adjustment shall be made on account of dividends accrued, whether or not in arrears, on such shares or on account of dividends declared and payable to holders of Common Stock of record on a date prior to the date of conversion.

(D) Except with respect to shares of Class C Common Stock which have been deemed to have been automatically converted into Common Stock pursuant to subparagraph (c-1)(3)(A) of this Article FOURTH, in order to convert shares of Class C Common Stock into Common Stock the holder thereof shall surrender at the office of the Transfer Agent the certificate or certificates therefor, duly endorsed to the Corporation or in blank, and give written notice to the Corporation at said office that he elects to convert such shares and shall state in writing therein the name or names (with addresses) in which he wishes the certificate or certificates for Common Stock to be issued. Shares of Class C Common Stock shall be deemed to have been converted on the date of the surrender of such certificate or certificates for shares for conversion as provided above, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date. As soon as practicable on or after the date of conversion as aforesaid, the Corporation will issue and deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with cash for any fraction of a share, as provided in subparagraph (c-l)(3)(F) of this Article FOURTH, to the person or persons entitled to receive the same. The Corporation will pay any and all federal original issue taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of Class C Common Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Class C Common Stock so converted were registered, and no issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established to the satisfaction of the Corporation either that such tax has been paid or that no such tax is payable.

(E) All shares of Class C Common Stock converted into Common Stock shall be retired and cancelled and shall not be reissued.

(F) The Corporation shall not issue fractional shares of Common Stock upon any conversion of shares of Class C Common Stock. As to any final fraction of a share which the holder of one or more shares of Class C Common

Stock would be entitled to receive upon exercise of such holder's conversion right the Corporation shall pay a cash adjustment in an amount equal to the same fraction of the Market Price (as defined in Article NINTH) for the date of exercise.

(G) The Corporation shall at all times have authorized and unissued a number of shares of Common Stock sufficient for the conversion of all shares of Class C Common Stock at the time outstanding. If any shares of Common Stock require registration with or approval of any governmental authority under any Federal or State law, before such shares may be validly issued upon conversion, then the Corporation will in good faith and as expeditiously as possible endeavor to secure such registration or approval as the case may be. The Corporation warrants that all Common Stock issued upon conversion of shares of Class C Common Stock will upon issue be fully paid and nonassessable by the Corporation and free from original issue taxes.

(4) Subject to the provisions of law and the preferences of the Preferred Stock and of any series of Preferred Stock hereafter created, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Class C Common Stock shall be entitled, together with the holders of Class B Common Stock, Common Stock, Excess Common Stock and any other series of Preferred Stock hereafter created not having a preference on distributions in the liquidation, dissolution or winding up of the Corporation, to share ratably in the net assets of the Corporation remaining, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which the holders of the Preferred Stock and any series of Preferred Stock hereafter created having a preference on distributions in the liquidation, dissolution or winding up of the Corporation shall be entitled.

(c-2) Subject in all cases to the provisions of Article NINTH with respect to Excess Stock (as defined in this paragraph), the Preferred Stock may be issued from time to time in one or more series, each of which series shall have such distinctive designation or title as shall be fixed by the Board of Directors prior to the issuance of any shares thereof. Each such series of Preferred Stock shall have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution providing for the issue of such series of Preferred Stock as may be adopted from time to time by the Board of Directors prior to the issuance of any shares thereof pursuant to the authority hereby expressly vested in it, all in accordance with the laws of the State of Delaware;

provided, however, no shares of any series of Preferred Stock may be authorized or issued unless (i) the certificates of designations relating to such series contains restrictions on ownership and transfer and conversion provisions applicable to such series comparable to those set forth in this Article NINTH, and (ii) a corresponding series of Preferred Stock ("Excess Preferred Stock" and together with Excess Common Stock, unless the context otherwise requires, "Excess Stock"), to be issued in accordance with any such conversion provisions upon a violation of such restrictions on ownership and transfer, is simultaneously authorized by filing of a certificate of designations. The Board of Directors is further authorized to increase or decrease (but not below the number of such shares of series then outstanding) the shares of any series subsequent to the issuance of shares of that series.

FIFTH: (a) The powers and duties conferred and imposed upon the board of directors by the General Corporation Law of the State of Delaware shall be exercised and performed, in accordance with Section 141 thereof governing the action of directors, by a board (the "Board of Directors"); provided, however that pursuant to Section 141(a) of the General Corporation Law of the State of Delaware: (i) certain of such powers and duties of the Board of Directors set forth herein shall be exercised and performed only by the Independent Directors (as defined in Article NINTH hereof), (ii) certain of the directors shall serve until the annual meeting of the stockholders next to his or her name in Article FIFTH(e) and (iii) certain of such powers and duties of the Board of Directors as described herein may be exercised and performed by one or more committees consisting of one or more members of the Board of Directors and one or more other persons to the extent such powers and duties are delegated thereto by the Board of Directors. The number of directors of the Corporation shall never be less than the minimum number permitted by the General Corporation Law of the State of Delaware now or hereafter in force and:

(1) so long as any shares of both Class B Common Stock and Class C Common Stock are outstanding, the number of directors of the Corporation shall be thirteen;

(2) so long as any shares of Class B Common Stock (but no Class C Common Stock) are outstanding, the number of directors of the Corporation shall be nine;

(3) so long as any shares of Class C Common Stock (but no Class B Common Stock) are outstanding, the number of directors of the Corporation shall be nine; and

(4) so long as no shares of Class B Common Stock or Class C Common Stock are outstanding, the number of directors of the Corporation shall be fixed by the Board of Directors from time to time.

At least a majority of the directors shall be Independent Directors (as defined in Article NINTH).

(b) Subject to the rights of the holders of any class of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors shall be filled by a vote of the stockholders or a majority of the entire Board of Directors, and any vacancies on the Board of Directors resulting from death, disability ("disability," which for purposes of this paragraph (b) shall mean illness, physical or mental disability or other incapacity), resignation, retirement, disqualification, removal from office, or other cause shall be filled by a vote of the stockholders or a majority of the directors then in office; provided that

(1) any vacancies on the Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause of a director elected by the holders of Class B Common Stock shall be filled by a vote of the holders of Class B Common Stock; and

(2) any vacancies on the Board of Directors with respect to a director elected by the holders of Class C Common Stock shall be filled as follows:

(A) any vacancy resulting from the death, disability, resignation, retirement, disqualification, removal from office or other cause of Mr. Frederick W. Petri (and any person duly nominated and elected to serve as his replacement) shall be filled by the holders of Class C Common Stock, voting as a separate class, to elect as a replacement director a candidate who is an Independent Director, who has similar experience and standing in the business community to the Independent Directors and who has been approved by a majority of the Independent Directors elected by the holders of Common Stock and other capital stock entitled to vote with the Common Stock as a single class. If such Independent Directors do not approve such candidate, the holders of Class C Common Stock may propose another candidate for approval by a majority of such Independent Directors. The right of holders of Class C Common Stock to propose candidates to the Independent Directors shall continue until one such candidate is approved by a majority of such Independent Directors;

(B) at any time prior to December 31, 2003, any vacancy in the seat on the Board of Directors occupied by Ms. Marie Denise DeBartolo York on [the date of the CPI Merger] other than one resulting from her death or disability shall reduce by such vacancy an equivalent number of the directors that holders of Class C Common Stock may,

voting as a separate class, elect, and such vacancy shall be filled by a majority of the entire Board of Directors; and

(C) any vacancy in the seat on the Board of Directors occupied by Ms. Marie Denise DeBartolo York on [the date of the CPI Merger] resulting from the death or disability of Ms. Marie Denise DeBartolo York, or (ii) at any time on or subsequent to December 31, 2003, shall be filled by holders of Class C Common Stock, voting as a separate class, to elect as a replacement director a candidate who is either (i) the Chief Executive Officer of the Edward J. DeBartolo Corporation (or any successor to such corporation), (ii) the Chief Financial Officer of the Edward J. DeBartolo Corporation (or any successor to such corporation) provided that such person was the Chief Financial Officer of the Edward J. DeBartolo Corporation on the [date of the CPI Merger] or (iii) an Independent Director, who has similar experience and standing in the business community to the Independent Directors and who has been approved by a majority of the Independent Directors elected by the holders of Common Stock and other capital stock entitled to vote with the Common Stock as a single class. If such Independent Directors do not approve such candidate, the holders of Class C Common Stock may propose another candidate for approval by a majority of such Independent Directors. The right of holders of Class C Common Stock to propose candidates to the Independent Directors shall continue until one such candidate is approved by a majority of such Independent Directors.

(3) A special meeting of holders of the Class B Common Stock or Class C Common Stock shall be called by the President in the event a vacancy occurs on the Board of Directors from any cause among the directors entitled to be elected by the holders of the Class B Common Stock or Class C Common Stock, as the case may be, and a special meeting of holders of the Common Stock, the Class C Common Stock and the Class B Common Stock shall be called by the President in the event a vacancy occurs on the Board of Directors from any cause among the directors elected by the holders of the Common Stock, the Class C Common Stock and the Class B Common Stock (voting together as a single class) and is not filled by the directors within 30 days after the vacancy occurs. The holders of Class B Common Stock and Class C Common Stock may exercise their rights to elect directors by written consent without a meeting.

No decrease in the number of directors constituting the Board of Directors shall affect the tenure of office of any director.

(c) Whenever the holders of any one or more series of Preferred Stock of the Corporation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the Board of Directors shall

consist of said directors so elected in addition to the number of directors fixed as provided in paragraph (a) of this Article FIFTH or in the By-Laws; provided that if any shares of Class B Common Stock or Class C Common Stock are outstanding, the election of one or more directors by such holders of Preferred Stock will eliminate the corresponding number of directors to be elected by the combined holders of the Common Stock, the Class B Common Stock, and the Class C Common Stock, voting together as a single class, and will neither increase the size of the Board of Directors nor eliminate the seat or seats of directors elected by the holders of the Class B Common Stock or of the Class C Common Stock, each voting as a separate class. Notwithstanding the foregoing, and except as otherwise may be required by law, whenever the holders of any one or more series of Preferred Stock of the Corporation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the terms of the director or directors elected by such holders shall expire at the next succeeding annual meeting of stockholders.

(d) Subject to Section 141(k) of the General Corporation Law of the State of Delaware, directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the combined voting power of all classes of shares of capital stock entitled to vote in the election for directors voting together as a single class.

(e) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the following are the names of the current directors of the Corporation, each of whom shall serve until the annual meeting of stockholders indicated next to his or her name, and who thereafter will serve (or whose replacement will serve) until the next following annual meeting of stockholders.

Name of Current Director	Stock Classes Entitled to Elect	Director Class
Robert E. Angelica	Equity Stock	
Birch Bayh	Equity Stock	
Hans C. Mautner	Equity Stock	
G. William Miller	Equity Stock	
Terry S. Prindiville	Equity Stock	
J. Albert Smith, Jr.	Equity Stock	
Pieter S. van den Berg	Equity Stock	
David Simon	Class B Common Stock	
Herbert Simon	Class B Common Stock	
Richard S. Solokov	Class B Common Stock	
Frederick W. Petri	Class C Common Stock	
M. Denise DeBartolo York	Class C Common Stock	

(f) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, any action by the Corporation relating to (1) transactions between the Corporation and M.S. Management Associates, Inc., Simon MOA Management Company, Inc., DeBartolo Properties Management, Inc. and/or M.S. Management Associates (Indiana), Inc. or (2) transactions involving the Corporation, individually or in its capacity as general partner (whether directly or indirectly through another entity) of Simon Property Group, L.P., in which the Simon Family Group or the DeBartolo Family Group or any member or affiliate of any member of the Simon Family Group or DeBartolo Family Group has an interest (other than through ownership interests in the Corporation or Simon Property Group, L.P.), shall, in addition to such other vote that may be required, require the prior approval of a majority of the Independent Directors.

(g) Elections of directors need not be by written ballot.

(h) Pursuant to Section 141(a) of the Delaware General Corporation Law, the Board of Directors may appoint an Executive Committee, an Audit Committee, a Nominating Committee and other committees composed of one or more directors or one or more other persons delegated such powers and duties by the Board of Directors. Each committee except the Executive Committee, the Audit Committee and the Nominating Committee shall have as a member at least one director elected by the Class B Common Stock and at least one director elected by the Class C Common Stock. The entire Audit Committee and a majority of the Compensation Committee shall be Independent Directors. The Nominating Committee shall have five members, with two being independent Directors, two elected by the Class B Common Stock, and one elected by the Class C Common Stock, and, except as otherwise provided in paragraph (b) of Article FIFTH of the Charter, only those members of the Nominating Committee elected by the Class B Common Stock or the Class C Common Stock shall nominate the persons to be elected to serve as directors by the holders of Class B Common Stock or Class C Common Stock, respectively.

SIXTH: (a) The following provisions are hereby adopted for the purpose of defining, limiting, and regulating the powers of the Corporation and of the directors and the stockholders:

(1) The Board of Directors is hereby empowered to authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class or classes, whether now or hereafter authorized, for such consideration as may be deemed advisable by the Board of Directors and without any action by the stockholders.

(2) No holder of any stock or any other securities of the Corporation, whether now or hereafter authorized, shall have any preemptive right to subscribe for or purchase any stock or any other securities of the Corporation and at such price or prices and upon such other terms as the Board of Directors, in its sole discretion, may fix; and any stock or other securities which the Board of Directors may determine to offer for subscription may, as the Board of Directors in its sole discretion shall determine, be offered to the holders of any class, series or type of stock or other securities at the time outstanding to the exclusion of the holders of any or all other classes, series or types of stock or other securities at the time outstanding.

(3) The Board of Directors of the Corporation shall, consistent with applicable law, have power in its sole discretion to determine from time to time in accordance with sound accounting practice or other reasonable valuation methods what constitutes annual or other net profits, earnings, surplus, or net assets in excess of capital; to fix and vary from time to time the amount to be reserved as working capital, or determine that retained earnings or surplus shall remain in the hands of the Corporation; to set apart out of any funds of the Corporation such reserve or reserves in such amount or amounts and for such proper purpose or purposes as it shall determine and to abolish any such reserve or any part thereof; to redeem or purchase its stock or to distribute and pay distributions or dividends in stock, cash or other securities or property, out of surplus or any other funds or amounts legally available therefor, at such times and to the stockholders of record on such dates as it may, from time to time, determine; to determine the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); to determine the fair value and any matters relating to the acquisition, holding and disposition of any assets by the Corporation; and to determine whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of stockholders, except as otherwise provided by statute or by the By-Laws, and, except as so provided, no stockholder shall have any right to inspect any book, account or document of the Corporation unless authorized so to do by resolution of the Board of Directors.

(4) (a) The Corporation shall indemnify to the fullest extent permitted under and in accordance with the laws of the State of Delaware any person who was or is a party or is threatened to be made a party to any threatened,

pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer or trustee of or in any other capacity with another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) Expenses incurred in defending a civil or criminal action, suit or proceeding shall (in the case of any action, suit or proceeding against a director of the Corporation) or may (in the case of any action, suit or proceeding against an officer, trustee, employee or agent) be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the indemnified person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article SIXTH paragraph (a)(4).

(c) The indemnification and other rights set forth in this paragraph (a)(4) shall not be exclusive of any provisions with respect thereto in the By-Laws or any other contract or agreement between the Corporation and any officer, director, employee or agent of the Corporation.

(d) Neither the amendment nor repeal of this paragraph (a)(4), subparagraph (a), (b) or (c), nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with paragraph (a)(4), subparagraph (a), (b) or (c), shall eliminate or reduce the effect of this paragraph (a)(4), subparagraphs (a), (b) and (c), in respect of any matter occurring before such amendment, repeal or adoption of an inconsistent provision or in respect of any cause of action, suit or claim relating to any such matter which would have given rise to a right of indemnification or right to receive expenses pursuant to this paragraph (a)(5), subparagraph (a), (b) or (c), if such provision had not been so amended or repealed or if a provision inconsistent therewith had not been so adopted.

(e) No director shall be personally liable to the Corporation or any stockholder for monetary damages for breach of fiduciary duty as a director, except for liability

(i) for any breach of the director's duty of loyalty to the Corporation or its stockholders;

(ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;

(iii) under Section 174 of the General Corporation Law of the State of Delaware; or

(iv) for any transaction from which the director derived an improper personal benefit.

If the General Corporation Law of the State of Delaware is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. All references in this paragraph (e) shall also be deemed to refer to the Independent Directors and members of committees of the Board of Directors.

(5) For any stockholder proposal to be presented in connection with an annual meeting of stockholders of the Corporation, including any proposal relating to the nomination of a director to be elected to the Board of Directors of the Corporation, the stockholders must have given timely written notice thereof in writing to the Secretary of the Corporation in the manner and containing the information required by the By-Laws. Stockholder proposals to be presented in connection with a special meeting of stockholders will be presented by the Corporation only to the extent required by the General Corporation Law of the State of Delaware.

(b) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the Corporation reserves the right to amend, alter, change or repeal any provision contained in the Charter, including any amendments changing the terms or contract rights, as expressly set forth in the Charter, of any of its outstanding stock by reclassification or otherwise, by a majority of the directors (including a majority of the Independent Directors, a majority of the directors elected by the holders of the Class B Common Stock and one director elected by the holders of the Class C Common Stock, if such Class B Common Stock and Class C Common Stock have at that time elected directors) adopting a resolution setting forth the proposed change, declaring its advisability, and either calling a special meeting of the stockholders certified to vote on the proposed change, or directing the proposed change to be considered at the next annual stockholders meeting; provided

however, that any amendment to, repeal of or adoption of any provision inconsistent with subparagraphs (a)(4)(e) or (a)(5) or this paragraph (b) of Article SIXTH will be effective only if it is adopted upon the affirmative vote of not less than 80% of the aggregate votes entitled to be cast thereon (considered for this purpose as a single class) and any amendment to, repeal of, or adoption of any provision inconsistent with paragraphs (c) or (c-1) of Article FOURTH or Article FIFTH will be effective only if it is adopted upon both (1) the affirmative vote of not less than 80% of the aggregate votes entitled to be cast thereon (considered for this purpose as a single class) and (2) the affirmative vote of not less than a majority of the aggregate votes entitled to be cast by the holders of the Class B Common Stock (in the case of paragraph (c) of Article FOURTH or Article FIFTH) or by the holders of the Class C Common Stock (in the case of paragraph (c-1) of Article FOURTH or Article FIFTH).

(c) In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation.

(d) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the affirmative vote of least six of the Independent Directors is necessary to cause any partnership in which the Corporation acts, directly or indirectly, as a general partner to sell any property owned by such partnership in accordance with the terms of the partnership agreement of such partnership.

(e) The enumeration and definition of particular powers of the Board of Directors included in the foregoing shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of the Charter of the Corporation, or construed as or deemed by inference or otherwise in any manner to exclude or limit any powers conferred upon the Board of Directors under the General Corporation Law of the State of Delaware now or hereafter in force.

SEVENTH: In the case of shares of Common Stock, Class B Common Stock, Class C Common Stock, Preferred Stock and Excess Stock, the holders of which are entitled to beneficial interests in shares of stock of SPG Realty Consultants, Inc., a Delaware corporation ("SRC"), held in the trusts created under (i) Trust Agreements dated as of October 30, 1979 anf as of August 26, 1994, among stockholders of the Corporation (as successor to Corporate Property Investors, a Massachusetts voluntary association), SRC (as successor to Corporate Realty Consultants, Inc., a Delaware corporation) and the Trustee thereunder, or (ii) any similar trust, such shares of the Corporation and such beneficial interests in shares of SRC will not be separately transferable. By acceptance of such shares of Common Stock, Class B Common Stock, Class C Common Stock, Preferred Stock and

Excess Stock, the holder thereof agrees to thereafter be subject to, bound by and entitled to the benefits of all the terms and provisions of the applicable Trust Agreement or any similar trust. Each certificate evidencing any such shares of the Corporation will be endorsed with a legend stating that the holder of the shares represented thereby also holds a beneficial interest in shares of stock of SRC held in said trust under said Trust Agreement. Any purported transfer in violation of this paragraph shall be null and void.

EIGHTH: Except as otherwise set forth in this Charter, any action required or permitted to be taken by stockholders of the Company must be taken at a duly called annual or special meeting of such stockholders of the Company and may not be effected by any consent in writing by such stockholders.

NINTH: (a) (1) The following terms shall have the following meaning:

"Aggregate Assumed Equity Interest in the Corporation" shall mean the aggregate equity interest in the Corporation represented by the Common Stock, the Class B Common Stock, the Class C Common Stock and the Units on the assumption that all shares of Class B Common Stock and Class C Common Stock and all such Units are exchanged for Common Stock.

"Beneficial Ownership" shall mean ownership of Capital Stock by a Person who would be treated as an owner of such shares of Capital Stock either directly or indirectly through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code, and any comparable successor provisions thereto. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have correlative meanings.

"Beneficiary" shall mean any Qualified Charitable Organization which, from time to time, is designated by the Corporation to be a beneficiary of the Trust.

"Board of Directors" shall mean the Board of Directors of the Corporation as defined in Article FIFTH.

"By-Laws" shall mean the By-Laws of the Corporation.

"Capital Stock" shall mean stock that is Common Stock, Class B Common Stock, Class C Common Stock, Excess Stock or Preferred Stock.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Constructive Ownership" shall mean ownership of Capital Stock by a Person who would be treated as an owner

of such shares of Capital Stock either directly or indirectly through the application of Section 318 of the Code, and any comparable successor provisions thereto, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have correlative meanings.

"DeBartolo Family Group" shall mean the Estate of Edward J. DeBartolo, Sr., Edward J. DeBartolo, Jr. and Marie Denise DeBartolo York, other members of the immediate family of any of the foregoing, any other lineal descendants of any of the foregoing, any estates of any of the foregoing, any trusts established for the benefit of any of the foregoing, and any other entity controlled by any of the foregoing.

"DeBartolo Family Group Initial Aggregate Assumed Equity Interest in the Corporation" shall mean the portion of the Aggregate Assumed Equity Interest in the Corporation owned by the DeBartolo Family Group immediately following the closing of the DeBartolo Merger.

"DeBartolo Merger" shall mean the merger, pursuant to the Agreement and Plan of Merger dated March 26, 1996, among Simon DeBartolo Group, Inc., Day Acquisition Corp., an Ohio corporation and a wholly owned subsidiary of Simon DeBartolo Group, Inc. ("Sub"), and DeBartolo Realty Corporation, an Ohio corporation ("DeBartolo"), pursuant to which merger Sub was merged with and into DeBartolo.

"Exchange Rights" shall mean any rights granted to limited partners of Simon Property Group, L.P., a Delaware limited partnership (including pursuant to an Exchange Rights Agreement) to exchange (subject to the Ownership Limit) limited partnership interests in such Partnership for shares of Capital Stock or cash at the option of the Corporation.

"Independent Director" shall mean a director of the Corporation who is neither an employee of the Corporation nor a member (or an affiliate of a member) of the Simon Family Group or the DeBartolo Family Group.

"Market Price" of any class of Capital Stock on any date shall mean the average Closing Price (as defined below) of such security for the twenty consecutive Trading Days (as defined below) ending on the Trading Day immediately preceding the day in question; the "Closing Price" shall mean the last sale price for a such security as shown on the New York Stock Exchange Composite Transactions Tape, or if no such sale has taken place on such day, then the average of the closing bid and ask prices for such security on the New York Stock Exchange, or if such security is not listed or admitted to trading on the New York Stock Exchange, then

on the principal national securities exchange on which such security is listed or admitted to trading, or, if such security is not listed or admitted to trading on any national securities exchange, then on the Nasdaq National Market, or, if such security is not quoted on the Nasdaq National Market, then the average of the closing bid and ask prices as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors of the Corporation for such purposes; and "Trading Day" shall mean a day on which the New York Stock Exchange or, if such security is not listed or admitted to trading thereon, the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business or, if the Common Stock is not so listed or admitted, then any day that is not a Saturday, Sunday or other day on which depositary institutions in the City of New York are authorized or obligated by law to close.

"Option" shall mean any options, rights, warrants or convertible or exchangeable securities containing the right to subscribe for, purchase or receive upon exchange or conversion shares of Capital Stock.

"Ownership Limit" shall mean (x) in the case of any member of the Simon Family Group, 18.0%, and (y) in the case of any other Person, 8.0%, in each case, of any class of Capital Stock, or any combination thereof, determined by (i) number of shares outstanding, (ii) voting power or (iii) value (as determined by the Board of Directors), whichever produces the smallest holding of Capital Stock under the three methods, computed with regard to all outstanding shares of Capital Stock and, to the extent provided by the Code, all shares of Capital Stock issuable under outstanding Options and Exchange Rights that have not been exercised.

"Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as the term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Purported Beneficial Holder" shall mean, with respect to any event (other than a purported Transfer) which results in Excess Stock, the Person for whom the Purported Record Holder held shares that were, pursuant to subparagraph

(a)(3) of this article NINTH, automatically converted into Excess Stock upon the occurrence of such event.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Excess Stock, the purported beneficial transferee for whom the Purported Record Transferee would have acquired shares of Common Stock or Preferred Stock if such Transfer had been valid under subparagraph (a)(2) of this Article NINTH.

"Purported Record Holder" shall mean, with respect to any event (other than a purported Transfer) which results in Excess Stock, the record holder of the shares that were, pursuant to subparagraph (a)(3) of this Article NINTH, automatically converted into Excess Stock upon the occurrence of such event.

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in Excess Stock, the record holder of the Common Stock or the Preferred Stock if such Transfer had been valid under subparagraph (a)(2) of this Article NINTH.

"Qualified Charitable Organization" shall mean (i) any entity which would be exempt from federal income under Section 501(c)(3) of the Code and to which contributions are deductible under Section 170 of the Code or (ii) any federal, state or local government entity.

"REIT" shall mean a real estate investment trust under Section 856 of the Code.

"Restriction Termination Date" shall mean the first day after the effective date of the DeBartolo Merger on which the Corporation's status as a REIT shall have been terminated by the Board of Directors and the stockholders of the Corporation.

"Simon Family Group" shall mean Melvin Simon, Herbert Simon and David Simon, other members of the immediate family of any of the foregoing, any other lineal descendants of any of the foregoing, any estates of any of the foregoing, any trust established for the benefit of any of the foregoing, and any other entity controlled by any of the foregoing.

"Simon Family Group Initial Aggregate Assumed Equity Interest in the Corporation" shall mean the portion of the Aggregate Assumed Equity Interest in the Corporation owned by the Simon Family Group immediately following the closing of the DeBartolo Merger.

"Trading Day" shall mean, with respect to any class of Capital Stock, a day on which the principal national securities exchange on which such class of Capital Stock is

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

"Transfer" shall mean any sale, transfer, gift, hypothecation, pledge, assignment, devise or other disposition of Capital Stock (including (i) the granting of any option (including an option to acquire an Option or any series of such options) or entering into any agreement for the sale, transfer or other disposition of Capital Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Capital Stock), whether voluntary or involuntary, whether of record, constructively or beneficially and whether by operation of law or otherwise.

"Trust" shall mean the trust created pursuant to subparagraph (b)(1) of this Article NINTH.

"Trustee" shall mean any trustee for the Trust (or any successor trustee) appointed from time to time by the Corporation; provided, however, during any period in which Excess Stock is issued and outstanding the Corporation shall undertake to appoint trustees of the Trust which trustees are unaffiliated with the Corporation.

"Undesignated Excess Stock" shall have the meaning set forth in subparagraph (b)(3) of this Article NINTH.

"Units" shall mean units representing limited partnership interests in Simon Property Group, L.P.

(2) (A) Except as provided in subparagraph (a)(9) of this Article NINTH, from the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, no Person shall Beneficially Own or Constructively Own shares of the outstanding Capital Stock in excess of the Ownership Limit.

(B) Except as provided in subparagraph (a)(9) of this Article NINTH, from the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, any Transfer that, if effective, would result in any Person Beneficially Owning or Constructively Owning Capital Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of that number of shares of Capital Stock which would be otherwise Beneficially or Constructively Owned by such Person in excess of the Ownership Limit; and the intended transferee shall acquire no rights in such

shares of Common Stock or Preferred Stock in excess of the Ownership Limit.

(C) Except as provided in subparagraph (a)(9) of this Article NINTH, from the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the Capital Stock being Beneficially Owned by fewer than 100 Persons (determined without reference to any rules of attribution) shall be void ab initio; and the intended transferee shall acquire no rights in such shares of Common Stock or Preferred Stock.

(D) Except as provided in subparagraph (a)(9) of this Article NINTH, from the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, any Transfer of shares or other event or transaction involving Capital Stock that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code shall be void ab initio as to the Transfer of that number of shares or other event or transaction of Capital Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code; and the intended transferee shall acquire no rights in such shares of Common Stock or Preferred Stock in excess of the Ownership Limit.

(3) (A) If, notwithstanding the other provisions contained in this Article NINTH, at any time after the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, there is a purported Transfer or other event such that any Person would Beneficially Own or Constructively Own Capital Stock in excess of the Ownership Limit, then, except as otherwise provided in subparagraph (a)(9), each such share of Common Stock or Preferred Stock which, when taken together with all other Capital Stock, would be in excess of the Ownership Limit (rounded up to the nearest whole share), shall automatically be converted into one share of Excess Stock, as further described in subparagraph (a)(3)(C) below and such shares of Excess Stock shall be automatically transferred to the Trustee as trustee for the Trust. The Corporation shall issue fractional shares of Excess Stock if required by such conversion ratio. Such conversion shall be effective as of the close of business on the business day prior to the date of the Transfer or other event.

(B) If, notwithstanding the other provisions contained in this Article NINTH, at any time after the effective date of the DeBartolo Merger and prior to the Restriction Termination Date, there is a purported Transfer or other event which, if effective, would cause the Corporation to become "closely held" within the meaning of

Section 856(h) of the Code, then each share of Common Stock or Preferred Stock being Transferred or which are otherwise affected by such event and which, in either case, would cause, when taken together with all other Capital Stock, the Corporation to be "closely held" within the meaning of Section 856(h) of the Code (rounded up to the nearest whole share) shall automatically be converted into one share of Excess Stock, as further described in subparagraph (a)(3)(C) of this Article NINTH, and such shares of Excess Stock shall be automatically transferred to Trustee as trustee for the Trust. The Corporation shall issue fractional shares of Excess Stock if required by such conversion ratio. Such conversion shall be effective as of the close of business on the business day prior to the date of the Transfer or other event.

(C) Upon conversion of Common Stock or Preferred Stock into Excess Stock pursuant to this subparagraph (a)(3) of this Article NINTH, Common Stock shall be converted into Excess Common Stock and Preferred Stock shall be converted into Excess Preferred Stock.

(4) If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph (a)(2) of this Article NINTH or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of subparagraph (a)(2) of this Article NINTH, the Board of Directors or its designees may take such action as it or they deem advisable to refuse to give effect to or to prevent such Transfer or other event, including, but not limited to, refusing to give effect to such Transfer or other event on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event or transaction; provided, however, that any Transfers or attempted Transfers (or, in the case of events other than a Transfer, Beneficial ownership or Constructive Ownership) in violation of subparagraphs (a)(2)(A), (B), (C) and (D) of this Article NINTH shall be void ab initio and any Transfers or attempted Transfers (or, in the case of events other than a Transfer, Beneficial Ownership or Constructive ownership) in violation of subparagraphs (a)(2)(A), (B), and (D) shall automatically result in the conversion described in subparagraph (a)(3), irrespective of any action (or non-action) by the Board of Directors or its designees.

(5) Any Person who acquires or attempts to acquire shares of Capital Stock in violation of subparagraph (a)(2) of this Article NINTH, or any Person who is a transferee such that Excess Stock results under subparagraph (a)(3) of this Article NINTH, shall immediately give written notice to the Corporation of such event and shall provide to the

Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer or other event on the Corporation's status as a REIT.

(6) From the effective date of the DeBartolo Merger and prior to the Restriction Termination Date:

(A) Every Beneficial Owner or Constructive Owner of more than 5%, or such lower percentages as required pursuant to regulations under the Code, of the outstanding Capital Stock of the Corporation shall, before January 30 of each year, give written notice to the Corporation stating the name and address of such Beneficial Owner or Constructive Owner, the general ownership structure of such Beneficial Owner or Constructive Owner, the number of shares of each class of Capital Stock Beneficially Owned or Constructively Owned, and a description of how such shares are held.

(B) Each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide on demand to the Corporation such information as the Corporation may request from time to time in order to determine the Corporation's status as a REIT and to ensure compliance with the Ownership Limit.

(7) Subject to subparagraph (a)(12) of this Article NINTH, nothing contained in this Article NINTH shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as REIT and to ensure compliance with the Ownership Limit.

(8) In the case of an ambiguity in the application of any of the provisions of subparagraph (a) of this Article NINTH, including any definition contained in subparagraph (a)(1), the Board of Directors shall have the power to determine the application of the provisions of this subparagraph (a) with respect to any situation based on the facts known to it.

(9) The Board of Directors upon receipt of a ruling from the Internal Revenue Service or an opinion of tax counsel in each case to the effect that the restrictions contained in subparagraphs (a)(2)(A), (B), (C) and (D) of this Article NINTH will not be violated, may exempt a Person from the Ownership Limit:

(A) (i) if such Person is not an individual for purposes of Section 542(a)(2) of the Code, or (ii) if such Person is an underwriter which participates in a public offering of Common Stock or Preferred Stock for a period of 90 days following the purchase by such underwriter of the Common Stock or Preferred Stock, or (iii) in such other circumstances which the Board of Directors determines are appropriately excepted from the Ownership Limit, and

(B) the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership and Constructive Ownership of Capital Stock will violate the Ownership Limit and agrees that any violation or attempted violation will result in such Common Stock or Preferred Stock being converted into shares of Excess Stock in accordance with subparagraph (a)(3) of this Article NINTH.

(10) From the effective date of the DeBartolo Merger and until the Restriction Termination Date, each certificate for the respective class of Capital Stock shall bear the following legend:

> The securities represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time (the "Code"). Transfers in contravention of such restrictions shall be void ab initio. Except as otherwise determined by the Board of Directors of the Corporation, no Person may (1) Beneficially Own or Constructively Own shares of Capital Stock in excess of 8.0% (other than members of the Simon Family Group, whose relevant percentage is 18.0%) of the value of any class of outstanding Capital Stock of the Corporation, or any combination thereof, determined as provided in the Corporation's Charter, as the same may be amended from time to time (the "Charter"), and computed with regard to all outstanding shares of Capital Stock and, to the extent provided by the Code, all shares of Capital Stock issuable under existing Options and Exchange Rights that have not been exercised; or (2) Beneficially Own Capital Stock which would result in the Corporation being "closely held" under Section 856(h) of the Code. Unless so excepted, any acquisition of

Capital Stock and continued holding of ownership constitutes a continuous representation of compliance with the above limitations, and any Person who attempts to Beneficially Own or Constructively Own shares of Capital Stock in excess of the above limitations has an affirmative obligation to notify the Corporation immediately upon such attempt. If the restrictions on transfer are violated, the transfer will be void ab initio and the shares of Capital Stock represented hereby will be automatically converted into shares of Excess Stock and will be transferred to the Trustee to be held in trust for the benefit of one or more Qualified Charitable Organizations, whereupon such Person shall forfeit all rights and interests in such Excess Stock. In addition, certain Beneficial Owners or Constructive Owners must give written notice as to certain information on demand and on an annual basis. All capitalized terms in this legend have the meanings defined in the Charter. The Corporation will mail without charge to any requesting stockholder a copy of the Charter, including the express terms of each class and series of the authorized capital stock of the Corporation, within five days after receipt of a written request therefor.

(11) if any provision of this Article NINTH or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected, and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(12) Nothing in this Article NINTH shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange.

(A)(1) Upon any purported Transfer or other event that results in Excess Stock pursuant to subparagraph (a)(3) of this Article NINTH, such Excess Stock shall be deemed to have been transferred to the Trustee as trustee of the Trust for the exclusive benefit of one or more Qualifying Charitable Organizations as are designated from time to time by the Board of Directors with respect to such Excess Stock. Shares of Excess Stock held in trust shall be issued and outstanding stock of the Corporation. The Purported Record Transferee or Purported Record Holder and the Purported Beneficial Transferee or Purported Beneficial Holder shall

have no rights in such Excess Stock, except such rights to certain proceeds upon Transfer of shares of Excess Stock or upon any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation as are expressly set forth herein.

(2) Excess Common Stock shall be entitled to dividends in an amount equal to any dividends which are declared and paid with respect to shares of Common Stock from which such shares of Excess Common Stock were converted. Excess Preferred Stock shall be entitled to dividends in an amount equal to any dividends which are declared and paid with respect to shares of Preferred Stock from which such shares of Excess Preferred Stock were converted. Any dividend or distribution paid prior to discovery by the Corporation that shares of Common Stock or Preferred Stock have been converted into Excess Common Stock or Excess Preferred Stock, as the case may be, shall be repaid to the Corporation upon demand for delivery to the Trustee. The recipient of such dividend shall be personally liable to the Trust for such dividend. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such shares of Common Stock or Preferred Stock and shall automatically be deemed to have been declared and paid with respect to the shares of Excess Common Stock or Excess Preferred Stock, as the case may be, into which such shares of Common Stock or Preferred Stock shall have been converted.

(3) In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, (i) subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors and the preferential rights of the Excess Preferred Stock, if any, each holder of shares of Excess Common Stock shall be entitled to receive, ratably with each other holder of Common Stock and Excess Common Stock that portion of the assets of the Corporation available for distribution to the holders of Common Stock or Excess Common Stock as the number of shares of the Excess Common Stock held by such holder bears to the total number of shares of Common Stock and the number of shares of Excess Common Stock then outstanding and (ii) each holder of shares of Excess Preferred Stock shall be entitled to receive that portion of the assets of the Corporation which a holder of the shares of Preferred Stock that were converted into such shares of Excess Preferred Stock would have been entitled to receive had such shares of Preferred Stock remained outstanding. Notwithstanding the foregoing, distributions shall not be made to holders of Excess Stock except in accordance with the following sentence. The Corporation shall distribute to the Trustee, as holder of the Excess Stock in trust, on behalf of the

Beneficiaries any such assets received in respect of the Excess Stock in any liquidation, dissolution or winding up of, or any distribution of the assets of the Corporation. Following any such distribution, the Trustee shall distribute such proceeds between the Purported Record Transferee or Purported Record Holder, as appropriate, and the Qualified Charitable organizations which are Beneficiaries in accordance with procedure for distribution of proceeds upon Transfer of Excess Stock set forth in subparagraph (b)(5) of this Article NINTH; provided, however, that with respect to any Excess Stock as to which no Beneficiary shall have been determined within 10 days following the date upon which the Corporation is prepared to distribute assets ("Undesignated Excess Stock"), any assets that would have been distributed on account of such Undesignated Excess Stock had a Beneficiary been determined shall be distributed to the holders of Common Stock and the Beneficiaries of the Trust designated with respect to shares of Excess Common Stock, or to the holders of Preferred Stock and the Beneficiaries of the Trust designated with respect to shares of Excess Preferred Stock as determined in the sole discretion of the Board of Directors.

(4) Excess Common Stock shall be entitled to such voting rights as are ascribed to shares of Common Stock from which such shares of Excess Common Stock were converted. Excess Preferred Stock shall be entitled to such voting rights as are ascribed to shares of Preferred Stock from which such shares of Excess Preferred Stock were converted. Any voting rights exercised prior to discovery by the Corporation that shares of Common Stock or Preferred Stock have been converted into Excess Common Stock or Excess Preferred Stock, as the case may be, shall be rescinded and recast as determined by the Trustee.

(5) (A) Following the expiration of the ninety day period referred to in subparagraph (b)(6) of this Article NINTH, Excess Stock shall be transferable by the Trustee to any Person whose Beneficial Ownership or Constructive Ownership of shares of Capital Stock outstanding, after giving effect to such Transfer, would not result in the shares of Excess Stock proposed to be transferred constituting Excess Stock in the hands of the proposed transferee. A Purported Record Transferee or, in the case of Excess Stock resulting from any event other than a purported Transfer, the Purported Record Holder shall have no rights whatsoever in such Excess Stock, except that such Purported Record Transferee or, in the case of Excess Stock resulting from any event other than a purported Transfer, the Purported Record Holder, upon completion of such Transfer, shall be entitled to receive the lesser of a price per share for such Excess Stock not in excess (based on the information provided to the Corporation in the notice given

pursuant to this subparagraph (b)(5)(A)) of (x) the price per share such Purported Beneficial Transferee paid for the Common Stock or Preferred Stock in the purported Transfer that resulted in the Excess Stock, or (y) if the Purported Beneficial Transferee did not give value for such shares of Excess Stock (through a gift, devise or other transaction), a price per share of Excess Stock equal to the Market Price of the Common Stock or Preferred Stock on the date of the purported Transfer that resulted in the Excess Stock. Upon such transfer of any interest in Excess Stock held by the Trust, the corresponding shares of Excess Stock in the Trust shall be automatically converted into such number of shares of Common Stock or Preferred Stock (of the same class as the shares that were converted into such Excess Stock) as is equal to the number of shares of Excess Stock, and such shares of Common Stock or Preferred Stock (of the same class as the shares that were converted into such Excess Stock) as is equal to the number of shares of Excess Stock, and such shares of Common Stock or Preferred Stock shall be transferred of record to the proposed transferee of the Excess Stock. If, notwithstanding the provisions of this Article NINTH, under any circumstances, a Purported Transferee receives an amount for shares of Excess Stock that exceeds the amount provided by the formula set forth above, the Purported Transferee must pay the excess to the Trust. Prior to any transfer resulting in Common Stock or Preferred Stock being converted into Excess Stock, the Purported Record Transferee and Purported Beneficial Transferee, jointly, or Purported Record Holder and Purported Beneficial Holder, jointly, must give written notice to the Corporation of the date and sale price of the purported Transfer that resulted in Excess Stock or the Market Price on the date of the other event that resulted in Excess Stock. Prior to a Transfer by the Trustee of any shares of Excess Stock, the intended transferee must give advance notice to the Corporation of the information (after giving effect to the intended Transfer) required under subparagraph (a)(6), and the Corporation must have waived in writing its purchase rights, if any, under subparagraph (b)(6) of this Article NINTH. The Board of Directors may waive the notice requirements of this subparagraph in such circumstances as it deems appropriate.

(B) Notwithstanding the foregoing, if the provisions of paragraph (b)(5) of this Article NINTH are determined to be void or invalid by virtue of any legal decision, statue, rule or regulation, then the Purported Beneficial Transferee or Purported Beneficial Holder of any shares of Excess Stock may be deemed, at the option of the Corporation, to have acted as an agent on behalf of the Trust, in acquiring or holding such shares of Excess Stock and to hold such shares of Excess Stock in trust on behalf of the Trust.

(6) Shares of Excess Stock shall be deemed to have been offered for sale by the Trust to the Corporation, or its designee, at a price per share of Excess Stock equal to the lesser of:

(A) (i) in the case of Excess Stock resulting from a purported Transfer, (x) the price per share of the Common Stock or Preferred Stock in the transaction that created such Excess Stock (or, in the case of devise or gift, the Market Price of the Common Stock or Preferred Stock at the time of such devise or gift), or (y) in the absence of a notice from the Purported Record Transferee or Purported Record Holder and Purported Beneficial Transferee to the Corporation within ten days after request therefor, such price as may be determined by the Board of Directors in its sole discretion, which price per share of Excess Stock shall be equal to the lowest Market Price of Common Stock or Preferred Stock (whichever resulted in Excess Stock) at any time prior to the date the Corporation, or its designee, accepts such offer; or

(ii) in the case of Excess Stock resulting from an event other than a Purported Transfer, (x) the Market Price of the Common Stock or Preferred Stock on the date of such event, or (y) in the absence of a notice from the Purported Record Holder and Purported Beneficial Holder to the Corporation within ten days after request therefor, such price as may be determined, by the Board of Directors in its sole discretion, which price shall be the lowest Market Price for shares of Common Stock or Preferred Stock (whichever resulted in Excess Stock) at any time from the date of the event resulting in Excess Stock and prior to the date the Corporation, or its designee, accepts such offer, and

(B) the Market Price of the Common Stock or Preferred Stock on the date the Corporation, or its designee, accepts such offer. The Corporation shall have the right to accept such offer for a period of ninety days after the later of (i) the date of the Transfer which resulted in such shares of Excess Stock and (ii) the date the Board of Directors determines in good faith that a Transfer or other event resulting in shares of Excess Stock has occurred, if the Corporation does not receive a notice of such Transfer or other event pursuant to subparagraph (a)(5) of this Article NINTH.

TENTH: Whenever the Corporation shall have the obligation to purchase Units and shall have the right to choose to satisfy such obligation by purchasing such Units either with cash or with Common Stock, the determination whether to utilize cash or Common Stock to effect such purchase shall be made by

majority vote of the Independent Directors, pursuant to Section 141(a) of the General Corporation Law of the State of Delaware.

ELEVENTH: In the event any term, provision, sentence or paragraph of the Charter of the Corporation is declared by a court of competent jurisdiction to be invalid or unenforceable, such term, provision, sentence or paragraph shall be deemed severed from the remainder of the Charter, and the balance of the Charter shall remain in effect and be enforced to the fullest extent permitted by law and shall be construed to preserve the intent and purposes of the Charter. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, provision, sentence or paragraph of the Charter in any other jurisdiction.

IN WITNESS WHEREOF, I have made and signed this Certificate this __ day of _____ __, 1998 and affirm the statements contained herein as true under penalties of perjury.

_____
Name:
Title:

Exhibit A
to Restated Certificate of
Incorporation of Simon
Property Group, Inc.

SIMON PROPERTY GROUP, INC.

Form of 6.50% Series A Convertible Preferred Stock

The authorized number of shares of the series of preferred stock created by this Exhibit and the voting powers, preferences and relative, participating optional or other special rights and qualifications, and the limitations or restrictions thereof, of such series shall be as set forth in this Exhibit herein. For purposes of this Exhibit:

"Corporation" shall mean Simon Property Group, Inc., a Delaware corporation, and, with reference to periods prior to the reorganization of the Corporation as a Delaware corporation; the Trust (as defined below);

"Trust" shall mean Corporate Property Investors, a Massachusetts business trust and the predecessor to the Corporation; and

"Convertible Preference Shares" shall mean the preference shares of beneficial interest in the Trust which have been converted into shares of Series A Convertible Preferred Stock (as defined below).

SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Exhibit shall be "6.50% Series A Convertible Preferred Stock" (the "Series A Convertible Preferred Stock"). The authorized number of shares of Series A Convertible Preferred Stock shall be 209,249, with par value $.0001 per share.

SECTION 2. Dividends. (a) The holders of shares of Series A Convertible Preferred Stock, in preference to the holders of Common Stock, par value $.0001 per share, of the Corporation (the "Common Stock"), any other series of Preferred Stock ranking junior to the Series A Convertible Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up ("Junior Preferred Stock") or any other class or series of stock of the Corporation ranking junior to the Series A Convertible Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up ("Other Junior Stock"), shall be entitled to receive, when, as and if declared by the Board of Directors, in their sole discretion, out of assets of

the Corporation legally available for payment of dividends, an annual cash dividend of the Per Share Dividend Amount (as defined below), payable in equal semiannual installments on March 31 and September 30, commencing on March 31, 1998 (each such date, a "Semiannual Payment Date"); provided that if any Semiannual Payment Date is not a business day (as defined in Section 4(b)), then such semiannual installment shall be payable on the next business day. The "Per Share Dividend Amount" shall be equal to the product of (x) the Liquidation Preference (as defined below) and (y) the Basic Rate (as defined below) and (z) the sum of 1.00 and a fraction, the numerator of which shall be the Basic Rate and the denominator of which shall be 8.00. The "Basic Rate" shall be .065. Dividends shall be payable to holders of record as they appear on the stock register of the Corporation (or, with respect to the first dividend payable hereon, if applicable, the Trust) on such record dates, not more than 30 calendar days nor less than five calendar days preceding the payment dates thereof, as shall be fixed by the Board of Directors. A dividend shall not be payable, but shall accumulate (even if undeclared), to the extent that it would exceed the Corporation's cash flow from operations, as determined in good faith by the Board of Directors, for the six-month period ending immediately before the Semiannual Payment Date.

(b) Dividends on shares of Series A Convertible Preferred Stock shall be cumulative (even if undeclared). Such dividends on shares of Series A Convertible Preferred Stock shall accumulate from the first date of issuance of any such shares. Dividends on shares of Series A Convertible Preferred Stock shall cease to accumulate on such shares on the date of their earlier conversion or redemption.

(c) When holders of shares of Series A Convertible Preferred Stock are entitled to receive dividends pursuant to the first sentence of this Section and such dividends and dividends on any other series of Preferred Stock ranking on a parity both as to dividends and upon liquidation, dissolution or winding-up with the Series A Convertible Preferred Stock (the Series A Convertible Preferred Stock and such other Preferred Stock being called "Parity Preferred Stock") are not paid in full, all dividends declared on Parity Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on shares of Series A Convertible Preferred Stock and on such other Parity Preferred Stock bear to each other the same ratio that unpaid dividends per share on shares of Series A Convertible Preferred Stock and such other Parity Preferred Stock bear to each other. Except as set forth in the preceding sentence with respect to Parity Preferred Stock, unless the full amount of cumulative dividends on shares of Series A Convertible Preferred Stock have been paid, no dividends may be paid or declared and set aside for payment or other distribution ordered or made on

the Common Stock or on any other series of Preferred Stock or other class or series of stock of the Corporation ranking junior to or on a parity with the Series A Convertible Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up, nor may any Common Stock or any other series of Preferred Stock or other class or series of stock of the Corporation ranking junior to or on a parity with the Series A Convertible Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up be redeemed, repurchased or otherwise acquired for any consideration (or any payment made to or available for a sinking fund or defeasance Corporation for any such redemption, repurchase or acquisition) by the Corporation or any subsidiary thereof.

(d) The Corporation shall not repurchase any shares of Series A Convertible Preferred Stock from any holder thereof prior to the initial Permissible Conversion Date (as defined below) unless the holders of more than 50% of the outstanding shares of Series A Convertible Preferred Stock shall have given their written consent thereto.

SECTION 3. Liquidation. The Series A Convertible Preferred Stock shall rank prior to the Common Stock, Junior Preferred Stock and any Other Junior Stock, so that in the event of any liquidation, dissolution or winding-up of the Corporation (a "Liquidation Transaction"), whether voluntary or involuntary, the holders of shares of Series A Convertible Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any distribution is made to holders of Common Stock, Junior Preferred Stock or Other Junior Stock, an amount equal to $1,000.00 per share (the "Liquidation Preference" of a share of Series A Convertible Preferred Stock) plus an amount equal to the full amount of accumulated and unpaid dividends thereon on the date of final distribution, prorating the dividend accumulated during the period commencing on the Semiannual Payment Date immediately preceding the date of final distribution and ending on such final distribution date (calculated on the basis of a 360-day year of twelve 30-day months). If, upon any Liquidation Transaction, the assets of the Corporation, or proceeds thereof, distributable among the holders of Parity Preferred Stock shall be insufficient to permit the payment in full to such holders of the amounts payable to such holders upon a Liquidation Transaction pursuant to the provisions of the Restated Certificate of Incorporation of the Corporation, then such assets or proceeds shall be distributed among such holders ratably in proportion to the amounts that would be payable on such shares if all amounts payable thereon were paid in full. After payment in full of the Liquidation Preference and accumulated and unpaid dividends to which they are entitled, the holders of shares of Series A Convertible Preferred Stock shall not be entitled to any further participation in any distribution of the assets of the Corporation. For purposes hereof, neither

the voluntary sale, conveyance, exchange or transfer (for cash, shares, securities or other consideration) of all or substantially all the property or assets of the Corporation nor a consolidation or merger of the Corporation with one or more other persons shall be deemed to be a Liquidation Transaction, voluntary or involuntary.

The holder of any share of Series A Convertible Preferred Stock shall not be entitled to receive any payment owed for such shares of Series A Convertible Preferred Stock under this Section 3 until such holder shall (a) cause to be delivered to the Corporation the certificate(s) representing such shares of Series A Convertible Preferred Stock and (b) transfer instrument(s) satisfactory to the Corporation and sufficient to transfer such shares of Series A Convertible Preferred Stock to the Corporation free of any adverse interest. As in the case of the Redemption Price referred to in Section 6, no interest shall accrue on any payment upon liquidation after the date thereof.

SECTION 4. Conversion. (a) General. On the terms and subject to the conditions of this Section 4, at any time after the earlier of (i) the later of (A) the last day of the first calendar year in which the aggregate dividends and distributions that would have been payable to the holder of a single share of Series A Convertible Preferred Stock or Convertible Preference Share that had converted such share pursuant to this Section 4 (or the comparable provision for the Convertible Preference Shares) on the last day of the preceding calendar year and thereafter held the Conversion Stock (as defined below) received in the conversion of such single share of Series A Convertible Preferred Stock or Convertible Preference Share exceeds $65 and (B) August 31, 2000, and (ii) the first date as of which written conversion notices pursuant to Section 4(b) shall have been delivered with respect to more than 50% of the outstanding shares of Series A Convertible Preferred Stock (any conversion date occurring after such earlier date is hereinafter called a "Permissible Conversion Date"), the holder of a share of Series A Convertible Preferred Stock shall have the right, at such holder's option, to convert such shares of Series A Convertible Preferred Stock, unless previously redeemed, into that number of voting shares of Common Stock (calculated as to each conversion to the nearest 1/1000th of a share) obtained by dividing $1,000.00 by the lesser of the Conversion Price (as defined in Section 4(d)) and the Alternative Conversion Price (as defined below) (shares of the Common Stock issuable upon the aforesaid conversion, together with shares of any Common Stock issuable pursuant to clause (iii) of the third sentence of Section 4(b), being called "Conversion Stock"). The right of conversion of shares of Series A Convertible Preferred Stock called for redemption by the Corporation shall terminate immediately prior to the close of business on the Redemption Date (as defined in Section 6) with respect to such shares of Series A Convertible Preferred Stock. The "Alternative Conversion Price"

shall be the amount that would be the Conversion Price if the Conversion Price had been determined without giving effect to any adjustment pursuant to paragraphs (iii) or (iv) of Section 4(d).

(b) Conversion Procedures. In order to exercise the conversion privilege, the holder of any share of Series A Convertible Preferred Stock to be converted (i) at least fifteen business days prior to any Permissible Conversion Date (or five business days, if another holder of shares of Series A Convertible Preferred Stock shall have delivered a conversion notice with respect to such Permissible Conversion Date), shall deliver to the principal office of the Corporation a written notice (a) stating that such holder elects to convert all or a specified whole number of such shares pursuant to this Section 4 and (b) specifying the name or names in which such holder wishes the certificate or certificates for Conversion Stock to be issued, (ii) on or prior to the applicable Permissible Conversion Date, shall surrender the certificate representing the shares of Series A Convertible Preferred Stock to be converted at the principal office of the Corporation and (iii) on or prior to the applicable Permissible Conversion Date, execute and deliver to the Corporation at the principal office of the Corporation a dividend proration agreement in the form of Exhibit A attached hereto. Unless the shares of Conversion Stock are to be issued in the same name as the name in which such shares of Series A Convertible Preferred Stock are registered, the certificate representing the shares surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder or its duly authorized attorney. As promptly as practicable after such surrender of a certificate for shares of Series A Convertible Preferred Stock, but in no event before the applicable Permissible Conversion Date or after the fifth business day following such Permissible Conversion Date, the Corporation shall issue and deliver at such office to such holder, or on such holder's written order, (i) a certificate or certificates for the applicable number of full shares of Common Stock determined to be issuable pursuant to Section 4(a), (ii) if less than the full number of shares of Series A Convertible Preferred Stock evidenced by the surrendered certificate is being converted, a new certificate, of like tenor, for the number of shares of Series A Convertible Preferred Stock evidenced by such surrendered certificate less the number of shares being converted and (iii) to the extent that the Board of Directors determine in good faith that the amount in the numerator of the fraction referred to below does not exceed the Corporation's cash flow from operations from the last Semiannual Payment Date with respect to the Convertible Preference Shares or Series A Convertible Preferred Stock, a certificate or certificates for a number of shares of Common Stock equal to a fraction, the numerator of which shall be an amount equal to a pro rata portion

of the semiannual dividend next payable on shares of Series A Convertible Preferred Stock being converted by such holder, such proration to be made from the date of the last Semiannual Payment Date with respect to the Convertible Preference Shares or Series A Convertible Preferred Stock to the date of conversion of such shares of Series A Convertible Preferred Stock and computed on the basis of a 360-day year of twelve 30-day months, and the denominator of which shall be the current market price of a share of Common Stock (as defined in Section 4(h)). Except as provided in clause (iii) above and the dividend proration agreement referred to above, no payment or adjustment shall be made on conversion for accumulated and unpaid dividends on shares of Series A Convertible Preferred Stock surrendered for conversion or for dividends on Conversion Stock. A "business day" is a day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized to be closed.

Each conversion shall be deemed to have been effected as of the close of business on the applicable Permissible Conversion Date, and the person or persons in whose name or names any certificate or certificates for Conversion Stock are issuable shall be deemed to have become the holder or holders of record of such Conversion Stock at such time on such Permissible Conversion Date and such conversion shall be at the Conversion Price (or current market price, as applicable) in effect at such time on such Permissible Conversion Date, unless the share transfer books of the Corporation are closed on such Permissible Conversion Date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next day on which such share transfer books are open, but such conversion shall be at the Conversion Price in effect on the applicable Permissible Conversion Date. Upon delivery, all Conversion Stock shall be duly authorized, validly issued, fully paid, nonassessable, free of all liens and charges and not subject to any preemptive or subscription rights.

(c) Warrants issued for Fractional Conversion Stock. No fractional Conversion Stock or scrip representing fractions of Conversion Stock shall be issued upon conversion of shares of Series A Convertible Preferred Stock. If a fractional share of Conversion Stock is otherwise deliverable to a converting holder upon a conversion of shares of Series A Convertible Preferred Stock being converted by such holder, the Corporation shall in lieu thereof issue to the person entitled thereto a warrant in certified form which shall entitle the holder to receive a full share of Common Stock upon the surrender of warrants aggregating a full share of Common Stock. Any such warrant shall become void if not exchanged for certificates representing full shares of Common Stock before the first anniversary of the conversion of the shares of Series A Preferred Stock giving rise to the issuance of such warrant. No warrant issued in lieu of a fractional share of Conversion Stock shall entitle the holder thereof to exercise voting rights with respect thereto, receive dividends thereon of to participate in any assets os the Corporation in the event of liquidation.

(d) Conversion Price. "Conversion Price" shall mean $26.319, as adjusted pursuant to this Section 4(d). The Conversion Price (and the kind and amount of consideration receivable by holders of shares of Series A Convertible Preferred Stock upon conversion) shall be adjusted from time to time as follows:

(i) If the Corporation (A) pays a dividend or makes a distribution to all or substantially all holders of Common Stock on the Common Stock in shares of Common Stock or (B) subdivides, combines or reclassifies its outstanding shares of Common Stock into a greater or smaller number of shares, the Conversion Price in effect immediately prior to such action shall be adjusted so that the holder of any shares of Series A Convertible Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that it would have owned or been entitled to receive immediately following such action had such stock been converted immediately prior to such action or the record date therefor, whichever is earlier. Such adjustment shall become effective immediately after the record date, in the case of a dividend or distribution, or immediately after the effective date, in the case of a subdivision, combination or reclassification.

(ii) In case the Corporation shall issue rights or warrants to all or substantially all holders of Common

Stock entitling them to subscribe for or purchase shares of Common Stock (or securities convertible into shares of Common Stock) at a price per share of Common Stock (or having a conversion price per share of Common Stock) less than the current market price (as defined in Section 4(h)) of a share of Common Stock on the record date mentioned below, the Conversion Price in effect immediately prior thereto shall be adjusted so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to such issuance) plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered (or the aggregate conversion price of the convertible securities so offered) would purchase at such current market price per share of Common Stock and the denominator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to such issuance) plus the total number of additional shares of Common Stock offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever any rights or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants; provided, however, that in the event that all shares of the Common Stock offered for subscription or purchase are not delivered (or securities convertible into shares of Common Stock are not delivered) upon the exercise of such rights or warrants, upon the expiration of such rights or warrants the Conversion Price shall be readjusted to the Conversion Price which would have been in effect had the numerator and the denominator of the foregoing fraction and the resulting adjustments made upon the issuance of such rights or warrants been made based upon the number of shares of Common Stock (or securities convertible into shares of Common Stock) actually delivered upon the exercise of such rights or warrants rather than upon the number of shares of Common Stock offered for subscription or purchase. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such current market price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Corporation for such rights or warrants, the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors (whose determination shall be described in a Board of Directors' resolution filed with the Transfer Agent).

(iii) In case the Corporation shall, by dividend or otherwise, distribute to all holders of shares of Common Stock, evidences of indebtedness or other assets (including, without limitation, securities and cash distributions paid on shares of Common Stock to the extent exceeding Cash Flow (as defined below) in the period with respect to which such dividend or distribution is payable, but excluding cash dividends or distributions to the extent not exceeding Cash Flow in the period with respect to which such dividends or distributions are payable and dividends or distributions referred to in paragraph (i) of this Section 4(d)) or rights or warrants (excluding those referred to in paragraph (ii) of this Section 4(d)), in each such case the Conversion Price in effect thereafter shall be determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, of which the numerator shall be the difference between (I) the total number of shares of Common Stock outstanding multiplied by the current market price per share of Common Stock on the record date mentioned below and (II) the aggregate fair market value determined by the Board of Directors, whose determination shall be described in a Board of Directors' resolution filed with the Transfer Agent) of such evidences of indebtedness or other assets so distributed or of such rights or warrants, and the denominator shall be the total number of shares of Common Stock outstanding multiplied by such current market price per share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution. "Cash Flow" shall mean cash flow from operations after payment of dividends on all shares of stock of the Corporation other than shares of Common Stock, as determined in good faith by the Board of Directors, whose determination shall be described in a Board of Directors' resolution filed with the Transfer Agent.

(iv) In case the Corporation shall, by dividend or otherwise, distribute cash from Cash Flow to all holders of shares of its shares of Common Stock but, after giving effect to the distribution, shall retain a portion of such Cash Flow in the Corporation undistributed, the Conversion Price in effect thereafter shall be determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding multiplied by the current market price per share of Common Stock on the record date mentioned below, plus the portion of such Cash Flow retained in the Corporation and the denominator of which shall be the total number of shares of Common Stock outstanding multiplied by such current market price per share of Common Stock. Such adjustment shall be made whenever any such distribution and retention occurs and

shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution.

(v) (A) If the Corporation effects any consolidation or merger to which the Corporation is a party (other than a merger or consolidation in which the Corporation is the surviving person), any sale or conveyance to another person of all or substantially all the assets of the Corporation or any statutory exchange of securities with another person (including any exchange effected in connection with a merger of a third person into the Corporation), then in any such event the holder of each share of Series A Convertible Preferred Stock then outstanding shall have the right thereafter to convert such share into the kind and amount of consideration receivable pursuant to such transaction by a holder of the number of shares of Common Stock into which such shares of Series A Convertible Preferred Stock might have been converted immediately prior to such transaction, assuming such holder of shares of Common Stock failed to exercise its rights of election, if any, as to the kind or amount of consideration receivable upon such transaction (provided that if the kind or amount of consideration receivable pursuant to such transaction is not the same for each share of Common Stock in respect of which such rights of election shall not have been exercised ("non-electing share"), then, for purposes of this paragraph (v)(A) the kind and amount of consideration receivable pursuant to such transaction for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Thereafter, the holders of shares of Series A Convertible Preferred Stock shall be entitled to appropriate adjustments with respect to their conversion rights to the end that the provisions set forth in this Section 4 shall correspondingly be made applicable, as nearly as may reasonably be, to any consideration thereafter deliverable on conversion of shares of Series A Convertible Preferred Stock.

(B) As evidence of the kind and amount of consideration receivable pursuant to such consolidation, merger, statutory exchange, sale or conveyance, or as to the appropriate adjustments of the Conversion Price applicable with respect thereto, the Transfer Agent shall be furnished with and may accept the certificates or opinion of an independent public accountant of the type referred to in paragraph (vii) of this Section 4(d) with respect thereto; and, in the absence of bad faith on the part of the Transfer Agent, the Transfer Agent may conclusively rely thereon and shall not be responsible or accountable to any holder of shares of Series A Convertible Preferred Stock for any provision in conformity therewith or approved by such independent public accountant. The foregoing provisions of

this paragraph (v) shall similarly apply to successive consolidations, mergers, statutory exchanges, sales or conveyances.

(vi) No adjustment in the Conversion Price shall be required to be made unless it would require an increase or decrease of at least .25% in the Conversion Price, but any adjustments not made because of this paragraph (vi) shall be carried forward and taken into account in any subsequent adjustment otherwise required. All calculations under this Section 4(d) shall be made to the nearest 1/10th of a cent or to the nearest 1/1000th of a share, as the case may be. All adjustments with respect to a transaction or event shall apply to subsequent such transactions and events. Anything in this Section 4(d) to the contrary notwithstanding, the Board of Directors shall be entitled to make such an irrevocable reduction in the Conversion Price, in addition to the adjustments required by this Section 4(d), as in their discretion they shall determine to be advisable in order to avoid or diminish any income deemed to be received for Federal income tax purposes by any holder of shares of Common Stock or shares of Series A Convertible Preferred Stock resulting from any event or occurrence giving rise to an adjustment pursuant to this Section 4(d) or from any similar event or occurrence, and evidence of the Board of Directors' determination of such adjustment shall be described in a Board of Directors' resolution filed with the Transfer Agent.

(vii) Whenever the Conversion Price is adjusted pursuant to this Section 4(d), (A) the Corporation shall promptly file with the Transfer Agent a certificate of a firm of nationally recognized independent public accountants setting forth the Conversion Price (and any change in the kind or amount of consideration to be received by holders of shares of Series A Convertible Preferred Stock upon conversion) after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the manner of computing the same and (B) a notice stating that the Conversion Price has been adjusted, stating the effective date of such adjustment and enclosing such certificate shall forthwith be mailed by the Corporation to the holders of shares of Series A Convertible Preferred Stock at their addresses as shown on the share register books of the Corporation.

(viii) If as a result of any adjustment pursuant to this Section 4(d), the holder of any shares of Series A Convertible Preferred Stock surrendered for conversion becomes entitled to receive any consideration other than shares of Common Stock, (A) the Conversion Price with respect to such other consideration shall be subject to adjustment from time to time in a manner and on terms as

nearly equivalent as practicable to the provisions with respect to shares of Common Stock contained in this Section 4(d) and (B) in the case such consideration shall consist of shares of Common Stock and some other kind of consideration or of two or more kinds of consideration, the Board of Directors shall determine in good faith the fair allocation of the adjusted Conversion Price between or among such types of consideration, and evidence of such determination shall be described in a Board of Directors' resolution filed with the Transfer Agent.

(e) The Corporation shall at all times reserve and keep available, free from preemptive and subscription rights, out of its authorized but unissued shares of Common Stock, for the purpose of effecting conversions of shares of Series A Convertible Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series A Convertible Preferred Stock not theretofore converted. For this purpose, the number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series A Convertible Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder. The Corporation will not effect any transaction which would give rise to an adjustment in the Conversion Price unless immediately following such transaction the Corporation shall have available, free from preemptive and subscription rights, out of its authorized but unissued shares of Common Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series A Convertible Preferred Stock not theretofore converted.

(f) The Corporation shall pay all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of securities on conversion of the shares of Series A Convertible Preferred Stock; provided, however, that (i) the Corporation shall not be required to pay any tax to the extent payable in respect of any transfer involved in the issue or delivery of securities in a name other than that of the holder of shares of the Series A Convertible Preferred Stock to be converted and (ii) no such issue or delivery shall be made unless and until such holder has paid to the Corporation the amount of any tax described in clause (i) payable in respect of the shares of stock of such holder or has established, to the satisfaction of the Corporation, that such tax has been paid or provided for.

(g) By acceptance of any shares of Series A Convertible Preferred Stock, the holder thereof agrees that upon conversion of any shares of Series A Convertible Preferred Stock, any shares of Common Stock, par value $0.0001 per share ("SPG Shares"), of SPG Realty Consultants, Inc., a Delaware corporation ("SPG"), which relate to such shares of Series A Convertible Preferred Stock and which are held in the SPG Trust II (as defined below) shall be transferred to the SPG Trust (as defined

below), and shall thereafter be subject to, bound by and entitled to the benefits of all the terms and provisions of the SPG Trust Agreement (as defined below within the definition of the "SPG Trust"), all as provided in the agreement establishing the SPG Trust II. The "SPG Trust II" means that certain Trust created by that certain Trust Agreement among the holders of the shares of Series A Convertible Preferred Stock, SPG (as successor to Corporate Realty Consultants, Inc. ("CRC")) and the Trustee of such Trust, under which the holders of the shares of Series A Convertible Preferred Stock have beneficial interests in the SPG Shares deposited in such Trust. The "SPG Trust" means that certain Trust created by that certain Trust Agreement (the "SPG Trust Agreement") dated as of October 30, 1979, among certain shareholders of the Corporation at that date, SPG (as successor to CRC) and the Trustee of such Trust, under which substantially all the holders of shares of Common Stock have beneficial interests in the SPG Shares deposited in such Trust.

(h) The "currentmarket price" per share of share of Common Stock on any day shall be the average of the closing per share sales prices of the Common Stock during the last twenty trading days as reported on the Composite Tape of the New York Stock Exchange, Inc. (the "NYSE") or, if shares of Common Stock are not then listed on the NYSE, on the principal United States securities exchange registered under the Securities Exchange Act of 1934, as amended, on which shares of Common Stock are then listed or, if shares of Common Stock are not then listed on any such stock exchange, the average of the average closing bid and ask quotations with respect to a share of Common Stock during the last twenty trading days on the NASDAQ Stock Market or any successor system then in use or, if no such quotations are then available, the average of the bid and asked prices with respect to a share of Common Stock for such trading days, as furnished by a member of the NYSE regularly making a market in the Common Stock selected by the Board of Directors of the Corporation, or, if no such member firm is then making a market in the Common Stock, the fair market value on such date of a share of Common Stock as determined in good faith by a majority of the members of the Board of Directors of the Corporation after consultation with an independent financial advisor of recognized national standing.

SECTION 5. Status of Converted or Redeemed Series A Convertible Preferred Stock. Upon any conversion or any redemption, repurchase or other acquisition by the Corporation of shares of Series A Convertible Preferred Stock, the shares of Series A Convertible Preferred Stock so converted, redeemed, repurchased or acquired shall be retired and canceled.

SECTION 6. Redemption at the Option of the Corporation. (a) The Board of Directors shall have the power to restrict transfers of shares of Series A Convertible Preferred Stock and/or to call for redemption a sufficient number of shares of Series A Convertible Preferred Stock, selected in a manner

deemed appropriate in the opinion of the Board of Directors, to maintain or bring the direct or indirect ownership of the capital stock of the Corporation into conformity with the requirements of Section 856(a)(6) of the Internal Revenue Code of 1986, as amended, at the greater of (i) a price (the "Redemption Price") equal to the Liquidation Preference of the redeemed shares of Series A Convertible Preferred Stock, plus an amount equal to the full amount of accumulated and unpaid dividends thereon at the Redemption Date (as hereinafter defined), prorating the dividend accumulated during the period commencing on the Semiannual Payment Date immediately preceding the date of the payment of the Redemption Price and ending on such payment date (calculated on the basis of a 360-day year of twelve 30-day months) and (ii) the current market price of the Common Stock into which shares of such redeemed Series A Convertible Preferred Stock could have been converted if a right to convert existed at such time. In making such selection, the Board of Directors shall take due regard of all feasible selection methods and shall only select shares of Series A Convertible Preferred Stock if, in their considered, good faith judgment, such selection shall be an equitable way of maintaining or bringing ownership of the capital stock of the Corporation into conformity with Section 856(a)(6) of the Internal Revenue Code of 1986, as amended, given the burdens on the holders of the shares of redeemed Series A Convertible Preferred Stock of the various selection methods and the consequences (including withholding tax and other tax consequences) to the Corporation and its remaining shareholders associated with such methods, such judgment to be made without reference to the liquidation preference, conversion rights or dividend rate of the shares of Series A Convertible Preferred Stock unless such preference, conversion rights or rate shall be directly relevant to the conformity of the ownership of the capital stock of the Corporation with said Section 856(a)(6).

(b) The Corporation shall give the holders of shares of Series A Convertible Preferred Stock prior written notice of a redemption pursuant to this Section 6 (a "Redemption") not more than 60 nor less than 30 calendar days prior to the date fixed for redemption (the "Redemption Date") at the address of such holders on the books of the Corporation (provided that failure to give such notice or any defect therein shall not affect the validity of the proceeding for a Redemption except as to the holder to whom the Corporation has failed to give such notice or whose notice was defective), and shall set apart the funds necessary to pay the aggregate Redemption Price on all shares of Series A Convertible Preferred Stock then called for redemption. Provided that such funds have been so set apart, from and after the close of business on the Redemption Date the shares of Series A Convertible Preferred Stock shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith cease and terminate, except the right of the holders

thereof to receive the Redemption Price (without interest) upon surrender of the certificates evidencing their shares of Series A Convertible Preferred Stock. In case fewer than all of the shares of Series A Convertible Preferred Stock represented by any such surrendered certificate are called for redemption, a new certificate shall be issued at the expense of the Corporation representing the unredeemed shares.

SECTION 7. Voting. (a) In addition to any rights provided by law, each holder of shares of Series A Convertible Preferred Stock shall be entitled to such number of votes per share held as shall equal the number (rounded to the nearest whole vote) obtained by dividing $1,000.00 by the lesser of (x) the Conversion Price and (y) the Alternative Conversion Price. Except as provided in paragraph (b) below, the holders of shares of Series A Convertible Preferred Stock shall be entitled to vote on all matters as to which holders of shares of Common Stock shall be entitled to vote, in the same manner and with the same effect as such holders of shares of Common Stock, voting together with the holders of shares of Common Stock as one class.

(b) The Corporation shall not, without the affirmative consent or approval of the holders of at least two-thirds of the shares of Series A Convertible Preferred Stock then outstanding, voting separately as a class, given by written consent in lieu of a meeting or by vote at a meeting called for such purpose for which notice shall have been given to the holders of shares of Series A Convertible Preferred Stock, (i) authorize any class of stock ranking prior to the Series A Convertible Preferred Stock with respect to the payment of dividends or distribution of assets upon dissolution, liquidation or winding-up; (ii) amend, alter or repeal any of the provisions of the Restated Certificate of Incorporation of the Corporation so as to affect adversely the powers, preferences or rights of the holders of shares of Series A Convertible Preferred Stock then outstanding or reduce the minimum time required for any notice to which only the holders of shares of Series A Convertible Preferred Stock then outstanding may be entitled (an amendment of the Restated Certificate of Incorporation of the Corporation to authorize or create, or to increase the authorized amount of, any shares of any class ranking junior or on a parity with shares of Series A Convertible Preferred Stock shall be deemed not to affect adversely the powers, preferences or rights of the holders of shares of Series A Convertible Preferred Stock); (iii) authorize or create, or increase the authorized amount of, any shares, or any security convertible into stock, of any class ranking prior to the Series A Convertible Preferred Stock with respect to the payment of dividends or distribution of assets upon dissolution, liquidation or winding-up; (iv) merge or consolidate with or into any other person, unless each holder of shares of Series A Convertible Preferred Stock immediately preceding such merger or

consolidation shall receive or continue to hold in the resulting person the same number of shares, with substantially the same rights and preferences, as correspond to shares of Series A Convertible Preferred Stock so held; (v) increase the number of authorized shares of Series A Convertible Preferred Stock above 209,249; (vi) amend, alter or modify any of the provisions of this Exhibit; or (vii) otherwise alter or change the powers, preferences, or rights, or qualifications, limitations or restrictions of the shares of Series A Convertible Preferred Stock so as to affect them adversely.

SECTION 8. Notice of Certain Events. (a) In case at any time the Corporation shall propose

(i) to pay any dividend payable in shares of Common Stock upon its shares of Common Stock, or to make any distribution (other than a dividend or distribution of cash from Cash Flow) to the holders of shares of Common Stock;

(ii) to make any dividend or distribution of cash to the holders of shares of Common Stock from Cash Flow but to retain a portion of such Cash Flow in the Corporation;

(iii) to offer for subscription pro rata to the holders of shares of Common Stock any additional shares of beneficial interest of any class or any other rights or warrants;

(iv) to consolidate or merge with or into another person; or

(v) to effect any reorganization, reclassification, liquidation, dissolution or winding-up of the Corporation;

and the effect of such proposed action would be to cause there to be made an adjustment in the Conversion Price pursuant to Section 4(d), then, and in any one or more of such cases, the Corporation shall cause at least ten calendar days' notice thereof to be filed with the Transfer Agent and to be given to each holder of shares of Series A Convertible Preferred Stock as of the date on which (x) the books of the Corporation shall close, or a record be taken, for such dividend or distribution on shares of Common Stock, dividend or distribution or offering of rights or warrants or (y) such consolidation, merger, reorganization, reclassification, liquidation, dissolution or winding-up shall be effective, as the case may be.

(b) In case the Board of Directors shall approve the sale or other transfer of all or substantially all the interest of the Corporation or any affiliate of the Corporation in any of the Specified Assets (as defined below) to any person that is not an affiliate of the Corporation, then the Corporation shall cause notice of such approval to be filed with the Transfer Agent and given to each holder of shares of Series A Convertible Preferred Stock as of the date of the giving of such approval within five business days of the date of the giving of such approval. The term "Specified Assets" shall mean the properties commonly known as Roosevelt Field Shopping Center (Nassau County, New York), Lenox Square Mall (Atlanta, Georgia), Town Center at Boca Raton (Palm Beach County, Florida), Georgia), Brea Mall (Brea, California) and Rockaway Townsquare Mall (Rockaway, New Jersey).

(c) If the Corporation shall receive written conversion notices pursuant to Section 4(b) with respect to more than two percent of the outstanding shares of Series A

Convertible Preferred Stock, then the Corporation shall cause notice of its receipt of such notices to be filed with the Transfer Agent and given to each holder of shares of Series A Convertible Preferred Stock within five business days of the date of the Corporation's receipt of such notices.

(d) The failure to give or receive the notice required by this Section 8 or any defect therein shall not affect the legality or validity of any such dividend, distribution, issuance of any right or warrant or other action.

SECTION 9. Designation of Capital Gain Dividends. So long as 10,000 or more shares of Series A Convertible Preferred Stock are held of record by one or more of (i) Stichting Pensioenfonds voor de Gezondheid Geestelijke en Maatschappelijke belangen ("PGGM"), (ii) any affiliate of PGGM that identifies itself to the Transfer Agent and the Corporation as such an affiliate and (iii) any other foreign individual or entity with a record address outside the United States of America: the Corporation shall not designate any dividends paid on shares of the Series A Convertible Preferred Stock (or dividends deemed paid pursuant to Section 305 of the Code) as capital gain dividends for U.S. tax purposes, and all distributions on the Common Stock of the Corporation in excess of the Corporation's real estate investment trust taxable income (excluding net capital gains) for any taxable year shall be designated as capital gains dividends to the extent of the Corporation's recognized capital gains for such taxable year.

SECTION 10. Return of Money Deposited for Converted Shares of Series A Convertible Preferred Stock. Notwithstanding anything elsewhere contained herein, any funds which at any time shall have been deposited by the Corporation or on its behalf with the Transfer Agent or any other depositary for the purpose of any payment with respect to any shares of Series A Convertible Preferred Stock which shall have been converted into shares of Common Stock pursuant to the provisions of Section 4 shall forthwith upon such conversion be repaid to the Corporation by the Transfer Agent or such other depositary.

SECTION 11. Definitions and Construction. As used in this resolution: (a) "herein", "hereof", "hereunder" and other like words mean or refer to this resolution in its entirety; (b) "outstanding", when used with reference to shares of stock, means issued shares of stock, excluding shares of stock held by the Corporation or a subsidiary thereof; (c) "person" means any corporation, partnership, trust, organization, association or other entity or individual; (d) "affiliate" of any person means any other person controlling, controlled by or under common control with such person; (e) "capital stock of the Corporation" shall mean shares of the capital stock of the Corporation as described in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (f) "Common Stock" shall mean

the stock described as Common Stock in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (g) "Preferred Stock" shall mean the stock described as Preferred Stock in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (h) "Transfer Agent" shall First Chicago Trust Company of New York or such other successor transfer agent(s) appointed by the Board of Directors in accordance with Section 6.02 of the Restated By-Laws of the Corporation; (i) headings are for convenience of reference only and shall not define, limit or affect any of the provisions hereof; and (j) references to Sections are to Sections of this Exhibit, unless otherwise expressly provided.

In addition, whenever reference is made herein to cash flow from operations of the Corporation, as determined in good faith by the Board of Directors, such determination shall be made on a basis substantially consistent with that employed by the Corporation in computing Funds From Operations as reported in the Corporation's filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, and the Securities and Exchange Act of 1934, as amended.

Exhibit A to
Form of 6.50% Series A Convertible
Preferred Stock of
Simon Property Group, Inc.

DIVIDEND PRORATION AGREEMENT

Date: _____

Simon Property Group, Inc.
National City Center
115 West Washington Street, Suite 15 East
Indianapolis, Indiana 46204

Dear Sirs:

The undersigned is a holder of shares of 6.50% Series A Convertible Preferred Stock ("Preferred Stock") of Simon Property Group, Inc., a Delaware corporation (the "Corporation"). On the date hereof, the undersigned has presented _____ (number) shares of Preferred Stock for conversion pursuant to their terms (the "Conversion"). This letter agreement is being given in satisfaction of a condition to the Conversion.

The undersigned hereby agrees with the Corporation that concurrently with the first payment of a regular cash dividend (i.e., a dividend that would not give rise to an adjustment of the "Conversion Price" pursuant to Section 4(d)(iv) of Exhibit A to the Corporation's Restated Certificate of Incorporation with respect to the shares of Preferred Stock) on shares of the Corporation's Common Stock with respect to which the record date (the "Next Record Date") occurs after the date of the Conversion, the undersigned shall pay to the Corporation an amount equal to the product of (x) the number of such shares of Common Stock issued in the Conversion (adjusted for any dividend or distribution on the shares of Common Stock in shares of Common Stock or the subdivision, combination or reclassification of outstanding shares of Common Stock into a greater or smaller number of Preferred Stock occurring after the date of the Conversion in order to give appropriate effect thereto), (y) the per share amount of such cash dividend and (z) a fraction, the numerator of which shall be the number of days elapsed (computed on the basis of a 360-day year of twelve 30-day months) from the record date (the "Last Record Date") for the payment of the last regular dividend on shares of the Corporation's Common Stock occurring on or before the date of the Conversion and the denominator of which shall be the number of days elapsed (computed as aforesaid) from the Last Record Date to the Next Record Date.

The undersigned further grants to the Corporation the right to set off against any unpaid amount due to the Corporation under this letter agreement any debt or other obligation of the

Corporation owing to the undersigned, including, without limitation, any dividend or other distribution payable to the undersigned by reason of its ownership of shares of the Corporation's Common Stock.

If the undersigned wishes to transfer legal, beneficial or record ownership of any shares of the Corporation's Common Stock (or any interest therein) issuable in the Conversion before all the undersigned's foregoing obligations are fully performed, it shall obtain, for the Corporation's benefit, an instrument of assumption by the transferee in which the transferee assumes all the undersigned's obligations under this letter agreement, which instrument shall contain a provision with respect to subsequent transfers with the same effect as this paragraph.

This letter agreement shall be construed in accordance with, and governed by, the laws of the State of New York, without regard to conflicts of laws principles.

Very truly yours,

(Name of Converting Holder of Preferred Stock)

By:

Name:

Title:

AGREED:

SIMON PROPERTY GROUP, INC.

By:

Name:

Title:

Exhibit B to the Simon Property Group, Inc.
Restated Certificate of Incorporation

FORM OF

SIMON PROPERTY GROUP, INC.

SERIES B CONVERTIBLE PREFERRED STOCK

The authorized number of shares of the series of Preferred Stock created herein and the voting powers, preferences and relative, participating optional or other special rights and qualifications, and the limitations or restrictions thereof, of such series shall be as set forth herein.

For purposes of this exhibit, capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Simon Property Group, Inc. Restated Certificate of Incorporation (the "Charter").

Subject in all cases to the provisions of Article NINTH of the Charter of the Corporation with respect to Excess Stock, the following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Series B Convertible Preferred Stock (the "Series B Preferred Stock") of the Corporation:

(1) Designation and Amount. The designation of the series of Preferred Stock of the Corporation created herein shall be "Series B Convertible Preferred Stock." The authorized number of shares of Series B Preferred Stock shall be 5,000,000, with par value $0.0001 per share.

All shares of Series B Preferred Stock redeemed, purchased, exchanged, unissued or otherwise acquired by the Corporation shall be retired and canceled and, upon the taking of any action required by applicable law, shall be restored to the status of authorized but unissued shares of capital stock and may thereafter be issued, but not as Series B Preferred Stock.

(2) Ranking. The Series B Preferred Stock shall, with respect to dividend rights, rights upon liquidation, winding up, dissolution, and redemption rights, rank (A) junior to any other class or series of preferred stock hereafter duly established by the Board of Directors of the Corporation, the terms of which shall specifically provide that such series shall rank prior to the Series B Preferred Stock as to the payment of dividends, distribution of assets upon liquidation and redemption rights

(the "Senior Preferred Stock"), (B) pari passu with the Series A Convertible Preferred Stock of the Corporation, par value $0.0001 per share, and any other class or series of Preferred Stock hereafter duly established by the Board of Directors of the Corporation, the terms of which shall specifically provide that such class or series shall rank pari passu with the Series B Preferred Stock as to the payment of dividends, distribution of assets upon liquidation and redemption rights (the "Parity Preferred Stock") and (C) prior to any other class or series of preferred stock or other class or series of capital stock of or other equity interests in the Corporation, including, without limitation, all classes of the common stock of the Corporation, whether now or hereafter created. All of such classes or series of capital stock and other equity interests of the Corporation, including, without limitation, the Common Stock, the Class B Common Stock and the Class C Common Stock are collectively referred to herein as the "Junior Stock".

(3) Dividends. (A) Subject to the rights of series of Preferred Stock which may from time to time come into existence, holders of the then outstanding Series B Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, cumulative preferential cash dividends at the rate of $6.50 per annum per share. Such dividends shall accrue and be cumulative from the date of original issue and shall be payable in equal amounts quarterly in arrears on the last day of March, June, September and December or, if not a business day, the next succeeding business day (each, a "Distribution Payment Date"). The first dividend, which will be paid on September 30, 1998, will be for less than a full quarter. Such first dividend and any dividend distribution payable on Series B Preferred Stock for any partial distribution period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions will be payable to holders of record as they appear in the share records of the Corporation at the close of business on the applicable record date, which shall be on the first day of the calendar month in which the applicable Distribution Payment Date falls on or on such other date designated by the Board of Directors of the Corporation for the payment of distributions that is not more than 30 nor less than 10 days prior to such Distribution Payment Date (each, a "Distribution Record Date").

(B) Dividends on Series B Preferred Stock will accrue and be cumulative whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are earned, declared or authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on Series B Preferred Stock which may be in arrears. Dividends paid on the Series B Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a

per share basis among all such shares at the time outstanding.

(C) If, for any taxable year, the Corporation elects to designate as capital gain distributions (as defined in Section 857 of the Internal Revenue Code of 1986, as amended, or any successor revenue code or section (the "Code")) any portion (the "Capital Gains Amount") of the total distributions (as determined for federal income tax purposes) paid or made available for the year to holders of all classes of capital stock (the "Total Distributions"), then the portion of the Capital Gains Amount that shall be allocable to holders of Series B Preferred Stock shall be in the same percentage that the total distributions paid or made available to the holders of Series B Preferred Stock for the year bears to the Total Distributions.

(D) If any shares of Series B Preferred Stock are outstanding, then, except as provided in the following sentence, no distributions shall be declared or paid or set apart for payment on any shares of any other series of Preferred Stock of the Corporation ranking, as to distributions, on a parity with or junior to Series B Preferred Stock for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on shares of Series B Preferred Stock for all past distribution periods and the then current distribution period. When distributions are not paid in full (or a sum sufficient for such full payment is not set apart) upon the shares of Series B Preferred Stock and the shares of any other series of Preferred Stock ranking on parity as to distributions with shares of Series B Preferred Stock, all distributions declared upon shares of Series B Preferred Stock and any other series of Preferred Stock ranking on a parity as to distributions with Series B Preferred Stock shall be declared pro rata so that the amount of distributions declared per share on Series B Preferred Stock and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on Series B Preferred Stock and such other series of Preferred Stock bear to each other.

(E) Except as provided in subparagraph (3)(D) herein, unless full cumulative distributions on shares of Series B Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past distribution periods and the then current distribution period, no distributions (other than in shares of Common Stock or other Junior Stock) shall be declared or paid aside for payment or other distribution shall be declared or made upon the shares of Common Stock or any other capital stock of the Corporation ranking junior to or on a parity with Series B Preferred Stock as to distributions or upon liquidation, nor shall any shares of Common Stock or any other capital stock of the Corporation ranking junior to or on a parity with Series B Preferred Stock as to distributions or upon liquidation be

redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such capital stock) by the Corporation (except by conversion into or exchange for Junior Stock).

(F) Any distribution payment made on shares of Series B Preferred Stock shall first be credited against the earliest accrued but unpaid distribution due with respect to shares of Series B Preferred Stock which remain payable.

(G) No distributions on the Series B Preferred Stock shall be authorized by the Board of Directors of the Corporation or be paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder if such authorization or payment shall be restricted or prohibited by law.

(H) Except as provided in this paragraph (3) and in paragraph (5), the Series B Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

(4) Conversion. (A) General. On the terms and subject to the conditions of this paragraph (4), the holder of a share of Series B Preferred Stock shall have the right, at any time at such holder's option, to convert such shares of Series B Preferred Stock, unless previously redeemed, into that number of shares of Common Stock (calculated as to each conversion to the nearest 1/1000th of a share) obtained by dividing $100.00 by the Conversion Price (as defined in subparagraph (4)(D)) (shares of the Common Stock issuable upon the aforesaid conversion being called "Conversion Stock"). (Any such conversion date is hereinafter called a "Permissible Conversion Date"). The right of conversion of shares of Series B Preferred Stock called for redemption by the Corporation shall terminate immediately prior to the close of business on the redemption date with respect to such shares of Series B Preferred Stock.

(B) Conversion Procedures. In order to exercise the conversion privilege, the holder of any share of Series B Preferred Stock to be converted (i) at least fifteen business days prior to any Permissible Conversion Date (or five business days, if another holder of shares of Series B Preferred Stock shall have delivered a conversion notice with respect to such Permissible Conversion Date), shall deliver to the principal office of the Corporation a written notice (a) stating that such holder elects to convert all or a specified whole number of such shares pursuant to this paragraph (4) and (b) specifying the name or names in which such holder wishes the certificate or certificates for Conversion Stock to be issued and (ii) on or

prior to the applicable Permissible Conversion Date, shall surrender the certificate representing the shares of Series B Preferred Stock to be converted at the principal office of the Corporation. Unless the shares of Conversion Stock are to be issued in the same name as the name in which such shares of Series B Preferred Stock are registered, the certificate representing the shares surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder or its duly authorized attorney. As promptly as practicable after such surrender of a certificate for shares of Series B Preferred Stock, but in no event before the applicable Permissible Conversion Date or after the fifth business day following such Permissible Conversion Date, the Corporation shall issue and deliver at such office to such holder, or on such holder's written order, (i) a certificate or certificates for the applicable number of full shares of Common Stock determined to be issuable pursuant to subparagraph (4)(A) and (ii) if less than the full number of shares of Series B Preferred Stock evidenced by the surrendered certificate is being converted, a new certificate, of like tenor, for the number of shares of Series B Preferred Stock evidenced by such surrendered certificate less the number of shares being converted. No payment or adjustment shall be made on conversion for accumulated and unpaid dividends on shares of Series B Preferred Stock surrendered for conversion or for dividends on Conversion Stock. A "business day" is a day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized to be closed.

Each conversion shall be deemed to have been effected as of the close of business on the applicable Permissible Conversion Date, and the person or persons in whose name or names any certificate or certificates for Conversion Stock are issuable shall be deemed to have become the holder or holders of record of such Conversion Stock at such time on such Permissible Conversion Date and such conversion shall be at the Conversion Price (or current market price, as applicable) in effect at such time on such Permissible Conversion Date, unless the share transfer books of the Corporation are closed on such Permissible Conversion Date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next day on which such share transfer books are open, but such conversion shall be at the Conversion Price in effect on the applicable Permissible Conversion Date. Upon delivery, all Conversion Stock shall be duly authorized, validly issued, fully paid, nonassessable, free of all liens and charges and not subject to any preemptive or subscription rights.

In lieu of delivering physical certificates representing the securities issued upon conversion, providing the Corporation's Transfer Agent is participating on the Depositary Trust Company ("DTC") Fast Automated Securities Transfer program, upon the request of the holder of Series B Preferred Stock and its

compliance with the provisions contained in this paragraph, so long as the certificates therefor do not bear a legend and such holders of Series B Preferred Stock thereof is not obligated to return such certificate for a placement of a legend thereon, the Corporation shall use its reasonable best efforts to cause its Transfer Agent to electronically transmit the Common Stock issuable upon conversion to the holder of Series B Preferred Stock by crediting the account of the broker of such holder of Series B Preferred Stock with DTC through its Deposit Withdrawal Agent Commission System.

(C) Rounding of Fractional Conversion Stock. No fractional Conversion Stock or scrip representing fractions of Conversion Stock shall be issued upon conversion of shares of Series B Preferred Stock. If a fractional Conversion Share is otherwise deliverable to a converting holder upon a conversion of shares of Series B Preferred Stock (based upon the total number of shares of Series B Preferred Stock being converted by such holder), the Corporation shall in lieu thereof pay to the person entitled thereto an amount in cash equal to the current value of such fraction, calculated to the nearest 1/1000th of a share, to be computed based on the current market price of a share of Common Stock on the date of conversion.

(D) Conversion Price. "Conversion Price", shall mean $38.669, as adjusted pursuant to this subparagraph (4)(D). The Conversion Price (and the kind and amount of consideration receivable by holders of shares of Series B Preferred Stock upon conversion) shall be adjusted from time to time as follows:

(i) If the Corporation (A) pays a dividend or makes a distribution to all holders of Common Stock on the Common Stock in shares of Common Stock or (B) subdivides, combines or reclassifies its outstanding shares of Common Stock into a greater or smaller number of shares, the Conversion Price in effect immediately prior to such action shall be adjusted so that the holder of any shares of Series B Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that it would have owned or been entitled to receive immediately following such action had such stock been converted immediately prior to such action or the record date therefor, whichever is earlier. Such adjustment shall become effective immediately after the record date, in the case of a dividend or distribution, or immediately after the effective date, in the case of a subdivision, combination or reclassification.

(ii) In case the Corporation shall issue rights or warrants to all holders of Common Stock entitling them to subscribe for or purchase shares of Common Stock (or securities convertible into shares of Common Stock) at

a price per share of Common Stock (or having a conversion price per share of Common Stock) less than the current market price (as defined in subparagraph (4)(H)) of a share of Common Stock on the record date mentioned below, the Conversion Price in effect immediately prior thereto shall be adjusted so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to such issuance) plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered (or the aggregate conversion price of the convertible securities so offered) would purchase at such current market price per share of Common Stock and the denominator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to, such issuance) plus the total number of additional shares of Common Stock offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever any rights or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants; provided, however, that in the event that all shares of the Common Stock offered for subscription or purchase are not delivered (or securities convertible into shares of Common Stock are not delivered) upon the exercise of such rights or warrants, upon the expiration of such rights or warrants the Conversion Price shall be readjusted to the Conversion Price which would have been in effect had the numerator and the denominator of the foregoing fraction and the resulting adjustments made upon the issuance of such rights or warrants been made based upon the number of shares of Common Stock (or securities convertible into shares of Common Stock) actually delivered upon the exercise of such rights or warrants rather than upon the number of shares of Common Stock offered for subscription or purchase. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such current market price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Corporation for such rights or warrants, the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors (whose determination shall be described in a Board of Directors' resolution filed

with the Transfer Agent).

(iii) In case the Corporation shall, by dividend or otherwise, distribute to all holders of shares of Common Stock, evidences of indebtedness or other assets (excluding cash dividends or distributions paid in cash and dividends or distributions referred to in subparagraph (i) of this subparagraph 4(D)) or rights or warrants (excluding those referred to in subparagraph (ii) of this subparagraph 4(D)), in each such case the Conversion Price in effect thereafter shall be determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, of which the numerator shall be the difference between (I) the total number of shares of Common Stock outstanding multiplied by the current market price per share of Common Share on the record date mentioned below and (II) the aggregate fair market value determined by the Board of Directors (whose determination shall be described in a Board of Directors' resolution filed with the Transfer Agent) of such evidences of indebtedness or other assets so distributed or of such rights or warrants, and the denominator shall be the total number of shares of Common Stock outstanding multiplied by such current market price per share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution.

(iv)(a) If the Corporation effects any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving person and which does not result in any change in the Common Stock), any sale or conveyance to another person of all or substantially all the assets of the Corporation or any statutory exchange of securities with another person, then in any such event the holder of each share of Series B Preferred Stock thereafter outstanding shall have the right to convert such share into the kind and amount of consideration receivable pursuant to such transaction by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock might have been converted immediately prior to such transaction, assuming such holder of shares of Common Stock failed to exercise its rights of election, if any, as to the kind or amount of consideration receivable upon such transaction (provided that if the kind or amount of consideration receivable pursuant to such transaction is not the same for each share of Common Stock in respect of which such rights of election shall not have been exercised

("nonelecting share"), then, for purposes of this subparagraph (iv)(a) the kind and amount of consideration receivable pursuant to such transaction for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Thereafter, the holders of shares of Series B Preferred Stock shall be entitled to appropriate adjustments with respect to their conversion rights such that the provisions set forth in this paragraph 4 shall correspondingly be made applicable, as nearly as may reasonably be, to any consideration thereafter deliverable on conversion of shares of Series B Preferred Stock.

(b) As evidence of the kind and amount of consideration receivable pursuant to such consolidation, merger, statutory exchange, sale or conveyance, or as to the appropriate adjustments of the Conversion Price applicable with respect thereto, the Transfer Agent shall be furnished with and may accept the certificates or opinion of an independent public accountant of the type referred to in subparagraph (vi) of this subparagraph 4(D) with respect thereto; and, in the absence of bad faith on the part of the Transfer Agent, the Transfer Agent may conclusively rely thereon and shall not be responsible or accountable to any holder of shares of Series B Preferred Stock for any provision in conformity therewith or approved by such independent public accountant. The foregoing provisions of this subparagraph (iv) shall similarly apply to successive consolidations, mergers, statutory exchanges, sales or conveyances.

(v) No adjustment in the Conversion Price shall be required to be made unless it would require an increase or decrease of at least .25% in the Conversion Price, but any adjustments not made because of this subparagraph (v) shall be carried forward and taken into account in any subsequent adjustment otherwise required. All calculations under this subparagraph 4(D) shall be made to the nearest 1/10th of a cent or to the nearest 1/1000th of a share, as the case may be. All adjustments with respect to a transaction or event shall apply to subsequent such transactions and events. Anything in this subparagraph 4(D) to the contrary notwithstanding, the Board of Directors shall be entitled to make such an irrevocable reduction in the Conversion Price, in addition to the adjustments required by this subparagraph 4(D), as in their discretion they shall determine to be advisable in order to avoid or diminish any income deemed to be received for Federal income tax purposes by any holder of shares of Common Stock or shares of Series B

Preferred Stock resulting from any event or occurrence giving rise to an adjustment pursuant to this subparagraph 4(D) or from any similar event or occurrence, and evidence of the Board of Directors' determination of such adjustment shall be described in a Board of Directors' resolution filed with the Transfer Agent.

(vi) Whenever the Conversion Price is adjusted pursuant to this subparagraph 4(D), (a) the Corporation shall promptly file with the Transfer Agent a certificate of a firm of nationally recognized independent public accountants setting forth the Conversion Price (and any change in the kind or amount of consideration to be received by holders of shares of Series B Preferred Stock upon conversion) after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the manner of computing the same and (b) a notice stating that the Conversion Price has been adjusted, stating the effective date of such adjustment and enclosing such certificate shall forthwith be mailed by the Corporation to the holders of shares of Series B Preferred Stock at their addresses as shown on the share register books of the Corporation.

(vii) If as a result of any adjustment pursuant to this subparagraph 4(D), the holder of any shares of Series B Preferred Stock surrendered for conversion becomes entitled to receive any consideration other than shares of Common Stock, (a) the Conversion Price with respect to such other consideration shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to shares of Common Stock contained in this subparagraph (4)(D) and (b) in the case such consideration shall consist of shares of Common Stock and some other kind of consideration or of two or more kinds of consideration, the Board of Directors shall determine in good faith the fair allocation of the adjusted Conversion Price between or among such types of consideration, and evidence of such determination shall be described in a Board of Directors, resolution filed with the Transfer Agent.

(E) The Corporation shall at all times reserve and keep available, free from preemptive and subscription rights, out of its authorized but unissued shares of Common Stock, for the purpose of effecting conversions of shares of Series B Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series B Preferred Stock not theretofore converted. For this purpose, the number of shares of Common Stock deliverable upon the conversion of all

outstanding shares of Series B Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder. The Corporation will not effect any transaction which would give rise to an adjustment in the Conversion Price unless immediately following such transaction the Corporation shall have available, free from preemptive and subscription rights, out of its authorized but unissued shares of Common Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series B Preferred Stock not theretofore converted.

(F) The Corporation shall pay all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of securities on conversion of the shares of Series B Preferred Stock; provided, however, that (i) the Corporation shall not be required to pay any tax to the extent payable in respect of any transfer involved in the issue or delivery of securities in a name other than that of the holder of shares of the Series B Preferred Stock to be converted and (ii) no such issue or delivery shall be made unless and until such holder has paid to the Corporation the amount of any tax described in clause (i) payable in respect of the shares of stock of such holder or has established, to the satisfaction of the Corporation, that such tax has been paid or provided for.

(G) By acceptance of any shares of Series B Preferred Stock, the holder thereof agrees that upon conversion of any shares of Series B Preferred Stock, the holder will have a beneficial interest in shares of Common Stock, par value $.0001 per share ("SRC Shares"), of SPG Realty Consultants, Inc., a Delaware corporation ("SRC"), which relate to such Conversion Stock and which are held in the SRC Trust (as defined below), and that the holder of Series B Preferred Stock shall thereafter be subject to, bound by and entitled to the benefits of all the terms and provisions of the SRC Trust Agreement (as defined below within the definition of the "SRC Trust"). The "SRC Trust" means that certain trust created by that certain Trust Agreement (the "SRC Trust Agreement"), dated as of October 30, 1979, among certain stockholders of the Corporation at that date, SRC (as successor to Corporate Realty Consultants, Inc., a Delaware corporation) and the Trustee of such trust, under which all the holders of shares of Common Stock have beneficial interests in the SRC Shares deposited in such trust.

(H) The "current market price" of a security on any date shall mean the average Closing Price (as defined below) of such security for the twenty consecutive Trading Days (as defined below) ending on the Trading Day immediately preceding the day in question; the "Closing Price" shall mean the last sale price for a such security as shown on the New York Stock Exchange Composite Transactions Tape, or if no such sale has taken place on such day, then the average of the closing bid and ask prices for such security on the New York Stock Exchange, or if such security is not listed or admitted to trading on the New York Stock Exchange, then on the principal national securities exchange on which such security is listed or admitted to trading, or, if such security is not listed or admitted to trading on any national securities exchange, then on the Nasdaq National Market, or, if such security is

not listed or admitted to trading on the New York Stock Exchange, then on the principal national securities exchange on which such security is listed or admitted to trading, or, if such security is not listed or admitted to trading on any national securities exchange, then on the Nasdaq National Market, or, if such security is not quoted on the Nasdaq National Market, then the average of the closing bid and ask prices as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors of the Corporation for such purposes; and "Trading Day" shall mean a day on which the New York Stock Exchange or, if such security is not listed or admitted to trading thereon, the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business or, if the Common Stock is not so listed or admitted, then any day that is not a Saturday, Sunday or other day on which depositary institutions in the City of New York are authorized or obligated by law to close.

(5) Liquidation, Dissolution or Winding Up. (A) Subject to the rights of series of Preferred Stock which may from time to time come into existence, upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, then, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of shares of Series B Preferred Stock shall be entitled to receive out of assets of the Corporation legally available for distribution to stockholders, liquidation distributions in the amount of the liquidation preference of $100.00 per share in cash or property having a fair market value as determined by the Board of Directors valued at $100.00 per share, plus an amount equal to all distributions accrued and unpaid at the date of such liquidation, dissolution or winding up. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of shares of Series B Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the available assets of the Corporation are insufficient to pay the amount of the liquidation distributions on all outstanding shares of Series B Preferred Stock and the corresponding amounts payable on all shares of Parity Preferred Stock, then the holders of shares of Series B Preferred Stock and Parity Preferred Stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(B) A consolidation or merger of the Corporation with or into any other entity or entities, or a sale, lease, transfer, conveyance or disposition of all or substantially all of the assets of the Corporation or a statutory share exchange in which stockholders of the Corporation may participate, shall not be deemed to be a liquidation, dissolution or winding up of the

affairs of the Corporation within the meaning of this paragraph (5).

(6) Redemption. (A) Shares of Series B Preferred Stock are not redeemable prior to [the fifth anniversary of the Closing Date]. On and after [the fifth anniversary of the Closing Date], the Corporation at its option upon not less than 30 nor more than 60 days' written notice, may redeem outstanding shares of Series B Preferred Stock, in whole or in part, at any time or from time to time, for cash at the following redemption prices (expressed as a percentage of liquidation value) after [the anniversary of the Closing Date] in the following years:

Year	Percentage
2003	105
2004	104
2005	103
2006	102
2007	101
2008 and thereafter	100

plus an amount equal to all distributions accrued and unpaid thereon to the date fixed for redemption, without interest to the extent the Corporation will have funds legally available therefor. The redemption price of shares of Series B Preferred Stock (other than the portion hereof consisting of accrued and unpaid distributions) is payable solely out of proceeds from the sale of other capital stock of the Corporation, which may include Common Stock, Preferred Stock, depository shares, interests, participations or other ownership interests in the Corporation however designated, and any rights (other than debt securities converted into or exchangeable for capital stock), warrants or options to purchase any thereof, and not from any other source. Holders of shares of Series B Preferred Stock to be redeemed shall surrender such shares of Series B Preferred Stock at the place designated in such notice and shall be entitled to the redemption price and any accrued and unpaid distributions payable upon such redemption following such surrender. If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the number of shares to be redeemed will be determined by the Corporation and such shares may be redeemed pro rata from the holder of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares or by lot in a manner determined by the Corporation).

(B) Unless cumulative distributions on all shares of Series B Preferred Stock and Parity Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof for payment for all past distribution periods and the current distribution period, no shares of Series B Preferred Stock or Parity Stock shall be redeemed unless all outstanding shares of Series B Preferred Stock and Parity Preferred Stock are simultaneously redeemed; the

foregoing shall not prevent the purchase or acquisition of shares of Series B Preferred Stock or Parity Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series B Preferred Stock or Parity Preferred Stock, as the case may be. Furthermore, unless full cumulative distributions on all outstanding shares of Series B Preferred Stock and Parity Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past distribution periods and the then current distribution period, the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock or Parity Preferred Stock (except by conversion into or exchange for shares of capital stock of the Corporation ranking junior to Series B Preferred Stock and Parity Preferred Stock as to distributions and upon liquidation).

(C) Notice of redemption will be given by publication in a newspaper of general circulation in the City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 nor more than 60 days prior to the redemption date. A similar notice will be mailed, postage prepaid, at least 30 days but not more than 90 days before the redemption date, to each holder of record of shares of Series B Preferred Stock at the address shown on the share transfer books of the Corporation. Each notice shall state: (i) the redemption date; (ii) the number of shares of Series B Preferred Stock to be redeemed; (iii) the redemption price per share; (iv) the place or places where certificates for shares of Series B Preferred Stock are to be surrendered for payment of the redemption price; and (v) that distributions on shares of Series B Preferred Stock will cease to accrue on such redemption date. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceeding for the redemption of any Series B Preferred Stock except as to the holder to whom notice was defective or not given. If fewer than all shares of Series B Preferred Stock are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of shares of Series B Preferred Stock to be redeemed from each such holder. If notice of redemption of any shares of Series B Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Corporation in trust for the benefit of the holders of shares of Series B Preferred Stock so called for redemption, then from and after the redemption date, distributions will cease to accrue on such shares of Series B Preferred Stock, such shares of Series B Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

(D) The holders of shares of Series B Preferred Stock at the close of business on a Distribution Record Date will be entitled to receive the distribution payable with respect to such

shares of Series B Preferred Stock on the corresponding Distribution Payment Date notwithstanding the redemption thereof between such Distribution Record Date and the corresponding Distribution Payment Date or the Corporation's default in the payment of the distribution due. Except as provided above, the Corporation will make no payment or allowance for unpaid distributions, whether or not in arrears, on shares of Series B Preferred Stock which have been called for redemption.

(E) Series B Preferred Stock have no stated maturity and will not be subject to any sinking fund or mandatory redemption, except as provided in Article NINTH of the Charter of the Corporation.

(7) Voting. (A) Except as indicated in this paragraph (7), except as may be required by applicable law, or, at any time Series B Preferred Stock are listed on a securities exchange, as may be required by the rules of such exchange, the holders of shares of Series B Preferred Stock will have no voting rights.

(B) If six quarterly distributions (whether or not consecutive) payable on shares of Series B Preferred Stock are in arrears, whether or not earned or declared, the number of directors then constituting the Board of Directors of the Corporation will be increased by two (except as provided in the proviso to paragraph (c) to Article FOURTH of the Charter), and the holders of shares of Series B Preferred Stock, voting together as a class with the holders of shares of any other series of Preferred Stock upon which like voting rights have been conferred and are exercisable (any such other series, the "Nonvoting Preferred Stock"), will have the right to elect two directors to serve on the Corporation's Board of Directors at any annual meeting of stockholders or a special meeting of the holders of Series B Preferred Stock and such other voting Preferred Stock called by the holders of record of at least 10% of any series of Preferred Stock so in arrears (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders), until all such distributions have been declared and paid or set aside for payment. The term of office of all directors so elected will terminate with the termination of such voting rights.

(C) The approval of two-thirds of the outstanding Series B Preferred Stock voting as a single class is required in order to (i) amend, alter or repeal any provision of the Charter, so as to materially and adversely affect the rights, preferences, privileges or voting power of the Series B Preferred Stock; or (ii) authorize, reclassify, create or increase the authorized or issued amount of any class or series of stock having rights senior to Series B Preferred Stock with respect to the payment of distributions or amounts upon liquidation, dissolution or winding up of the affairs of the Corporation or to create, authorize or issue any obligation or security convertible into or evidencing

the right to purchase such shares. However, the Corporation may create additional classes of Parity Preferred Stock and Junior Stock, increase the authorized number of shares of Parity Preferred Stock and Junior Stock and issue additional series of Parity Preferred Stock and Junior Stock without the consent of any holder of Series B Preferred Stock or Voting Preferred Stock.

(D) Except as provided above, as may be required by law or as required by the rules of any securities exchange on which the Series B Preferred Stock are listed, the holders of Series B Preferred Stock are not entitled to vote on any merger or consolidation involving the Corporation, on any share exchange or on a sale of all or substantially all of the assets of the Corporation.

(E) In any matter in which the Series B Preferred Stock are entitled to vote (as provided in this paragraph (7)), as may be required by law or as required by the rules of any securities exchange on which the Series B Preferred Stock are listed, including any action by written consent, each share of Series B Preferred Stock shall be entitled to one vote.

(8) Excess Stock. Each share of Series B Preferred Stock is convertible into Series B Excess Preferred Stock as provided in Article NINTH of the Charter of the Corporation.

Exhibit C
to Restated Certificate of
Incorporation of Simon
Property Group, Inc.

SIMON PROPERTY GROUP, INC.

Form of 6.50% Series A Excess Preferred Stock

The authorized number of shares of the series of Preferred Stock created by this Exhibit and the voting powers, preferences and relative, participating optional or other special rights and qualifications, and the limitations or restrictions thereof, of such series shall be as set forth in this Exhibit herein.

For purposes of this Exhibit, capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Simon Property Group, Inc. Restated Certificate of Incorporation (the "Charter"). In addition, for purposes of this Exhibit:

"Corporation" shall mean Simon Property Group, Inc., a Delaware corporation, and, with reference to periods prior to the reorganization of the Corporation as a Delaware corporation; the Trust (as defined below); and

"Trust" shall mean Corporate Property Investors, a Massachusetts business trust and the predecessor to the Corporation.

Each share of 6.50% Series A Convertible Preferred Stock, par value $0.0001 per share, of the Corporation ("Series A Preferred Stock"), is convertible into 6.50% Series A Excess Preferred Stock (the "Series A Excess Preferred Stock") of the Corporation as provided in Article NINTH of the Charter of the Corporation. Subject in all cases to the provisions of Article NINTH of the Charter of the Corporation with respect to Excess Stock, the following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Series A Excess Preferred Stock:

SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Exhibit shall be "6.50% Series A Excess Preferred Stock". The authorized number of shares of Series A Excess Preferred Stock shall be 209,249, with par value $.0001 per share.

SECTION 2. Dividends. (a) The holders of shares of Series A Excess Preferred Stock, in preference to the holders of Common Stock, par value $.0001 per share, of the Corporation (the

"Common Stock"), any other series of Preferred Stock ranking junior to the Series A Excess Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up ("Junior Preferred Stock") or any other class or series of stock of the Corporation ranking junior to the Series A Excess Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up ("Other Junior Stock"), shall be entitled to receive, when, as and if declared by the Board of Directors, in their sole discretion, out of assets of the Corporation legally available for payment of dividends, an annual cash dividend of the Per Share Dividend Amount (as defined below), payable in equal semiannual installments on March 31 and September 30, commencing on March 31, 1998 (each such date, a "Semiannual Payment Date"); provided that if any Semiannual Payment Date is not a business day, then such semiannual installment shall be payable on the next business day. A "business day" is a day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized to be closed. The "Per Share Dividend Amount" shall be equal to the product of (x) the Liquidation Preference (as defined below) and (y) the Basic Rate (as defined below) and (z) the sum of 1.00 and a fraction, the numerator of which shall be the Basic Rate and the denominator of which shall be 8.00. The "Basic Rate" shall be .065. Dividends shall be payable to holders of record as they appear on the stock register of the Corporation (or, with respect to the first dividend payable hereon, if applicable, the Trust) on such record dates, not more than 30 calendar days nor less than five calendar days preceding the payment dates thereof, as shall be fixed by the Board of Directors. A dividend shall not be payable, but shall accumulate (even if undeclared), to the extent that it would exceed the Corporation's cash flow from operations, as determined in good faith by the Board of Directors, for the six-month period ending immediately before the Semiannual Payment Date.

(b) Dividends on shares of Series A Excess Preferred Stock shall be cumulative (even if undeclared). Such dividends on shares of Series A Excess Preferred Stock shall accumulate from the first date of issuance of any such shares. Dividends on shares of Series A Excess Preferred Stock shall cease to accumulate on such shares on the date of their earlier conversion or redemption.

(c) When holders of shares of Series A Excess Preferred Stock are entitled to receive dividends pursuant to the first sentence of this Section and such dividends and dividends on any other series of Preferred Stock ranking on a parity both as to dividends and upon liquidation, dissolution or winding-up with the Series A Excess Preferred Stock (the Series A Excess Preferred Stock and such other Preferred Stock being called "Parity Preferred Stock") are not paid in full, all dividends declared on Parity Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on shares of Series A Excess Preferred Stock and on such other Parity Preferred Stock bear to each other the same ratio that unpaid

dividends per share on shares of Series A Excess Preferred Stock and such other Parity Preferred Stock bear to each other. Except as set forth in the preceding sentence with respect to Parity Preferred Stock, unless the full amount of cumulative dividends on shares of Series A Excess Preferred Stock have been paid, no dividends may be paid or declared and set aside for payment or other distribution ordered or made on the Common Stock or on any other series of Preferred Stock or other class or series of stock of the Corporation ranking junior to or on a parity with the Series A Excess Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up, nor may any Common Stock or any other series of Preferred Stock or other class or series of stock of the Corporation ranking junior to or on a parity with the Series A Excess Preferred Stock either as to dividends or upon liquidation, dissolution or winding-up be redeemed, repurchased or otherwise acquired for any consideration (or any payment made to or available for a sinking fund or defeasance Corporation for any such redemption, repurchase or acquisition) by the Corporation or any subsidiary thereof.

SECTION 3. Liquidation. The Series A Excess Preferred Stock shall rank prior to the Common Stock, Junior Preferred Stock and any Other Junior Stock, so that in the event of any liquidation, dissolution or winding-up of the Corporation (a "Liquidation Transaction"), whether voluntary or involuntary, the holders of shares of Series A Excess Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any distribution is made to holders of Common Stock, Junior Preferred Stock or Other Junior Stock, an amount equal to $1,000.00 per share (the "Liquidation Preference" of a share of Series A Excess Preferred Stock) plus an amount equal to the full amount of accumulated and unpaid dividends thereon on the date of final distribution, prorating the dividend accumulated during the period commencing on the Semiannual Payment Date immediately preceding the date of final distribution and ending on such final distribution date (calculated on the basis of a 360-day year of twelve 30-day months). If, upon any Liquidation Transaction, the assets of the Corporation, or proceeds thereof, distributable among the holders of Parity Preferred Stock shall be insufficient to permit the payment in full to such holders of the amounts payable to such holders upon a Liquidation Transaction pursuant to the provisions of the Restated Certificate of Incorporation of the Corporation, then such assets or proceeds shall be distributed among such holders ratably in proportion to the amounts that would be payable on such shares if all amounts payable thereon were paid in full. After payment in full of the Liquidation Preference and accumulated and unpaid dividends to which they are entitled, the holders of shares of Series A Excess Preferred Stock shall not be entitled to any further participation in any distribution of the assets of the Corporation. For purposes hereof, neither the voluntary sale, conveyance, exchange or transfer (for cash, shares, securities or other consideration) of all or

substantially all the property or assets of the Corporation nor a consolidation or merger of the Corporation with one or more other persons shall be deemed to be a Liquidation Transaction, voluntary or involuntary.

The holder of any share of Series A Excess Preferred Stock shall not be entitled to receive any payment owed for such shares of Series A Excess Preferred Stock under this Section 3 until such holder shall (a) cause to be delivered to the Corporation the certificate(s) representing such shares of Series A Excess Preferred Stock and (b) transfer instrument(s) satisfactory to the Corporation and sufficient to transfer such shares of Series A Excess Preferred Stock to the Corporation free of any adverse interest. As in the case of the Redemption Price referred to in Section 5, no interest shall accrue on any payment upon liquidation after the date thereof.

SECTION 4. Status of Redeemed Series A Excess Preferred Stock. Upon any redemption, repurchase or other acquisition by the Corporation of shares of Series A Excess Preferred Stock, the shares of Series A Excess Preferred Stock so redeemed, repurchased or acquired shall be retired and canceled.

SECTION 5. Redemption at the Option of the Corporation. (a) The Board of Directors shall have the power to restrict transfers of shares of Series A Excess Preferred Stock and/or to call for redemption a sufficient number of shares of Series A Excess Preferred Stock, selected in a manner deemed appropriate in the opinion of the Board of Directors, to maintain or bring the direct or indirect ownership of the capital stock of the Corporation into conformity with the requirements of Section 856(a)(6) of the Internal Revenue Code of 1986, as amended, at the greater of (i) a price (the "Redemption Price") equal to the Liquidation Preference of the redeemed shares of Series A Excess Preferred Stock, plus an amount equal to the full amount of accumulated and unpaid dividends thereon at the Redemption Date (as hereinafter defined), prorating the dividend accumulated during the period commencing on the Semiannual Payment Date immediately preceding the date of the payment of the Redemption Price and ending on such payment date (calculated on the basis of a 360-day year of twelve 30-day months) and (ii) the current market price (as defined in Section 5(c)) of the Common Stock into which shares of such redeemed Series A Excess Preferred Stock could have been converted if a right to convert existed at such time. In making such selection, the Board of Directors shall take due regard of all feasible selection methods and shall only select shares of Series A Excess Preferred Stock if, in their considered, good faith judgment, such selection shall be an equitable way of maintaining or bringing ownership of the capital stock of the Corporation into conformity with Section 856(a)(6) of the Internal Revenue Code of 1986, as amended, given the burdens on the holders of the shares of redeemed Series A Excess Preferred Stock of the various selection methods and the consequences (including withholding tax and other tax

consequences) to the Corporation and its remaining shareholders associated with such methods, such judgment to be made without reference to the liquidation preference, conversion rights or dividend rate of the shares of Series A Excess Preferred Stock unless such preference, conversion rights or rate shall be directly relevant to the conformity of the ownership of the capital stock of the Corporation with said Section 856(a)(6).

(b) The Corporation shall give the holders of shares of Series A Excess Preferred Stock prior written notice of a redemption pursuant to this Section 5 (a "Redemption") not more than 60 nor less than 30 calendar days prior to the date fixed for redemption (the "Redemption Date") at the address of such holders on the books of the Corporation (provided that failure to give such notice or any defect therein shall not affect the validity of the proceeding for a Redemption except as to the holder to whom the Corporation has failed to give such notice or whose notice was defective), and shall set apart the funds necessary to pay the aggregate Redemption Price on all shares of Series A Excess Preferred Stock then called for redemption. Provided that such funds have been so set apart, from and after the close of business on the Redemption Date the shares of Series A Excess Preferred Stock shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith cease and terminate, except the right of the holders thereof to receive the Redemption Price (without interest) upon surrender of the certificates evidencing their shares of Series A Excess Preferred Stock. In case fewer than all of the shares of Series A Excess Preferred Stock represented by any such surrendered certificate are called for redemption, a new certificate shall be issued at the expense of the Corporation representing the unredeemed shares.

(c) The "current market price" per share of share of Common Stock on any day shall be the average of the closing per share sales prices of the Common Stock during the last twenty trading days as reported on the Composite Tape of the New York Stock Exchange, Inc. (the "NYSE") or, if shares of Common Stock are not then listed on the NYSE, on the principal United States securities exchange registered under the Securities Exchange Act of 1934, as amended, on which shares of Common Stock are then listed or, if shares of Common Stock are not then listed on any such stock exchange, the average of the average closing bid and ask quotations with respect to a share of Common Stock during the last twenty trading days on the NASDAQ Stock Market or any successor system then in use or, if no such quotations are then available, the average of the bid and asked prices with respect to a share of Common Stock for such trading days, as furnished by a member of the NYSE regularly making a market in the Common Stock selected by the Board of Directors of the Corporation, or, if no such member firm is then making a market in the Common Stock, the fair market value on such date of a share of Common Stock as determined in good faith by a majority of the members of

the Board of Directors of the Corporation after consultation with an independent financial advisor of recognized national standing.

SECTION 6. Voting. (a) In addition to any rights provided by law, each holder of shares of Series A Excess Preferred Stock shall be entitled to such number of votes per share held as shall equal the number (rounded to the nearest whole vote) obtained by dividing $1,000.00 by the lesser of (x) the Conversion Price and (y) the Alternative Conversion Price. Except as provided in paragraph (b) below, the holders of shares of Series A Excess Preferred Stock shall be entitled to vote on all matters as to which holders of shares of Common Stock shall be entitled to vote, in the same manner and with the same effect as such holders of shares of Common Stock, voting together with the holders of shares of Common Stock as one class.

(b) The Corporation shall not, without the affirmative consent or approval of the holders of at least two-thirds of the shares of Series A Excess Preferred Stock then outstanding, voting separately as a class, given by written consent in lieu of a meeting or by vote at a meeting called for such purpose for which notice shall have been given to the holders of shares of Series A Excess Preferred Stock, (i) authorize any class of stock ranking prior to the Series A Excess Preferred Stock with respect to the payment of dividends or distribution of assets upon dissolution, liquidation or winding-up; (ii) amend, alter or repeal any of the provisions of the Restated Certificate of Incorporation of the Corporation so as to affect adversely the powers, preferences or rights of the holders of shares of Series A Excess Preferred Stock then outstanding or reduce the minimum time required for any notice to which only the holders of shares of Series A Excess Preferred Stock then outstanding may be entitled (an amendment of the Restated Certificate of Incorporation of the Corporation to authorize or create, or to increase the authorized amount of, any shares of any class ranking junior or on a parity with shares of Series A Excess Preferred Stock shall be deemed not to affect adversely the powers, preferences or rights of the holders of shares of Series A Excess Preferred Stock); (iii) authorize or create, or increase the authorized amount of, any shares, or any security convertible into stock, of any class ranking prior to the Series A Excess Preferred Stock with respect to the payment of dividends or distribution of assets upon dissolution, liquidation or winding-up; (iv) merge or consolidate with or into any other person, unless each holder of shares of Series A Excess Preferred Stock immediately preceding such merger or consolidation shall receive or continue to hold in the resulting person the same number of shares, with substantially the same rights and preferences, as correspond to shares of Series A Excess Preferred Stock so held; (v) increase the number of authorized shares of Series A Excess Preferred Stock above 209,249; (vi) amend, alter or modify any of the provisions of this Exhibit; or (vii) otherwise alter or change the powers, preferences, or rights, or qualifications,

limitations or restrictions of the shares of Series A Excess Preferred Stock so as to affect them adversely.

SECTION 7. Notice of Certain Events. (a) In case at any time the Corporation shall propose

(i) to pay any dividend payable in shares of Common Stock upon its shares of Common Stock, or to make any distribution (other than a dividend or distribution of cash from Cash Flow) to the holders of shares of Common Stock;

(ii) to make any dividend or distribution of cash to the holders of shares of Common Stock from Cash Flow but to retain a portion of such Cash Flow in the Corporation;

(iii) to offer for subscription pro rata to the holders of shares of Common Stock any additional shares of beneficial interest of any class or any other rights or warrants;

(iv) to consolidate or merge with or into another person; or

(v) to effect any reorganization, reclassification, liquidation, dissolution or winding-up of the Corporation;

and the effect of such proposed action would be to cause there to be made an adjustment in the Conversion Price of the Series A Convertible Preferred Stock pursuant to the Charter, then, and in any one or more of such cases, the Corporation shall cause at least ten calendar days' notice thereof to be filed with the Transfer Agent and to be given to each holder of shares of Series A Excess Preferred Stock as of the date on which (x) the books of the Corporation shall close, or a record be taken, for such dividend or distribution on shares of Common Stock, dividend or distribution or offering of rights or warrants or (y) such consolidation, merger, reorganization, reclassification, liquidation, dissolution or winding-up shall be effective, as the case may be.

(b) In case the Board of Directors shall approve the sale or other transfer of all or substantially all the interest of the Corporation or any affiliate of the Corporation in any of the Specified Assets (as defined below) to any person that is not an affiliate of the Corporation, then the Corporation shall cause notice of such approval to be filed with the Transfer Agent and given to each holder of shares of Series A Excess Preferred Stock as of the date of the giving of such approval within five business days of the date of the giving of such approval. The term "Specified Assets" shall mean the properties commonly known as Roosevelt Field Shopping Center (Nassau County, New York), Lenox Square Mall (Atlanta, Georgia), Town Center at Boca Raton

(Palm Beach County, Florida), Brea Mall (Brea, California) and Rockaway Townsquare Mall (Rockaway, New Jersey).

(c) The failure to give or receive the notice required by this Section 7 or any defect therein shall not affect the legality or validity of any such dividend, distribution, issuance of any right or warrant or other action.

SECTION 8. Designation of Capital Gain Dividends. So long as 10,000 or more shares of Series A Excess Preferred Stock are held of record by one or more of (i) Stichting Pensioenfonds voor de Gezondheid Geestelijke en Maatschappelijke belangen ("PGGM"), (ii) any affiliate of PGGM that identifies itself to the Transfer Agent and the Corporation as such an affiliate and (iii) any other foreign individual or entity with a record address outside the United States of America: the Corporation shall not designate any dividends paid on shares of the Series A Excess Preferred Stock (or dividends deemed paid pursuant to Section 305 of the Code) as capital gain dividends for U.S. tax purposes, and all distributions on the Common Stock of the Corporation in excess of the Corporation's real estate investment trust taxable income (excluding net capital gains) for any taxable year shall be designated as capital gains dividends to the extent of the Corporation's recognized capital gains for such taxable year.

SECTION 9. Definitions and Construction. As used in this resolution: (a) "herein", "hereof", "hereunder" and other like words mean or refer to this resolution in its entirety; (b) "outstanding", when used with reference to shares of stock, means issued shares of stock, excluding shares of stock held by the Corporation or a subsidiary thereof; (c) "person" means any corporation, partnership, trust, organization, association or other entity or individual; (d) "affiliate" of any person means any other person controlling, controlled by or under common control with such person; (e) "capital stock of the Corporation" shall mean shares of the capital stock of the Corporation as described in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (f) "Common Stock" shall mean the stock described as Common Stock in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (g) "Preferred Stock" shall mean the stock described as Preferred Stock in Article FOURTH of the Restated Certificate of Incorporation of the Corporation; (h) "Transfer Agent" shall First Chicago Trust Company of New York or such other successor transfer agent(s) appointed by the Board of Directors in accordance with Section 6.02 of the Restated By-Laws of the Corporation; (i) headings are for convenience of reference only and shall not define, limit or affect any of the provisions hereof; and (j) references to Sections are to Sections of this Exhibit, unless otherwise expressly provided.

In addition, whenever reference is made herein to cash flow from operations of the Corporation, as determined in good

faith by the Board of Directors, such determination shall be made on a basis substantially consistent with that employed by the Corporation in computing Funds From Operations as reported in the Corporation's filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, and the Securities and Exchange Act of 1934, as amended.

Exhibit D to the Simon Property Group, Inc.
Restated Certificate of Incorporation

FORM OF

SIMON PROPERTY GROUP, INC.

SERIES B EXCESS PREFERRED STOCK

The authorized number of shares of the series of Preferred Stock created herein and the voting powers, preferences and relative, participating optional or other special rights and qualifications, and the limitations or restrictions thereof, of such series shall be as set forth herein.

For purposes of this exhibit, capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Simon Property Group, Inc. Restated Certificate of Incorporation (the "Charter").

Each share of Series B Convertible Preferred Stock, par value $0.0001 per share, of the Corporation ("Series B Preferred Stock"), is convertible into Series B Excess Preferred Stock (the "Series B Excess Preferred Stock") of the Corporation as provided in Article NINTH of the Charter of the Corporation. Subject in all cases to the provisions of Article NINTH of the Charter of the Corporation with respect to Excess Stock, the following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Series B Excess Preferred Stock:

(1) Designation and Amount. The designation of the series of Preferred Stock of the Corporation created herein shall be "Series B Excess Preferred Stock." The authorized number of shares of Series B Excess Preferred Stock shall be 5,000,000, with par value $0.0001 per share.

All shares of Series B Excess Preferred Stock redeemed, purchased, exchanged, unissued or otherwise acquired by the Corporation shall be retired and canceled and, upon the taking of any action required by applicable law, shall be restored to the status of authorized but unissued shares of capital stock and may thereafter be issued, but not as Series B Excess Preferred Stock.

(2) Ranking. The Series B Excess Preferred Stock shall, with respect to dividend rights, rights upon liquidation, winding up, dissolution, and redemption rights, rank (A) junior to any other class or series of Preferred Stock hereafter duly established by the Board of Directors of the Corporation, the

terms of which shall specifically provide that such series shall rank prior to the Series B Excess Preferred Stock as to the payment of dividends, distribution of assets upon liquidation and redemption rights (the "Senior Preferred Stock"), (B) pari passu with the Series A Convertible Preferred Stock of the Corporation, par value $0.0001 per share, the Series A Convertible Preferred Excess Stock of the Corporation, par value $0.0001 per share, the Series B Preferred Stock and any other class or series of Preferred Stock hereafter duly established by the Board of Directors of the Corporation, the terms of which shall specifically provide that such class or series shall rank pari passu with the Series B Excess Preferred Stock as to the payment of dividends, distribution of assets upon liquidation and redemption rights (the "Parity Preferred Stock") and (C) prior to any other class or series of preferred stock or other class or series of capital stock of or other equity interests in the Corporation, including, without limitation, all classes of the common stock of the Corporation, whether now or hereafter created. All of such classes or series of capital stock and other equity interests of the Corporation, including, without limitation, the Common Stock, the Class B Common Stock and the Class C Common Stock are collectively referred to herein as the "Junior Stock".

(3) Dividends. (A) Subject to the rights of series of Preferred Stock which may from time to time come into existence, holders of the then outstanding Series B Excess Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, cumulative preferential cash dividends at the rate of $6.50 per annum per share. Such dividends shall accrue and be cumulative from the date of original issue and shall be payable in equal amounts quarterly in arrears on the last day of March, June, September and December or, if not a business day, the next succeeding business day (each, a "Distribution Payment Date"). The first dividend, which will be paid on September 30, 1998, will be for less than a full quarter. Such first dividend and any dividend distribution payable on Series B Excess Preferred Stock for any partial distribution period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions will be payable to holders of record as they appear in the share records of the Corporation at the close of business on the applicable record date, which shall be on the first day of the calendar month in which the applicable Distribution Payment Date falls on or on such other date designated by the Board of Directors of the Corporation for the payment of distributions that is not more than 30 nor less than 10 days prior to such Distribution Payment Date (each, a "Distribution Record Date").

(B) Dividends on Series B Excess Preferred Stock will accrue and be cumulative whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are earned, declared or authorized. No interest,

or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on Series B Excess Preferred Stock which may be in arrears. Dividends paid on the Series B Excess Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a per share basis among all such shares at the time outstanding.

(C) If, for any taxable year, the Corporation elects to designate as capital gain distributions (as defined in Section 857 of the Internal Revenue Code of 1986, as amended, or any successor revenue code or section (the "Code")) any portion (the "Capital Gains Amount") of the total distributions (as determined for federal income tax purposes) paid or made available for the year to holders of all classes of capital stock (the "Total Distributions"), then the portion of the Capital Gains Amount that shall be allocable to holders of Series B Excess Preferred Stock shall be in the same percentage that the total distributions paid or made available to the holders of Series B Excess Preferred Stock for the year bears to the Total Distributions.

(D) If any shares of Series B Excess Preferred Stock are outstanding, then, except as provided in the following sentence, no distributions shall be declared or paid or set apart for payment on any shares of any other series of Preferred Stock of the Corporation ranking, as to distributions, on a parity with or junior to Series B Excess Preferred Stock for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on shares of Series B Excess Preferred Stock for all past distribution periods and the then current distribution period. When distributions are not paid in full (or a sum sufficient for such full payment is not set apart) upon the shares of Series B Excess Preferred Stock and the shares of any other series of Preferred Stock ranking on parity as to distributions with shares of Series B Excess Preferred Stock, all distributions declared upon shares of Series B Excess Preferred Stock and any other series of Preferred Stock ranking on a parity as to distributions with Series B Excess Preferred Stock shall be declared pro rata so that the amount of distributions declared per share on Series B Excess Preferred Stock and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on Series B Excess Preferred Stock and such other series of Preferred Stock bear to each other.

(E) Except as provided in subparagraph (3)(D) herein, unless full cumulative distributions on shares of Series B Excess Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past distribution periods and the then current distribution period, no distributions (other than in shares of Common Stock or other Junior Stock) shall be declared

or paid aside for payment or other distribution shall be declared or made upon the shares of Common Stock or any other capital stock of the Corporation ranking junior to or on a parity with Series B Excess Preferred Stock as to distributions or upon liquidation, nor shall any shares of Common Stock or any other capital stock of the Corporation ranking junior to or on a parity with Series B Excess Preferred Stock as to distributions or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such capital stock) by the Corporation (except by conversion into or exchange for Junior Stock).

(F) Any distribution payment made on shares of Series B Excess Preferred Stock shall first be credited against the earliest accrued but unpaid distribution due with respect to shares of Series B Excess Preferred Stock which remain payable.

(G) No distributions on the Series B Excess Preferred Stock shall be authorized by the Board of Directors of the Corporation or be paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder if such authorization or payment shall be restricted or prohibited by law.

(H) Except as provided in this paragraph (3) and in paragraph (4), the Series B Excess Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

(4) Liquidation, Dissolution or Winding Up. (A) Subject to the rights of series of Preferred Stock which may from time to time come into existence, upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, then, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of shares of Series B Excess Preferred Stock shall be entitled to receive out of assets of the Corporation legally available for distribution to stockholders, liquidation distributions in the amount of the liquidation preference of $100.00 per share in cash or property having a fair market value as determined by the Board of Directors valued at $100.00 per share, plus an amount equal to all distributions accrued and unpaid at the date of such liquidation, dissolution or winding up. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of shares of Series B Excess Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the available assets of the

Corporation are insufficient to pay the amount of the liquidation distributions on all outstanding shares of Series B Excess Preferred Stock and the corresponding amounts payable on all shares of Parity Preferred Stock, then the holders of shares of Series B Excess Preferred Stock and Parity Preferred Stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(B) A consolidation or merger of the Corporation with or into any other entity or entities, or a sale, lease, transfer, conveyance or disposition of all or substantially all of the assets of the Corporation or a statutory share exchange in which stockholders of the Corporation may participate, shall not be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this paragraph (4).

(5) Redemption. (A) Shares of Series B Excess Preferred Stock are not redeemable prior to [the fifth anniversary of the Closing Date]. On and after [the fifth anniversary of the Closing Date], the Corporation at its option upon not less than 30 nor more than 60 days' written notice, may redeem outstanding shares of Series B Excess Preferred Stock, in whole or in part, at any time or from time to time, for cash at the following redemption prices (expressed as a percentage of liquidation value) after [the anniversary of the Closing Date] in the following years:

Year	Percentage
2003	105
2004	104
2005	103
2006	102
2007	101
2008 and thereafter	100

plus an amount equal to all distributions accrued and unpaid thereon to the date fixed for redemption, without interest to the extent the Corporation will have funds legally available therefor. The redemption price of shares of Series B Excess Preferred Stock (other than the portion hereof consisting of accrued and unpaid distributions) is payable solely out of proceeds from the sale of other capital stock of the Corporation, which may include Common Stock, Preferred Stock, depository shares, interests, participations or other ownership interests in the Corporation however designated, and any rights (other than debt securities converted into or exchangeable for capital stock), warrants or options to purchase any thereof, and not from any other source. Holders of shares of Series B Excess Preferred Stock to be redeemed shall surrender such shares of Series B Excess Preferred Stock at the place designated in such notice and shall be entitled to the redemption price and any accrued and unpaid distributions payable upon such redemption following such

surrender. If fewer than all of the outstanding shares of Series B Excess Preferred Stock are to be redeemed, the number of shares to be redeemed will be determined by the Corporation and such shares may be redeemed pro rata from the holder of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares or by lot in a manner determined by the Corporation).

(B) Unless cumulative distributions on all shares of Series B Excess Preferred Stock and Parity Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof for payment for all past distribution periods and the current distribution period, no shares of Series B Excess Preferred Stock or Parity Stock shall be redeemed unless all outstanding shares of Series B Excess Preferred Stock and Parity Preferred Stock are simultaneously redeemed; the foregoing shall not prevent the purchase or acquisition of shares of Series B Excess Preferred Stock or Parity Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series B Excess Preferred Stock or Parity Preferred Stock, as the case may be. Furthermore, unless full cumulative distributions on all outstanding shares of Series B Excess Preferred Stock and Parity Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past distribution periods and the then current distribution period, the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of Series B Excess Preferred Stock or Parity Preferred Stock (except by conversion into or exchange for shares of capital stock of the Corporation ranking junior to Series B Excess Preferred Stock and Parity Preferred Stock as to distributions and upon liquidation).

(C) Notice of redemption will be given by publication in a newspaper of general circulation in the City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 nor more than 60 days prior to the redemption date. A similar notice will be mailed, postage prepaid, at least 30 days but not more than 90 days before the redemption date, to each holder of record of shares of Series B Excess Preferred Stock at the address shown on the share transfer books of the Corporation. Each notice shall state: (i) the redemption date; (ii) the number of shares of Series B Excess Preferred Stock to be redeemed; (iii) the redemption price per share; (iv) the place or places where certificates for shares of Series B Excess Preferred Stock are to be surrendered for payment of the redemption price; and (v) that distributions on shares of Series B Excess Preferred Stock will cease to accrue on such redemption date. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceeding for the redemption of any Series B Excess Preferred Stock except as to the holder to whom notice was defective or not given. If fewer than all shares of Series B Excess Preferred Stock are to be redeemed, the notice mailed to

each such holder thereof shall also specify the number of shares of Series B Excess Preferred Stock to be redeemed from each such holder. If notice of redemption of any shares of Series B Excess Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Corporation in trust for the benefit of the holders of shares of Series B Excess Preferred Stock so called for redemption, then from and after the redemption date, distributions will cease to accrue on such shares of Series B Excess Preferred Stock, such shares of Series B Excess Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

(D) The holders of shares of Series B Excess Preferred Stock at the close of business on a Distribution Record Date will be entitled to receive the distribution payable with respect to such shares of Series B Excess Preferred Stock on the corresponding Distribution Payment Date notwithstanding the redemption thereof between such Distribution Record Date and the corresponding Distribution Payment Date or the Corporation's default in the payment of the distribution due. Except as provided above, the Corporation will make no payment or allowance for unpaid distributions, whether or not in arrears, on shares of Series B Excess Preferred Stock which have been called for redemption.

(E) Series B Excess Preferred Stock have no stated maturity and will not be subject to any sinking fund or mandatory redemption, except as provided in Article NINTH of the Charter of the Corporation.

(6) Voting. (A) Except as indicated in this paragraph (6), except as may be required by applicable law, or, at any time Series B Excess Preferred Stock are listed on a securities exchange, as may be required by the rules of such exchange, the holders of shares of Series B Excess Preferred Stock will have no voting rights.

(B) If six quarterly distributions (whether or not consecutive) payable on shares of Series B Preferred Stock or Series B Excess Preferred Stock are in arrears, whether or not earned or declared, the number of directors then constituting the Board of Directors of the Corporation will be increased by two (except as provided in the proviso to paragraph (c) to Article FOURTH of the Charter), and the holders of shares of Series B Preferred Stock and Series B Excess Preferred Stock, voting together as a class with the holders of shares of any other series of Preferred Stock upon which like voting rights have been conferred and are exercisable (any such other series, the "Nonvoting Preferred Stock"), will have the right to elect two directors to serve on the Corporation's Board of Directors at any annual meeting of stockholders or a special meeting of the holders of Series B Preferred Stock and Series B Excess Preferred Stock and such other voting Preferred Stock called by the holders

of record of at least 10% of any series of Preferred Stock so in arrears (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders), until all such distributions have been declared and paid or set aside for payment. The term of office of all directors so elected will terminate with the termination of such voting rights.

(C) The approval of two-thirds of the outstanding Series B Excess Preferred Stock voting as a single class is required in order to (i) amend, alter or repeal any provision of the Charter, so as to materially and adversely affect the rights, preferences, privileges or voting power of the Series B Excess Preferred Stock; or (ii) authorize, reclassify, create or increase the authorized or issued amount of any class or series of stock having rights senior to Series B Excess Preferred Stock with respect to the payment of distributions or amounts upon liquidation, dissolution or winding up of the affairs of the Corporation or to create, authorize or issue any obligation or security convertible into or evidencing the right to purchase such shares. However, the Corporation may create additional classes of Parity Preferred Stock and Junior Stock, increase the authorized number of shares of Parity Preferred Stock and Junior Stock and issue additional series of Parity Preferred Stock and Junior Stock without the consent of any holder of Series B Excess Preferred Stock or Voting Preferred Stock.

(D) Except as provided above, as may be required by law or as required by the rules of any securities exchange on which the Series B Excess Preferred Stock are listed, the holders of Series B Excess Preferred Stock are not entitled to vote on any merger or consolidation involving the Corporation, on any share exchange or on a sale of all or substantially all of the assets of the Corporation.

(E) In any matter in which the Series B Excess Preferred Stock are entitled to vote (as provided in this paragraph (6)), as may be required by law or as required by the rules of any securities exchange on which the Series B Excess Preferred Stock are listed, including any action by written consent, each share of Series B Excess Preferred Stock shall be entitled to one vote.

EXHIBIT 3.3

BYLAWS

OF

CORPORATE PROPERTY INVESTORS, INC.

(HEREINAFTER CALLED THE "CORPORATION")

ARTICLE 1

OFFICES AND RECORDS

SECTION 1.01. Registered Office. The current registered office of the Corporation in the State of Delaware shall be located at 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at that address, upon whom legal process against the Corporation may be served, is CT Corporation System.

SECTION 1.02. Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

ARTICLE 2

STOCKHOLDERS

SECTION 2.01. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held at such date, place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.02. Special Meeting. Subject to the rights of the holders of any series of preferred stock of the Corporation (the "Preferred Stock") or any other series or class of stock as set forth in the Certificate of Incorporation, special meetings of the stockholders may be called at any time only by the Secretary at the direction of the Board of Directors pursuant to a resolution adopted by the Board of Directors.

SECTION 2.03. Place of Meeting. The Board of Directors may designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal office of the Corporation.

SECTION 2.04. Notice of Meeting. Written or printed notice, stating the place, day and hour of the meeting and, in the case of special meetings, the purpose or purposes for which such special meeting is called, shall be prepared and delivered by the Corporation not less than ten days nor more than sixty days before the date of the meeting, either personally, or by mail, to each stockholder of record entitled to vote at such meeting. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Any

previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

SECTION 2.05. Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum for the transaction of such business. The Chairman of the Board or the holders of a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or, in the case of specified business to be voted on by a class or series, the Chairman of the Board or the holders of a majority of the voting power of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.06. Proxies. At all meetings of stockholders, a stockholder may vote by proxy as may be permitted by law; provided, that no proxy shall be voted after three years from its date, unless the proxy provides for a longer period. Any proxy to be used at a meeting of stockholders must be filed with the Secretary of the Corporation or his representative at or before the time of the meeting.

SECTION 2.07. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of meeting delivered pursuant to Section 2.04 of these Bylaws, (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (ii) and (iii) of this Section 2.07(a) and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(i) of this Bylaw, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and, in the case of business other than nominations, such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety days nor more than one hundred and twenty days prior to the first anniversary of the preceding year's annual meeting; provided however, that with respect to the annual meeting to be held in 1999, the anniversary date shall be deemed to be

March 12, 1998; provided further, that in the event that the date of the annual meeting is advanced by more than thirty days, or delayed by more than ninety days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the one hundred and twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described in this Section 2.07(a). Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (2) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(iii) Notwithstanding anything in the second sentence of clause (ii) of this Section 2.07(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least one hundred days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.04 of these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Bylaw and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate such number of persons for election to such

position(s) as are specified in the Corporation's Notice of Meeting, if the stockholder's notice as required by clause (ii) of Section 2.07(a) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the one hundred and twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) General

(i) Only persons who are nominated in accordance with the procedures set forth in this Bylaw shall be eligible to be elected as directors at a meeting of stockholders and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Chairman of the Board shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 2.08. Procedure For Election of Directors; Voting. The election of directors submitted to stockholders at any meeting shall be decided by a plurality of the votes cast thereon, except as otherwise set forth in the Certificate of Incorporation with respect to the right of the holders of any series of Preferred Stock or any other series or class of stock to elect additional directors under specified circumstances. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote thereon, and where a separate vote by class is required, a majority of the voting power of the shares of that class present in person or represented by proxy at the meeting and entitled to vote thereon.

The vote on any matter, including the election of directors, shall be by written ballot. Each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, and shall state the number of shares voted.

SECTION 2.09. Inspectors of Elections; Opening and Closing the Polls.

(a) The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may not be directors, officers or employees of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at a meeting of stockholders, the Chairman of the Board shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the General Corporation Law of the State of Delaware.

(b) The Chairman of the Board shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at the meeting.

ARTICLE 3

BOARD OF DIRECTORS

SECTION 3.01. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not, by law or by Certificate of Incorporation or by these Bylaws, required to be exercised or done by the stockholders.

SECTION 3.02. Number, Tenure and Qualifications. Subject to Section 3.12 of these Bylaws and to the rights of the holders of any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board of Directors, but shall consist of not less than three nor more than 24 directors. However, no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. The directors, other than those who may be elected by the holders of any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, shall be divided into such classes and hold office for such terms as set forth in, and may be removed only in accordance with, the Certificate of Incorporation.

SECTION 3.03. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, each annual meeting of stockholders. The Board of Directors may, by

resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution. Unless otherwise determined by the Board of Directors, the Secretary of the Corporation shall act as secretary at all regular meetings of the Board of Directors and in the Secretary's absence a temporary secretary shall be appointed by the chairman of the meeting.

SECTION 3.04. Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board and the President, acting together, or a majority of the Board of Directors or such other person as the Board of Directors by resolution shall designate. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings. Unless otherwise determined by the Board of Directors, the Secretary of the Corporation shall act as secretary at all special meetings of the Board of Directors and in the Secretary's absence a temporary secretary shall be appointed by the chairman of the meeting.

SECTION 3.05. Notice. Notice of any special meeting shall be mailed to each director at his business or residence not later than three days before the day on which such meeting is to be held or shall be sent to either of such places by telegraph or facsimile or other electronic transmission, or be communicated to each director personally or by telephone, not later than the day before such day of meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided pursuant to Section 8.01 hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those present waive notice of the meeting in accordance with Section 6.04 hereof, either before or after such meeting.

SECTION 3.06. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the records of the proceedings of the Board or such committee.

SECTION 3.07. Conference Telephone Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.08. Quorum. At all meetings of the Board of Directors or any committee, a majority of the entire Board of Directors (as defined in Section 3.09(a)) or the entire committee (assuming no vacancies), as the case may be, shall constitute a quorum for the transaction of business and the act of a majority of the directors or members, as the case may be, present at any meeting at which there is a quorum shall be the act of the Board of Directors or such committee, as the case may be, except as otherwise provided in the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors or any committee, a majority of the directors or members, as the case may be, present thereat may adjourn the meeting from time to time without further notice

other than announcement at the meeting. If permitted by applicable law, the directors or members, as the case may be, present at a duly authorized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 3.09. Committees. (a) The Corporation shall have [five] standing committees: the executive committee, the nominating and directors committee, the audit committee, the compensation committee and the investment committee. The executive committee shall have those powers and authority as are delegated to it from time to time pursuant to a resolution passed by a three-quarters vote of the total number of directors specified in the resolution pursuant to Section 3.02 of these Bylaws which the Corporation would have if there were no vacancies (the "entire Board of Directors").

(b) The nominating and directors committee shall have the following exclusive powers and authority: (i) evaluating and recommending director candidates to the Board of Directors, (ii) assessing Board of Directors performance not less frequently than every three years, (iii) recommending director compensation and benefits philosophy for the Corporation, (iv) reviewing individual director performance as issues arise and (v) periodically reviewing the Corporation's corporate governance profile. None of the members of the nominating and directors committee shall be a member of the executive committee or an officer or full-time employee of the Corporation or of any subsidiary or affiliate of the Corporation.

(c) The audit committee shall have the following powers and authority: (i) employing independent public accountants to audit the books of account, accounting procedures, and financial statements of the Corporation and to perform such other duties from time to time as the audit committee may prescribe, (ii) receiving the reports and comments of the Corporation's internal auditors and of the independent public accountants employed by the committee and to take such action with respect thereto as may seem appropriate, (iii) requesting the Corporation's consolidated subsidiaries and affiliated companies to employ independent public accountants to audit their respective books of account, accounting procedures, and financial statements, (iv) requesting the independent public accountants to furnish to the compensation committee the certifications required under any present or future stock option, incentive compensation or employee benefit plan of the Corporation, (v) reviewing the adequacy of internal financial controls, (vi) approving the accounting principles employed in financial reporting, (vii) approving the appointment or removal of the Corporation's general auditor and (viii) reviewing the accounting principles employed in financial reporting. None of the members of the audit committee shall be a member of the executive committee or an officer or full-time employee of the Corporation or of any subsidiary or affiliate of the Corporation.

(d) The compensation committee shall have the following powers and authority: (i) determining and fixing the compensation for all senior officers of the Corporation and those of its Subsidiaries (as defined in Section 6.07(f)) that the compensation committee shall from time to time consider appropriate, as well as all employees of the Corporation and its Subsidiaries compensated at a rate in excess of such amount per annum as may be fixed or determined from time to time by the Board of Directors, (ii) performing the duties of the committees of the Board of Directors provided for in any present or future stock option, incentive compensation or employee benefit plan of the Corporation or, if

the compensation committee shall so determine, any such plan of any Subsidiary and (iii) reviewing the operations of and policies pertaining to any present or future stock option, incentive compensation or employee benefit plan of the Corporation or any Subsidiary that the compensation committee shall from time to time consider appropriate. None of the members of the compensation committee shall be a member of the executive committee or an officer or full-time employee of the Corporation or of any subsidiary or affiliate of the Corporation.

(e) The investment committee shall have the following powers and authority: maximizing the effective utilization of the assets of the Corporation and its subsidiaries and reviewing capital expenditures and appropriations and all other investments of the Corporation. None of the members of the investment committee shall be a member of the executive committee or an officer or full-time employee of the Corporation or of any subsidiary or affiliate of the Corporation.

(f) In addition, the Board of Directors may, by resolution passed by a three-quarters vote of the entire Board of Directors, designate one or more additional committees, with each such committee consisting of one or more directors of the Corporation and having such powers and authority as the Board of Directors shall designate by such resolutions.

(g) Any modification to the powers and authority of any committee shall require the adoption of a resolution by a three-quarters vote of the entire Board of Directors.

(h) All acts done by any committee within the scope of its powers and authority pursuant to these Bylaws and the resolutions adopted by the Board of Directors in accordance with the terms hereof shall be deemed to be, and may be certified as being, done or conferred under authority of the Board of Directors. The Secretary or any Assistant Secretary is empowered to certify that any resolution duly adopted by any such committee is binding upon the Corporation and to execute and deliver such certifications from time to time as may be necessary or proper to the conduct of the business of the Corporation.

(i) Regular meetings of committees shall be held at such times as may be determined by resolution of the Board of Directors or the committee in question and no notice shall be required for any regular meeting other than such resolution. A special meeting of any committee shall be called by resolution of the Board of Directors, or by the Secretary or an Assistant Secretary upon the request of the chairman or a majority of the members of any committee. Notice of special meetings shall be given to each member of the committee in the same manner as that provided for in Section 3.05 of these Bylaws.

SECTION 3.10. Committee Members. (a) Each member of any committee of the Board of Directors shall hold office until such member's successor is elected and has qualified, unless such member sooner dies, resigns or is removed. The number of directors which shall constitute any committee shall be determined by resolution adopted by a three-quarters vote of the entire Board of Directors.

(b) The Board of Directors may remove a director from a committee or change the chairmanship of a committee only by resolution adopted by a three-quarters vote of the entire Board of Directors.

(c) The Board of Directors may designate one or more directors as alternate members of any committee to fill any vacancy on a committee and to fill a vacant chairmanship of a committee, occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise; provided, that any such designation may only be amended by a three-quarters vote of the entire Board of Directors.

SECTION 3.11. Committee Secretary. The Board of Directors may elect a secretary of any such committee. If the Board of Directors does not elect such a secretary, the committee shall do so. The secretary of any committee need not be a member of the committee, but shall be selected from a member of the staff of the office of the Secretary of the Corporation, unless otherwise provided by the Board of Directors or the committee, as applicable.

SECTION 3.12. Certain Modifications. Except as otherwise provided in the Certificate of Incorporation, any action by the Board of Directors to change the number of directors comprising the Board of Directors or comprising any class of directors to other than an even number of directors shall require a three-quarters vote of the entire Board of Directors.

SECTION 3.13. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid compensation as director or chairman of any committee and for attendance at each meeting of the Board of Directors. Members of special or standing committees may be allowed like compensation and payment of expenses for attending committee meetings.

ARTICLE 4

OFFICERS

SECTION 4.01. General. The officers of the Corporation shall be elected by the Board of Directors and shall consist of: a Chairman of the Board and Chief Executive Officer; a President and Chief Operating Officer; a General Counsel; one or more assistant General Counsels; one or more Senior Vice Presidents; one or more Vice Presidents; a Secretary; one or more Assistant Secretaries; a Treasurer; one or more Assistant Treasurers; a Controller; one or more assistant controllers and such other officers as in the judgment of the Board of Directors may be necessary or desirable. All officers chosen by the Board of Directors shall have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article 4. Such officers shall also have powers and duties as from time to time may be conferred by the Board of Directors or any committee thereof. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders or directors of the Corporation.

SECTION 4.02. Election and Term of Office. Subject to Section 4.08 of these Bylaws, the elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Subject to Section 4.08 of these Bylaws, each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or be removed.

SECTION 4.03. Chairman of the Board and Chief Executive Officer. The Chairman of the Board shall be a member of the Board of Directors and shall be an officer of the Corporation. The Chairman of the Board shall be the Chief Executive Officer of the Corporation and shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the Chief Executive Officer of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors. The Chairman of the Board, if present, shall preside at all meetings of the Board of Directors.

SECTION 4.04. President and Chief Operating Officer. The President and Chief Operating Officer shall be a member of the Board of Directors and an officer of the Corporation. The President and Chief Operating Officer shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the President and Chief Operating Officer of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors and the Chairman and Chief Executive Officer. In the absence or disability of the Chairman of the Board and Chief Executive Officer, the duties of the Chairman of the Board shall be performed and the Chairman of the Board's authority may be exercised by the President and Chief Operating Officer, and in the event the President and Chief Operating Officer is absent or disabled, such duties shall be performed and such authority may be exercised by a director designated for this purpose by the Board of Directors.

SECTION 4.05. General Counsel. The General Counsel shall have responsibility for the legal affairs of the Corporation and for the performance of the duties of the Secretary. The General Counsel shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors, the Chairman and Chief Executive Officer and the President and Chief Operating Officer.

SECTION 4.06. Certain Actions. Notwithstanding anything to the contrary contained in these Bylaws, the removal of the current Chairman and Chief Executive Officer or the current President and Chief Operating Officer as of the date of adoption of these Bylaws, or any modification to either of their respective roles, duties or authority shall require a three-quarters vote of the entire Board of Directors.

SECTION 4.07. Vacancies. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the terms at any meeting of the Board of Directors.

ARTICLE 5

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.01. Stock Certificates and Transfers. (a) The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe; provided that the Board of Directors may provide by resolution or resolutions that all or some of all classes or series of the stock of the Corporation shall be represented by uncertificated shares. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman of the Board of Directors, or the President or any other authorized officer and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(b) The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

(c) The shares of the stock of the Corporation represented by certificates shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancelation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the Delaware General Corporation Law or, unless otherwise provided by the Delaware General Corporation Law, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 5.02. Lost, Stolen or Destroyed Certificates. No certificate for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or its designee may in its or his discretion require.

ARTICLE 6

MISCELLANEOUS PROVISIONS

SECTION 6.01. Fiscal Year. The fiscal year of the Corporation shall be as specified by the Board of Directors.

SECTION 6.02. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.03. Seal. The corporate seal shall have thereon the name of the Corporation and shall be in such form as may be approved from time to time by the Board of Directors.

SECTION 6.04. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or any meeting of the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.05. Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the audit committee, and it shall be the duty of the audit committee to cause such audit to be made annually.

SECTION 6.06. Resignations. Any director or any officer, whether elected or appointed, may resign at any time upon notice of such resignation to the Corporation.

SECTION 6.07. Indemnification and Insurance.

(a) Each person who was or is made a party or is threatened to be made a party to or is involved in any manner in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or a director or elected officer of a Subsidiary, shall be indemnified and held harmless by the Corporation to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, if

permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect, and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Bylaw. The Corporation shall pay the expenses incurred by such person in defending any such proceeding in advance of its final disposition upon receipt (unless the Corporation upon authorization of the Board of Directors waives such requirement to the extent permitted by applicable law) of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Bylaw or otherwise.

(b) The indemnification and the advancement of expenses incurred in defending a proceeding prior to its final disposition provided by, or granted pursuant to this Bylaw shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, other provision of these Bylaws, agreement, vote of stockholders or resolution of the Board of Directors or otherwise. No repeal, modification or amendment of, or adoption of any provision inconsistent with, this Section 6.07, nor to the fullest extent permitted by applicable law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or with respect to any events that occurred prior to, the time of such repeal, amendment, adoption or modification.

(c) The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, partner, member, employee or agent of the Corporation or a Subsidiary or of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

(d) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any person who is or was an employee or agent (other than a director or officer) of the Corporation or a Subsidiary and to any person who is or was serving at the request of the Corporation or a Subsidiary as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation or a Subsidiary, to the fullest extent of the provisions of this Bylaw with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(e) If any provision or provisions of this Bylaw shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (1) the validity, the legality and

enforceability of the remaining provisions of this Bylaw (including, without limitation, each portion of any paragraph or clause of this Bylaw containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (2) to the fullest extent possible, the provisions of this Bylaw (including, without limitation, each such portion of any paragraph of this Bylaw containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(f) For purposes of these Bylaws:

(1) "Disinterested Director" means a director of the Corporation who is not and was not a party to the proceeding or matter in respect of which indemnification is sought by the claimant.

(2) "Subsidiary" means a corporation, a majority of the capital stock of which is owned directly or indirectly by the Corporation, other than directors' qualifying shares.

(g) Any notice, request, or other communication required or permitted to be given to the Corporation under this Bylaw shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE 7

CONTRACTS, PROXIES, ETC.

SECTION 7.01. Contracts. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. Subject to the control and direction of the Board of Directors, the Chairman of the Board and Chief Executive, the President and Chief Operating Officer, the General Counsel, the Treasurer and any Senior Vice President, or any Vice President may execute bonds, promissory notes, contracts, agreements, deeds, leases, guarantees, loans, commitments, obligations, liabilities and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors, such officers of the Corporation may delegate such powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.02. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board or the President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or entity, any of

whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or entity, and may instruct the person or persons so appointed as to the manner of casting such vote or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE 8

AMENDMENTS

SECTION 8.01. Amendments. These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the stockholders or by the Board of Directors at any meeting thereof; provided, however, that notice of such alteration, amendment, repeal or adoption of new Bylaws is contained in the notice of meeting of stockholders. Unless a higher percentage is required by the Certificate of Incorporation as to any matter which is the subject of these Bylaws, all such amendments must be approved by either the holders of eighty percent (80%) of the Voting Stock or by a majority of the Board of Directors; provided further that notwithstanding the foregoing, the Board of Directors may alter, amend or repeal, or adopt new Bylaws in conflict with, (i) any provision of these Bylaws which requires a three-quarters vote of the entire Board of Directors for action to be taken thereunder, (ii) Section 4.08 of these Bylaws and (iii) this proviso to this Section 8.01 of these Bylaws only by a resolution adopted by a three-quarters vote of the entire Board of Directors.

Exhibit 3.4

FORM OF

SIMON PROPERTY GROUP, INC.

BY-LAWS

ARTICLE I.

STOCKHOLDERS

SECTION 1.01. ANNUAL MEETING. Simon Property Group, Inc. (the "Corporation") shall hold an annual meeting of its stockholders to elect directors and transact any other business within its powers, at such place, on such date, and at such time as shall be set by the Board of Directors. Except as the Restated Certificate of Incorporation of the Corporation (the "Charter"), these By-Laws, or statute provides otherwise, any business may be considered at an annual meeting without the purpose of the meeting having been specified in the notice. Failure to hold an annual meeting does not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

SECTION 1.02. SPECIAL MEETING. At any time in the interval between annual meetings, a special meeting of the stockholders may be called by the Chairman of the Board, or a Co-Chairman of the Board or the President or by a majority of the Board of Directors by vote at a meeting or in writing (addressed to the Secretary of the Corporation) with or without a meeting.

SECTION 1.03. PLACE OF MEETINGS. Meetings of stockholders shall be held at such place in the United States as is set from time to time by the Board of Directors.

SECTION 1.04. NOTICE OF MEETINGS; WAIVER OF NOTICE. Not less than ten nor more than 60 days before each stockholders meeting, the Secretary shall give written notice of the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting. The notice shall state the time and place of the meeting and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a stockholder when it is personally delivered to him, left at his residence or usual place of business, or mailed to him at his address as it appears on the records of the Corporation. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he or she before or after the meeting signs a waiver of the notice which is filed with the records of stockholders' meetings, or is present at the meeting in person or by proxy (except as otherwise provided by Section 229 of the General Corporation Law of the State of Delaware).

SECTION 1.05. QUORUM; VOTING. Unless any statute or the Charter provides otherwise, at a meeting of stockholders the

presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and the affirmative vote of a majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director.

SECTION 1.06. ADJOURNMENTS. Whether or not a quorum is present, a meeting of stockholders convened on the date for which it was called may be adjourned from time to time by a majority vote of the stockholders present in person or by proxy entitled to vote without notice other than by announcement at the meeting. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be present.

SECTION 1.07. GENERAL RIGHT TO VOTE; PROXIES. Unless the Charter provides otherwise, each outstanding share of stock, regardless of class, is entitled to one vote on each matter submitted to a vote at a meeting of stockholders. In all elections for directors, each share of stock entitled to vote may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A stockholder may vote the stock he or she owns of record either in person or by proxy authorized by an instrument in writing or by a transmission permitted by law. Unless a proxy provides otherwise, it is not valid more than three years after its date.

SECTION 1.08. LIST OF STOCKHOLDERS. The Secretary shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote, arranged in alphabetical order and showing the address of each stockholder and the number of shares of each stockholder. Such list shall be open at the place where the election is to be held for said ten days, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

SECTION 1.09. CONDUCT OF BUSINESS. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving notice provided for in Section 1.11, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 1.12. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section and Section 1.12 and, if any

proposed nomination or business is not in compliance with this Section and Section 1.12, to declare that such defective nomination or proposal be disregarded. No person shall be qualified to serve as a director unless nominated in accordance with this Section 1.09.

SECTION 1.10. CONDUCT OF VOTING. At all meetings of stockholders, unless the voting is conducted by inspectors, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies, the acceptance or rejection of votes and procedures for the conduct of business not otherwise specified by these By-Laws, the Charter or law, shall be decided or determined by the chairman of the meeting. Unless required by law, no vote need be by ballot and voting need not be conducted by an inspector. No candidate for election as a director at a meeting shall serve as an inspector thereat.

SECTION 1.11. STOCKHOLDER PROPOSALS. For any stockholder proposal to be presented in connection with an annual meeting of stockholders of the Corporation, including any proposal relating to the nomination of a director to be elected to the Board of Directors of the Corporation, the stockholders must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such stockholder, as they appear on the Corporation's books, and of

such beneficial owner and (ii) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholders and such beneficial owner.

ARTICLE II.

BOARD OF DIRECTORS

SECTION 2.01. FUNCTION OF DIRECTORS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the stockholders by statute or by the Charter or By-Laws.

SECTION 2.02. NUMBER OF DIRECTORS. The Corporation shall have that number of directors as provided in paragraph (a) of Article FIFTH of the Charter.

SECTION 2.03. REMOVAL OF DIRECTOR. Any director or the entire Board of Directors may be removed only in accordance with the provisions of the Charter and General Corporation Law of the State of Delaware.

SECTION 2.04. VACANCY ON BOARD. Subject to the rights of the holders of any class of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors shall be filled by a vote of the stockholders or a majority of the directors in office on the Board of Directors, and any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office, or other cause shall be filled in accordance with paragraph (b) of Article FIFTH of the Charter.

SECTION 2.05. REGULAR MEETINGS. After each meeting of stockholders at which directors shall have been elected, the Board of Directors shall meet as soon as practicable for the purpose of organization and the transaction of other business. In the event that no other time and place are specified by resolution of the Board of Directors, the President, the Chairman of the Board or a Co-Chairman of the Board, with notice in accordance with Section 2.07, the Board of Directors shall meet immediately following the close of, and at the place of, such stockholders' meeting. Any other regular meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

SECTION 2.06. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, a Co-Chairman of the Board, or the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

In the absence of designation such meeting shall be held at such place as may be designated in the call.

SECTION 2.07. NOTICE OF MEETING. Except as provided in Section 2.05, the Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him, left at his residence or usual place of business, or sent by telegraph, facsimile transmission or telephone, at least 24 hours before the time of the meeting or, in the alternative by mail to his address as it shall appear on the records of the Corporation, at least 72 hours before the time of the meeting. Unless the By-Laws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.08. ACTION BY DIRECTORS. Unless statute or the Charter or By-Laws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the Board and filed with the minutes of proceedings of the Board.

SECTION 2.09. MEETING BY CONFERENCE TELEPHONE. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 2.10. COMPENSATION. By resolution of the Board of Directors a fixed sum and expenses, if any, for attendance at

each regular or special meeting of the Board of Directors or of committees thereof, and other compensation for their services as such or on committees of the Board of Directors, may be paid to directors. Directors who are employees of the Corporation need not be paid for attendance at meetings of the board or committees thereof for which fees are paid to other directors. A director who serves the Corporation in any other capacity also may receive compensation for such other services, pursuant to a resolution of the directors.

SECTION 2.11. ADVISORY DIRECTORS. The Board of Directors may by resolution appoint advisory directors to the Board, who may also serve as directors emeriti, and shall have such authority and receive such compensation and reimbursement as the Board of Directors shall provide. Advisory directors or directors emeriti shall not have the authority to participate by vote in the transaction of business.

SECTION 2.12. SURETY BONDS. Unless required by law, no director shall be obligated to give any bond or surety or other security for the performance of any of his or her duties.

ARTICLE III.

COMMITTEES

SECTION 3.01. COMMITTEES. In accordance with the Charter, the Board of Directors may appoint an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating Committee and other committees composed of one or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to declare dividends or other distributions on stock, elect directors, issue stock other than as provided in the next sentence, recommend to the stockholders any action which requires stockholder approval, amend the By-Laws, or approve any merger or share exchange which does not require stockholder approval. If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board of Directors, in accordance with a general formula or method specified by the Board of Directors by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors.

SECTION 3.02. COMMITTEE PROCEDURE. Each committee may fix rules of procedure for its business. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each committee

member and filed with the minutes of the committee. The members of a committee may conduct any meeting thereof by conference telephone in accordance with the provisions of Section 2.10.

ARTICLE IV.

OFFICERS

SECTION 4.01. EXECUTIVE AND OTHER OFFICERS. The Corporation shall have a President, a Secretary, and a Treasurer. The Corporation may also have a Chairman, or Co-Chairmen, of the Board, a Chief Executive Officer, a Chief Operating Officer, one or more Vice-Presidents, assistant officers, and subordinate officers as may be established by the Board of Directors. A person may hold more than one office in the Corporation except that no person may serve concurrently as both President and Vice-President of the Corporation. The Chairman of the Board, or each of the Co-Chairmen of the Board, as the case may be, shall be a director; the other officers may be directors.

SECTION 4.02. CHAIRMAN OF THE BOARD. The Chairman, or Co-Chairmen, of the Board, if elected, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she or they shall be present. In general, the Chairman of the Board and a Co-Chairman of the Board shall perform all such duties as are from time to time assigned to him or her by the Board of Directors.

SECTION 4.03. VICE CHAIRMAN. The Vice Chairman of the Board, if one be elected by the Board of Directors, shall be an officer of the Corporation. In general, the Vice Chairman of the Board shall perform all such duties as are from time to time assigned to him or her by the Board of Directors.

SECTION 4.04. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors and with the President, shall in general supervise and control all of the business and affairs of the Corporation. In general, he or she shall perform such other duties usually performed by a chief executive officer of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors of the Corporation. Unless otherwise provided by resolution of the Board of Directors, the Chief Executive Officer, if one be elected, in the absence of the Chairman of the Board or a Co-Chairman of the Board, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present.

SECTION 4.05. PRESIDENT. Unless otherwise specified by the Board of Directors, the President shall be the principal operating officer of the Corporation and perform the duties customarily performed by a principal operating officer of a corporation. If no Chief Executive Officer is appointed, he or

she shall also serve as the Chief Executive Officer of the Corporation. The President may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Corporation. In general, he or she shall perform such other duties usually performed by a president of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors or the Chief Executive Officer of the Corporation. Unless otherwise provided by resolution of the Board of Directors, the President, in the absence of the Chairman of the Board, a Co-Chairman of the Board and the Chief Executive Officer, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present.

SECTION 4.06. CHIEF OPERATING OFFICER. The Chief Operating Officer, at the request of the Chief Executive Officer or the President, or in the President's absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. Unless otherwise specified by the Board of Directors, he or she shall perform such other duties usually performed by a chief operating officer of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive Officer or the President of the Corporation.

SECTION 4.07. VICE-PRESIDENTS. The Vice-President or Vice-Presidents, at the request of the Chief Executive Officer or the President or the Chief Operating Officer, or in the Chief Operating Officer's absence or during his inability to act, shall perform the duties and exercise the functions of the Chief Operating Officer, and when so acting shall have the powers of the Chief Operating Officer. If there be more than one Vice-President, the Board of Directors may determine which one or more of the Vice-Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the Chief Executive Officer, or the President may make such determination; otherwise any of the Vice-Presidents may perform any of such duties or exercise any of such functions. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties, and have such additional descriptive designations in their titles (if any), as are from time to time assigned to them by the Board of Directors, the Chief Executive Officer, or the President of the Corporation.

SECTION 4.08. SECRETARY. The Secretary shall keep the minutes of the meetings of the stockholders, of the Board of Directors and of any committees, in books provided for the purpose; he or she shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; he or she shall be custodian of the records of the Corporation; he or she may witness any document on behalf of the

Corporation, the execution of which is duly authorized, see that the corporate seal is affixed where such document is required or desired to be under its seal, and, when so affixed, may attest the same; and, in general, the Secretary shall perform all duties incident to the office of a secretary of a corporation, and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive officer, or the President of the Corporation.

SECTION 4.09. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he or she shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and, in general, the Treasurer shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive officer, or the President of the Corporation.

SECTION 4.10. ASSISTANT AND SUBORDINATE OFFICERS. The assistant and subordinate officers of the Corporation are all officers below the office of Vice-President, Secretary, or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors, the Chief Executive Officer, or the President of the Corporation.

SECTION 4.11. ELECTION, TENURE AND REMOVAL OF OFFICERS. The Board of Directors shall elect the officers. The Board of Directors may from time to time authorize any committee or officer to appoint assistant and subordinate officers. Election or appointment of an officer, employee or agent shall not of itself create contract rights. All officers shall be appointed to hold their offices, respectively, during the pleasure of the Board. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may remove an officer at any time. The removal of an officer does not prejudice any of his contract rights. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may fill a vacancy which occurs in any office for the unexpired portion of the term.

SECTION 4.12. COMPENSATION. The Board of Directors shall have power to fix the salaries and other compensation and remuneration, of whatever kind, of all officers of the Corporation. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation. The Board of Directors may authorize any committee or officer, upon whom the power of appointing assistant and subordinate officers may have been conferred, to fix the

salaries, compensation and remuneration of such assistant and subordinate officers.

ARTICLE V.

DIVISIONAL TITLES

SECTION 5.01. CONFERRING DIVISIONAL TITLES. The Board of Directors may from time to time confer upon any employee of a division of the Corporation the title of President, Vice President, Treasurer or Controller of such division or any other title or titles deemed appropriate, or may authorize the Chairman of the Board, a Co-Chairman of the Board, the Chief Executive Officer or the President to do so. Any such titles so conferred may be discontinued and withdrawn at any time by the Board of Directors, or by the Chairman of the Board, or a Co-Chairman of the Board or the President if so authorized by the Board of Directors. Any employee of a division designated by such a divisional title shall have the powers and duties with respect to such division as shall be prescribed by the Board of Directors, the Chairman of the Board, a Co-Chairman of the Board, or the President.

SECTION 5.02. EFFECT OF DIVISIONAL TITLES. The conferring of divisional titles, as described in Section 5.01 hereof, shall not create an office of the Corporation under Article IV unless specifically designated as such by the Board of Directors; but any person who is an officer of the Corporation may also have a divisional title.

ARTICLE VI.

STOCK

SECTION 6.01. CERTIFICATES FOR STOCK. Each stockholder is entitled to certificates which represent and certify the shares of stock he or she holds in the Corporation. Each stock certificate shall include on its face the name of the Corporation, the name of the stockholder or other person to whom it is issued, and the class of stock and number of shares it represents. It shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each stock certificate shall be signed by the Chairman of the Board, a Co-Chairman of the Board, the President, or a Vice-President, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. A certificate may not be issued until the stock represented by it is fully paid.

SECTION 6.02. TRANSFERS. The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

SECTION 6.03. RECORD DATES. The Board of Directors may set a record date for the purpose of making any proper determination with respect to stockholders, including which stockholders are entitled to notice of a meeting, vote at a meeting, receive a dividend, or be allotted other rights. The record date may not be prior to the close of business on the day the record date is fixed nor, subject to Section 1.06, more than 60 days before the date on which the action requiring the determination will be taken; and, in the case of a meeting of stockholders, the record date shall be at least ten days before the date of the meeting.

SECTION 6.04. STOCK LEDGER. The Corporation shall maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. The stock ledger may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the offices of a transfer agent for the particular class of stock, or, if none, at the principal office in the State of Delaware or the principal executive offices of the Corporation.

SECTION 6.05. LOST STOCK CERTIFICATES. The Board of Directors of the Corporation may determine the conditions for issuing a new stock certificate in place of one which is alleged to have been lost, stolen, or destroyed, or the Board of Directors may delegate such power to any officer or officers of the Corporation. In their discretion, the Board of Directors or such officer or officers may refuse to issue such new certificate save upon the order of some court having jurisdiction in the premises.

ARTICLE VII.

FINANCE

SECTION 7.01. CHECKS, DRAFTS, ETC. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Corporation, shall, unless otherwise provided by resolution of the Board of Directors, be signed by the Chief Executive Officer, the President, a Vice-President or an Assistant Vice-President and countersigned by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary.

SECTION 7.02. FISCAL YEAR. The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

SECTION 7.03. DIVIDENDS. If declared by the Board of Directors at any meeting thereof, the Corporation may pay dividends on its shares in cash, property, or in shares of the capital stock of the Corporation, unless such dividend is contrary to law or to a restriction contained in the Charter.

SECTION 7.04. CONTRACTS. To the extent permitted by applicable law, and except as otherwise prescribed by the Charter or these By-Laws with respect to certificates for shares, the Board of Directors may authorize any officer, employee, or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

ARTICLE VIII.

INDEMNIFICATION

SECTION 8.01. PROCEDURE. Any indemnification, or payment of expenses, for which mandatory payments must be made under the Charter, in advance of the final disposition of any proceeding, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification (the "Indemnified Party"). The right to indemnification and advances hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Corporation denies such request, in whole or in part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be reimbursed by the Corporation. It shall be a defense to any action for advance for expenses that (a) a determination has been made that the facts then known to those making the determination would preclude indemnification or (b) the Corporation has not received both (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met and (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met.

SECTION 8.02. EXCLUSIVITY, ETC. The indemnification and advance of expenses provided by the Charter and these By-Laws shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of stockholders or disinterested directors or other

provision that is consistent with law, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification and advance of expenses under the Charter of the Corporation and hereunder shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this By-Law is in effect. Nothing herein shall prevent the amendment of this By-Law, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this By-Law shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to events occurring, or claims made, while this By-Law or any provision hereof is in force.

SECTION 8.03. SEVERABILITY; DEFINITIONS. The invalidity or unenforceability of any provision of this Article VIII shall not affect the validity or enforceability of any other provision hereof. The phrase "this By-Law" in this Article VIII means this Article VIII in its entirety.

ARTICLE IX.

SUNDRY PROVISIONS

SECTION 9.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of a Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of the By-Laws shall be kept at the principal office of the Corporation.

SECTION 9.02. CORPORATE SEAL. The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "Seal" adjacent to the

signature of the person authorized to sign the document on behalf of the Corporation.

SECTION 9.03. BONDS. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 9.04. VOTING UPON SHARES IN OTHER CORPORATIONS. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the President, a Vice-President, or a proxy appointed by either of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

SECTION 9.05. MAIL. Any notice or other document which is required by these By-Laws to be mailed shall be deposited in the United States mails, postage prepaid.

SECTION 9.06. EXECUTION OF DOCUMENTS. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

SECTION 9.07. RELIANCE. Each director, officer, employee and agent of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Corporation, upon an opinion of counsel or upon reports made to the Corporation by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Board of Directors or officers of the Corporation, regardless of whether such counsel or expert may also be a director.

SECTION 9.08. CERTAIN RIGHTS OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The directors shall have no responsibility to devote their full time to the affairs of the Corporation. Any director or officer, employee or agent of the Corporation, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to or in addition to those of or relating to the Corporation.

SECTION 9.09. AMENDMENTS. In accordance with the Charter, these By-Laws may be repealed, altered, amended or rescinded by the stockholders of the Corporation (considered for this purpose as one class) by the affirmative vote of not less than 80% of all the votes entitled to be cast generally in the election of

directors which are cast on the matter at any meeting of the stockholders called for that purpose (provided that notice of such proposed repeal, alteration, amendment or rescission is included in the notice of such meeting).

Exhibit 3.5

CERTIFICATE OF INCORPORATION

OF

CPI REALTY SERVICES, INC.

I, the undersigned, for the purpose of incorporation and organizing a corporation under the General Corporation Law of the State of Delaware, DO HEREBY CERTIFY as follows:

FIRST: The name of the corporation (the "Company") shall be CPI Realty Services, Inc.

SECOND: The address of the Company's registered office in the State of Delaware is 100 West Tenth Street, City of Wilmington, County of New Castle. The name of the Company's registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware; provided, however, that the Company may not engage in any transaction or activity or take advantage of any business opportunity which could legally be engaged in or taken advantage of by Corporate Property Investors, a Massachusetts business trust ("CPI"), without jeopardizing CPI's status as a real estate investment trust under the Internal Revenue Code of 1954, as amended, or under any similar provisions of any subsequently adopted Federal income tax law, unless the Company shall by written notice delivered to CPI have first given CPI, for no

consideration payable by CPI to the Company other than reimbursement to the Company for any expenditure or investment made by the Company in acquiring or creating such transaction, activity or business opportunity, a first refusal right to engage in such transaction or activity or to take advantage of such business opportunity and CPI shall not within 60 days of its receipt of such notice have advised the Company that CPI desires to exercise such right.

FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,000,000 shares of Common Stock of $1 par value (the "Shares").

The provisions of the following Sections 4.1 to 4.12 shall apply to the Shares:

4.1. Investment Statements. Upon the original issuance of such of the Shares as shall initially be issued to CPI, CPI, for itself and on behalf of its shareholders, shall represent and warrant to the Company (a) that CPI is, and (on its dividending of such Shares to its shareholders) its shareholders will be, acquiring such Shares for investment and not with a view to the sale or distribution thereof, nor with any present intention of distributing or selling the same and (b) that it and its shareholders understand (i) that such Shares have not been registered under the Securities Act by reason of their issuance in a transaction not subject to the registration requirements of said Act, (ii) that they must be held indefinitely unless a subsequent disposition thereof is registered under said Act pursuant to the rights granted under this Article FOURTH or is

exempt from registration, (iii) that the exemption from registration afforded by Rules 144 and 237 issued under the Securities Act depends on the satisfaction of various conditions and (iv) that, if applicable, Rules 144 and 237 afford the basis for sales of the Shares only in limited amounts.

Upon subsequent issuances of additional Shares, each person to whom the same are issued shall make comparable representations and warranties to the Company.

4.2. Conditions Precedent to Transfers. (a) The Holders shall not effect any transfer of Unregistered Stock or of any interest therein or right to purchase the same (other than (1) a transfer to one or more other person or persons acting as nominee or nominees for the same holders of the beneficial interest in such Unregistered Stock for which the original Holder is acting, (2) a transfer by a Holder which is a trustee for one or more pension or trust funds in connection with the dissolution of such fund or funds or in connection with the transfer or distribution of all or part of the assets of such fund or funds to another pension or trust fund or funds for which such Holder or another corporate trustee is acting as trustee or to one or more other pension or trust funds for which such Holder is acting as trustee and (3) transfers by CPI to its shareholders as a dividend or dividends on CPI's shares except in accordance with this Article FOURTH, and (b) in the event that any Holder shall transfer any of the Shares without registration thereof under the Securities Act after compliance with the conditions specified in this Article FOURTH, such Holder shall, if the Company shall so

request, cause its transferees to agree to take and hold such securities subject to the provisions of this Article FOURTH.

4.3. Certain Definitions. As used in this Article FOURTH, the following terms shall have the following respective meanings:

"Commission" shall mean the Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Transfer" shall mean, as to any Shares, any sale, assignment or transfer of any of the Shares or of any interest thereon or right to subscribe therefore, whether or not such transfer would constitute a "sale" as that term is defined in Section 2(3) of the Securities Act.

"Unregistered Stock" shall mean the Shares and shall also include any shares of the Company issued as a dividend or other distribution on such Shares or as a result of a subdivision, combination or reclassification of such Shares.

"Holder" shall mean any person or entity having received Shares and any transferee of such a person or entity who holds Shares subject to the provisions of this Article FOURTH.

"Registration Expenses" shall mean the expenses described in Section 4.8.

"Selling Expenses" shall mean the expenses so described in Section 4.8.

"Underwriter" shall mean each person who is or may be deemed to be an "underwriter", as that term is defined in Section 2(11) of the Securities Act, in respect of Unregistered Stock which shall have been registered by the Company under the Securities Act pursuant to any of the provisions of this Article FOURTH.

"Company Counsel" shall mean Messrs. Cravath, Swaine & Moore, or such other counsel as shall at the time be serving as counsel to the Company.

"Holder's Counsel" shall mean counsel satisfactory to the holder of the shares of Unregistered Stock in question.

4.4. Transfer Legends. Each certificate for Shares, including each certificate issued to any transferee, shall be stamped or otherwise imprinted with a legend in substantially the following form (unless otherwise permitted by the provisions of Section 4.5 or unless such Unregistered Stock shall have been effectively registered under the Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition of the seller or sellers thereof set forth in the registration statement covering such Shares):

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and they may not be sold, assigned or transferred until the provisions of Article FOURTH of the Certificate of Incorporation of CPI Realty Services Inc. shall have been complied with. Copies of such Certificate are on file at the principal office of the Company."

4.5. Notice of Proposed Transfers; Requests for Registration. The Holder of any Shares by acceptance thereof agrees, prior to any transfer of any such Shares (other than a transfer referred to in the parenthetical phrase in Section 4.2(a)), to give written notice to the Company of such Holder's intention to effect such transfer and agrees to comply in all other respects with the provisions of this Section 4.5. Each such notice shall describe in detail the manner, method of disposition and circumstances of the proposed transfer and shall be accompanied by (i) the written opinion addressed to the Company of Holder's Counsel as to whether in the opinion of such counsel such proposed transfer involves a transaction requiring registration of the Shares under the Securities Act, and (ii) if in the opinion of such counsel such registration is required, a written notice addressed to the Company by the Holder of such shares requesting the Company to effect the registration of such shares under the Securities Act. Any expenses in connection with such determination by such counsel of the necessity for registration of such Shares under the Securities Act shall be paid by the Company.

Upon receipt by the Company of any such notice and opinion, the following provisions shall apply:

(a) As soon as practicable after receipt of such notice by the Company (but in any event not more than 20 days after such receipt), the Company Counsel shall render an opinion to the Company as to whether such counsel concurs in the opinion of Holder's Counsel. Company Counsel shall

furnish copies of such opinion to the Company, Holder's Counsel and the Holder giving such notice.

(b) If in the opinion of Holder's Counsel and Company Counsel the proposed transfer of Shares may be effected without registration of such Shares under the Securities Act, the Holder of such Shares shall thereupon be entitled to transfer such Shares in accordance with the terms of the notice delivered by such Holder to the Company. Each certificate evidencing the Shares issued upon the transfer of any such Shares (and each certificate evidencing any untransferred balance of such Shares) shall bear the legend set forth in Section 4.4 unless in the opinion of Holder's Counsel and Company Counsel such legend is not necessary.

(c) If in the opinion of either Holder's Counsel or Company Counsel the proposed transfer of the Shares may not be effected without registration under the Securities Act of such Shares, the Company shall use its best efforts to effect the registration of such securities under the Securities Act, all in accordance with the request of the prospective seller and the following provisions and conditions of this Article FOURTH.

(d) If in the opinion of Holder's Counsel the proposed transfer of Shares may be effected without registration of such Shares under the Securities Act, and Company Counsel shall not concur in such opinion, Holder's Counsel at their option may submit the question to the Staff of the Securities and Exchange Commission for an advisory opinion

and, in the event that the Staff shall issue a "no action" letter with respect to the proposed transfer, Holder's Counsel shall promptly furnish a copy thereof to the Company and to Company Counsel and thereupon the Holder in question shall be entitled to transfer the Shares covered by such "no action" letter on the basis and in accordance with the terms thereof.

The Holder of the Shares giving the notice under this Section 4.5 shall not transfer such Shares until (i) the favorable opinions of Holder's Counsel and Company Counsel referred to in paragraph (b) (unless waived by the Company) shall have been given or (ii) registration of such shares under the Securities Act shall have become effective or (iii) the "no action" letter referred to in paragraph (d) shall have been received.

4.6. Required Registration. Whenever the Company shall be requested, pursuant to Section 4.5, to effect the registration of any of its shares under the Securities Act, the Company shall promptly give written notice of such proposed registration to all holders of outstanding shares of Unregistered Stock and subject to the provisions of Section 4.10, shall as expeditiously as possible, use its best efforts to effect the registration under the Securities Act of

(a) the Shares which the Company has been requested to register pursuant to Section 4.5, for disposition in accordance with the proposed method of disposition described in the notice referred to in said Section 4.5, and

(b) all other Unregistered Stock the holders of which shall have made written request (stating the proposed method of disposition of such securities by the prospective seller) to the Company for the registration thereof within 20 days after the giving of such written notice by the Company, all to the extent requisite to permit the disposition (in accordance with the proposed methods thereof, as aforesaid) by the prospective seller or sellers of such securities.

4.7. Incidental Registration. If the Company at any time proposes to register any of its securities under the Securities Act (otherwise than pursuant to Section 4.6) on Form S-1, Form S-7, Form S-11, Form S-16, or any similar form then in effect, it shall each such time give written notice to all holders of outstanding Unregistered stock of its intention so to do and, upon the written request of any holder or holders of any such Unregistered Stock given within 20 days after the giving of any such notice (which request shall state the proposed method of disposition of such securities), the Company shall use its best efforts to cause all such Unregistered Stock the holder or holders of which shall have so requested registration thereof, to be included under the proposed registration, for the disposition (in accordance with the proposed methods thereof, as aforesaid) by the prospective seller or sellers of the securities so registered; provided, however, that the Company, in lieu of including such Unregistered Stock under the proposed registration, may elect to effect a separate registration thereof if such proposed registration relates to an underwritten public

offering of securities and the Underwriters thereof object to the inclusion of such Unregistered Stock under such proposed registration. In the event the Company should elect to effect a separate registration in accordance with the provisions of the preceding sentence, the Company shall use its best efforts to cause such separate registration to become effective not later than 90 days after the effectiveness of the proposed registration. The Company may, to the extent then permitted by the Securities Act, at any time prior to the time the registration of the securities which it proposes to register as aforesaid has become effective, determine not to effect such registration, in which event the Company shall have no further obligation under this Section 4.7 to register any Unregistered Stock in connection with such proposed registration.

4.8. Registration Procedures and Expenses. If and whenever the Company is required by the provisions of this Article FOURTH to use its best efforts to effect the registration of any of its stock under the Securities Act, the Company shall, as expeditiously as possible

(a) prepare and file with the Commission a registration statement with respect to such securities and use its best efforts to cause such registration statement to become and remain effective;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for

nine months from the date of its effectiveness and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement in accordance with the intended method of disposition by the seller or sellers thereof set forth in such registration statement for such period;

(c) furnish to each seller such number of copies of the prospectus forming a part of such registration statement (including each preliminary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the securities owned by such seller;

(d) use its best efforts to register or qualify the securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall request (including, without limitation, the New York State Real Estate Syndicate Act and the New Jersey Real Estate Syndicate Offerings Law), and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller during the period provided in paragraph (b) of this Section 4.8; provided, however, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified, to take any action which would subject it to the service of process in suits other

than those arising out of the offer or sale of the securities covered by such registration statement in any jurisdiction where it is not now so subject or conform the composition of its assets at the time to the securities or blue sky laws of such jurisdictions, if in the opinion of the Board of Directors it may not be practicable to do so;

(e) (i) notify each seller of any shares covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus forming a part of such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made and (ii) at the request of any such seller prepare and furnish to such seller a reasonable number of copies of any supplement to or any amendment of such prospectus that may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; and

(f) provide a transfer agent and registrar for the Unregistered Stock at least by the effective date of the first registration of any of such Unregistered Stock.

All expenses incurred by the Company in complying with this Section 4.8, including, without limitation (except for the compensation of regular employees of the Company, which shall be paid in any event by the Company), all registration and filing fees, printing expenses, expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for the Company and counsel for the Underwriters and counsel representing selling shareholders owning a majority of the Unregistered Stock being registered) pursuant to paragraph (d) of this Section 4.8, fees and disbursements of counsel for the Company and accountants' fees and expenses incident to or required by any such registration are herein called "Registration Expenses", which shall be borne as provided in Section 4.9. All underwriting fees and commissions to be incurred by any seller and all fees and disbursements of counsel for any seller (other than counsel described in the second parenthetical phrase in the preceding sentence) are herein called "Selling Expenses", which shall be borne by the seller or sellers, in such proportions as they may agree upon. It shall be a condition precedent to the obligation of the Company to take any action pursuant to this Section 4.8 that (x) the Company shall have received an undertaking satisfactory to it from each prospective seller of the shares registered or to be registered under each such registration (A) to pay all Registration Expenses required to be

paid by such seller pursuant to Section 4.9 and all Selling Expenses to be incurred by or for account of such seller and (B) to notify the Company, at any time when a prospectus relating to the shares of such seller is required to be delivered under the Securities Act, of the happening of any event relating to such seller, the shares held by such seller or the intended method of disposition of such shares as a result of which such prospectus includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and (y) such prospective seller of the shares registered or to be registered under each such registration shall furnish to the Company such information regarding such seller, the shares held by such seller and the intended method of disposition of such shares as the Company shall reasonably request and as shall be required in connection with the action to be taken by the Company.

4.9. Allocation of Expenses. If and whenever the Company is required by the provisions of this Article FOURTH to use its best efforts to effect the registration of any of its securities under the Securities Act, the Company shall pay all Registration Expenses in connection with

(a) the first two registrations of any Unregistered Stock consummated pursuant to Section 4.6 and, if requested to do so in each case by holders of a majority of the total number of shares of Unregistered Stock, two additional such registrations; and

(b) each registration pursuant to Section 4.7. The Registration Expenses in connection with any other registration of its stock which the Company shall be required to use its best efforts to effect pursuant to any of the provisions of this Article FOURTH, and all Selling Expenses in connection with any registration of stock pursuant to this Article FOURTH, shall be borne by the seller or sellers of such securities, in such proportions as they may agree upon.

4.10. Limitations on Obligations to Register and Right to Sell Stock. Anything in this Article FOURTH to the contrary notwithstanding,

(a) the Company shall not be obligated to effect any registration pursuant to Sections 4.5, 4.6 and 4.7 until the earlier of (i) the expiration of six months after the first registration statement filed by the Company under the Securities Act otherwise than pursuant to said Sections shall have become effective or (ii) the effectiveness of a registration statement filed by the Company with respect to its shares pursuant to provisions comparable to said Sections which impose registration obligations on the Company;

(b) the Company shall not be obligated to effect any registration under Sections 4.5 and 4.6 unless it shall have received a request or requests pursuant to Sections 4.5 and 4.6 from a prospective seller or sellers to register at least 10 per cent of the Unregistered Stock;

(c) the Company shall not be obligated to effect any registration pursuant to Sections 4.5 and 4.6 if such registration would require an audit of the Company as of a date other than its fiscal year end unless the seller requesting such registration agrees to bear the expense of such an audit; and

(d) any registration pursuant to this Article FOURTH shall be subject to such restrictions or limitations as may be required by law or the regulations of the Securities and Exchange Commission on Holders as to the sales price or method of sale of their Shares included in such Registration Statement; provided that if upon the effectiveness of any such registration statement the Company will be engaged in a primary distribution of its securities, the Company may require Holders whose Shares are included in such registration statement to agree not to sell any such Shares for a period of 90 days after the effective date of such registration statement.

4.11. Indemnification. In the event of any registration of any of its shares or other securities under the Securities Act pursuant to this Article FOURTH or otherwise, the Company shall indemnify and hold harmless each Holder and each seller of securities covered by a registration pursuant to this Article FOURTH and each Underwriter of such securities and each person, if any, who controls such Holder, seller or Underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such

Holder, seller or Underwriter or controlling person may become subject under the Securities Act or otherwise, in so far as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse each such Holder, seller, Underwriter and controlling person for any legal or any other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, said preliminary prospectus or said prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Purchaser or seller, or, in the case of a registration pursuant to Section 4.6, by the Underwriter distributing or selling the shares of such seller, specifically for use in the preparation thereof. This indemnity

will be in addition to any liability which the Company may otherwise have.

A party from whom indemnity may be sought pursuant to the provisions of this Section 4.11 shall not be liable for such indemnity with respect to any claim as to which indemnity is sought unless the party seeking such indemnity shall have notified such indemnifying party in writing of the nature of such claim promptly after the assertion thereof; provided, however, that the failure so to notify such indemnifying party will not relieve such party from any liability which it may have to such indemnified party otherwise than on account of the provisions of this Section 4.11 or if the failure to give such notice promptly shall not have been prejudicial to such indemnifying party. Any indemnifying party may participate in, and to the extent that it shall wish, may direct (at its own expense and either individually or jointly with any other indemnifying party), the defense of any suit brought to enforce such claim. If any indemnifying party elects to assume the defense of any such suit and retains counsel satisfactory to such indemnified party, such indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such suit, other than reasonable costs of investigation. No indemnifying party shall be liable for any compromise or settlement of any such action effected without its consent.

In so far as the foregoing indemnity agreement may permit indemnification for liabilities under the Securities Act

of any person who is a partner or controlling person of an Underwriter within the meaning of Section 15 of the Securities Act and who, at the effective date of the registration statement, is, or is named to be, a director of the Company, if a claim for indemnification for any such liabilities (except payment for expenses incurred in the successful defense of any action, suit or proceeding) is asserted by such a person, the Company will submit to a court of competent jurisdiction (unless in the opinion of counsel for the Company the matter has already been settled by controlling precedent) the question of whether or not such indemnification is against public policy and unenforceable, and such person and the Company will be governed by the final adjudication of such issue.

It shall be a condition precedent to the obligation of the Company as to a seller to take any action pursuant to Section 4.8 that the Company shall have received an undertaking satisfactory to it from such prospective seller of the shares to be registered under each registration pursuant to Section 4.6 or 4.7, and from the Underwriter of such shares, to indemnify and hold harmless (in the same manner and to the same extent as set forth in this Section 4.11) the Company, each of its directors and each of its officers who have signed such registration statement and any person who controls the Company within the meaning of the Securities Act against any losses, claims, damages or liabilities to which the Company or any such director or officer may become subject under the Securities Act or otherwise, in so far as such losses, claims, damages or liabilities (or

actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any preliminary prospectus or final prospectus, contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was in reliance upon or in conformity with written information furnished to the Company by such seller or Underwriter, as the case may be, specifically for use therein and, in the case of such indemnity by such seller in respect of a registration pursuant to Section 4.5, written information furnished to the Company by the Underwriter specifically for use therein; and will reimburse such director or officer and such controlling person for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity will be in addition to any liability which such seller or Underwriter may otherwise have.

4.12. Agreement to Register under 1934 Act. The Company shall cause at least one class of its securities to be registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, within ninety (90) days after the effective date of the first registration statement filed by the Company under the Securities Act of 1933, as amended, and shall

thereafter (i) cause such securities to remain registered under such Section 12, and (ii) file within the requisite period of time all reports required to be filed by issuers having securities registered pursuant to such Section 12.

FIFTH: The name and mailing address of the incorporator is Jonathan E. Colby, One Chase Manhattan Plaza, New York, N. Y. 10005.

SIXTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered:

(a) to make, alter, and repeal the By-laws of the Company, subject to the power of the stockholders of the Company to alter or repeal any By-law made by the Board of Directors;

(b) subject to the laws of the State of Delaware, from time to time to sell, lease, or otherwise dispose of any part or parts of the properties of the Company and to cease to conduct the business connected therewith or again to resume the same, as it may deem best; and

(c) in addition to the powers and authorities hereinbefore and by the laws of the State of Delaware conferred upon the Board of Directors, to exercise all such powers and to do all such acts and things as may be exercised or done by the Company; subject, nevertheless, to the provisions of said laws, of the Certificate of Incorporation as from time to time amended of the Company, and of its By-laws.

SEVENTH: Any director or any officer of the Company elected or appointed by the stockholders of the Company or by its Board of Directors may be removed at any time in such manner as shall be provided in the By-laws of the Company.

EIGHTH: Each director of the Company shall be a person who is a trustee of CPI.

NINTH: The Company Reserves the right at any time and from time to time to amend, alter, change, or repeal any provision contained herein, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences, and privileges of whatsoever nature conferred upon stockholders, directors, or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article.

IN WITNESS WHEREOF, I, the undersigned, being the incorporator hereinabove named, do hereby execute this Certificate of Incorporation this 1st day of October 1973.

/s/ Jonathan E. Colby

Jonathan E. Colby

CERTIFICATE OF AMENDMENTS

OF

CERTIFICATE OF INCORPORATION

OF

CPI REALTY SERVICES, INC.

I, the undersigned, President of CPI REALTY, SERVICES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (hereinafter called the Corporation), DO HEREBY CERTIFY that the following amendments of the Certificate of Incorporation of the Corporation were adopted by the written consent of the sole Stockholder of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware:

FIRST: Article FIRST of the Certificate of Incorporation of the Corporation is amended so as to change the corporate name of the Corporation by deleting all of Article FIRST thereof and substituting in place thereof a new Article FIRST, providing as follows:

"FIRST: the name of the corporation (the 'Company') shall be Corporate Realty Consultants, Inc."

SECOND: Section 4.4 of Article FOURTH of the Certificate of Incorporation of the Corporation is amended to reflect said change of corporate name of the Corporation by deleting all of Section 4.4 or Article FOURTH thereof and substituting in place thereof a new Section 4.4 of Article FOURTH, providing as follows:

"4.4. Transfer Legends. Each certificate for Shares, including each certificate issued to any transferee, shall be stamped or otherwise imprinted with a legend in substantially the following form (unless otherwise permitted by the provisions of Section 4.5 or unless such Unregistered Stock shall have been effectively registered under the

Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition of the seller or sellers thereof set forth in the registration statement covering such Shares):

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and they may not be sold, assigned or transferred until the provisions of Article FOURTH of the Certificate of Incorporation of Corporate Realty Consultants, Inc. shall have been complied with. Copies of such Certificate are on file at the principal office of the Company."

I DO HEREBY FURTHER CERTIFY that the aforesaid amendments of the Certificate of Incorporation of the Corporation were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, I, the undersigned, President of the Corporation, do hereby execute this Certificate of Amendments of the Certificate of Incorporation of the Corporation on this 4th day of November 1975.

/s/ Hans C. Mautner

Hans C. Mautner

Attest:

/s/ William J. Lyons

Secretary

CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION
OF CORPORATE REALTY CONSULTANTS, INC.

(formerly CPI Realty Services, Inc.)

I, the undersigned, President of Corporate Realty Consultants, Inc. a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (formerly CPI Realty Services, Inc.), and hereinafter called the Corporation, DUE HEREBY CERTIFY that the following amendment of the Certificate of Incorporation of the Corporation was adopted by the written consents dated as of February 1, 1979 of a majority of the Stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware:

FIRST: Article FOURTH of the Certificate of Incorporation of the Corporation is amended by deleting from such article the first sentence thereof, and inserting in lieu thereof the following:

"FOURTH: The total number of shares of all classes of stock which the company shall have authority to issue is 2,000,000 shares of Common Stock of no par value (the "Shares")."

I DO HEREBY FURTHER CERTIFY that the aforesaid amendment of the Certificate of Incorporation of the Corporation was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, I, the undersigned, President of the Corporation do hereby execute this Certificate of Amendment

of the Certificate of Incorporation of the Corporation this 20th day of April, 1979.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Assistant Secretary

CERTIFICATE OF AMENDMENT

of

CERTIFICATE OF INCORPORATION

of

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended so as to reclassify the authorized capital stock of the Corporation by changing each of the Two million (2,000,000) shares (both issued and unissued) of Common Stock without par value, which said Certificate of Incorporation as heretofore amended provides that the Corporation shall have authority to issue, into one (1) share of Common Stock of the par value of $.10 each; the amendment as aforesaid of said Certificate of Incorporation as heretofore amended to be effected as follows:

A. The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

"FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,000,000 shares of Common Stock of the par value of $.10 each (the "Shares")."

B. Of said 2,000,000 shares of Common Stock of the par value of $.10 each, one share shall be deemed to be issued and outstanding upon the taking effect of said amendment for each share of Common Stock without par value of the Corporation which shall be issued and outstanding immediately prior to the taking effect of said amendment, and upon the taking effect of said amendment the stated capital of the Corporation shall be reduced from $1 for each presently issued and outstanding share without par value to $.10 for each share of Common Stock, par value $.10 per share which shall be issued and outstanding immediately after the taking effect of such amendment and an amount equal to $.90 for each such share shall be transferred from the Corporation's capital to its surplus. A Certificate of Reduction of Capital pursuant to Section 244(c) of the General Corporation Law of the State of Delaware is being filed with this Certificate of Amendment. Each certificate representing one or more shares of said Common Stock without par value which shall be issued and outstanding immediately prior to the taking effect of said amendment shall, upon and after the taking effect thereof, represent the same number of shares of Common Stock of the par value of S.10 each which the Corporation shall have authority to issue pursuant to said amendment.

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a

majority of the shares of Common Stock without par value issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in accordance with the provisions of, the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 21st day of August, 1980.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

> "FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,240,000 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 29th day of January, 1990.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

> "FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,242,500 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 7th day of November, 1990.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law

of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

"FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,427,274.5 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 7th day of March, 1991.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

> "FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,602,767.5 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary respectively, of the Corporation, this 12th day of March, 1992.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons

Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

> "FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,602,767.5 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary respectively, of the Corporation, this 22nd day of April, 1993.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

> "FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 2,762,767.5 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 30th day of June, 1994.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CORPORATE REALTY CONSULTANTS, INC.

Pursuant to Section 242 of the General Corporation Law
of the State of Delaware

We, the undersigned, Hans C. Mautner and William J. Lyons, the President and Secretary, respectively, of Corporate Realty Consultants, Inc., a Delaware corporation (herein called the Corporation), hereby certify as follows:

1. The Certificate of Incorporation of the Corporation as heretofore amended shall be amended as follows:

The first sentence of Article FOURTH of said Certificate of Incorporation as heretofore amended shall be amended so as to read as follows:

"FOURTH: The total number of shares of all classes of stock which the Company shall have authority to issue is 3,542,767.5 shares of Common Stock of the par value of $.10 each (the "Shares")."

2. The persons or bodies corporate holding a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote on said amendment, to wit, a majority of the shares of Common Stock of the par value of $.10 each issued and outstanding and entitled to vote thereon, have consented to said amendment. Said amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and in

accordance with the provisions of the Certificate of Incorporation of the Corporation as heretofore amended.

IN WITNESS WHEREOF, this Certificate has been made under the seal of said Corporate Realty Consultants, Inc., and has been signed by the undersigned, said Hans C. Mautner and said William J. Lyons, the President and the Secretary, respectively, of the Corporation, this 1st day of November, 1996.

/s/ Hans C. Mautner

President

Attest:

/s/ William J. Lyons
- ---
Secretary

Exhibit 3.6

FORM OF

RESTATED

CERTIFICATE OF INCORPORATION

OF

SPG REALTY CONSULTANTS, INC.

SPG Realty Consultants, Inc. (the "Corporation"), a corporation organized under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

1. That the name of the Corporation is SPG Realty Consultants, Inc.

2. The original Certificate of Incorporation of the Corporation was filed under the name Corporate Realty Consultants, Inc. with the Secretary of State of Delaware on October 1, 1975.

3. This Restated Certificate of Incorporation was duly authorized by the Corporation's Board of Directors and stockholders, and all specifically affected classes or series of classes of stockholders, in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. This Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

5. The text of the Restated Certificate of Incorporation reads as follows:

RESTATED

CERTIFICATE OF INCORPORATION

OF

SPG REALTY CONSULTANTS, INC.

FIRST: The name of the corporation (which is hereinafter called the "Corporation") is:

SPG Realty Consultants, Inc.

SECOND: The purposes for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware; provided however, that the Corporation may not engage in any transaction or activity or take advantage of any business opportunity which could legally be engaged in or taken advantage of by Simon Property Group, Inc., a Delaware corporation ("Simon Group"), without jeopardizing Simon Group's status as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or under any similar provisions of any subsequently adopted Federal income tax law, unless the Corporation shall by written notice delivered to Simon Group have first given Simon Group, for no consideration payable by Simon Group to the Corporation other than reimbursement to the Corporation for any expenditure or investment made by the Corporation in acquiring or creating such transaction, activity or business opportunity, a first refusal right to engage in such transaction or activity or to take advantage of such business opportunity and Simon Group shall not within 60 days of its receipt of such notice have advised the Corporation that Simon Group desires to exercise such right.

THIRD: The address of its registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware. The name of its registered agent at such address is The Corporation Trust Company.

FOURTH: (a) The total number of shares of stock which the Corporation has authority to issue is 750,000 shares of Common Stock, par value $.0001 per share ("Common Stock").

(b) The following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the Common Stock of the Corporation:

(1) Each share of Common Stock shall have one vote, and the exclusive voting power for all purposes shall be

vested in the holders of the Common Stock. Shares of Common Stock shall not have cumulative voting rights.

(2) Subject to the provisions of law, dividends or other distributions, including dividends or other distributions payable in shares of another class of the Corporation's stock, may be paid ratably on the Common Stock at such time and in such amounts as the Board of Directors may deem advisable.

(3) Subject to the provisions of law, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Common Stock shall be entitled to share ratably in the net assets of the Corporation remaining, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which any series of preferred stock hereafter created having a preference on distributions in the liquidation, dissolution or winding up of the Corporation shall be entitled.

FIFTH: (a) The powers and duties conferred and imposed upon the board of directors by the General Corporation Law of the State of Delaware shall be exercised and performed, in accordance with Section 141 thereof governing the action of directors, by a board (the "Board of Directors"); provided, however that pursuant to Section 141(a) of the General Corporation Law of the State of Delaware: (i) certain of such powers and duties of the Board of Directors set forth herein shall be exercised and performed only by the Independent Directors (as defined in Article EIGHTH hereof) and (ii) certain of such powers and duties of the Board of Directors as described herein may be exercised and performed by one or more committees consisting of one or more members of the Board of Directors and one or more other persons to the extent such powers and duties are delegated thereto by the Board of Directors. The number of directors of the Corporation shall never be less than the minimum number permitted by the General Corporation Law of the State of Delaware now or hereafter in force the number of directors of the Corporation shall be thirteen. The number of directors of the Corporation shall be fixed by the Board of Directors from time to time and shall initially be thirteen.

At least a majority of the directors shall be Independent Directors (as defined in Article EIGHTH).

(b) Newly created directorships resulting from any increase in the authorized number of directors shall be filled by a vote of the stockholders or a majority of the entire Board of Directors, and any vacancies on the Board of Directors resulting from death, disability ("disability," which for purposes of this paragraph (b) shall mean illness, physical or mental disability or other incapacity), resignation, retirement,

disqualification, removal from office, or other cause shall be filled by a vote of the stockholders or a majority of the directors then in office.

No decrease in the number of directors constituting the Board of Directors shall affect the tenure of office of any director.

(c) Each director of the Corporation shall be a person who is a director of Simon Group.

(d) Subject to Section 141(k) of the General Corporation Law of the State of Delaware, directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the combined voting power of all classes of shares of capital stock entitled to vote in the election for directors voting together as a single class.

(e) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the following are the names of the current directors of the Corporation, each of whom shall serve until the annual meeting of stockholders.

Name of Director

Robert E. Angelica
Birch Bayh
Hans C. Mautner
G. William Miller
Terry S. Prindiville
J. Albert Smith, Jr.
Pieter S. van den Berg
David Simon
Herbert Simon
Melvin Simon
Richard S. Sokolov
Frederick W. Petri
M. Denise DeBartolo York

(f) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, any action by the Corporation relating to (1) transactions between the Corporation and M.S. Management Associates, Inc., Simon MOA Management Company, Inc., DeBartolo Properties Management, Inc. and/or M.S. Management Associates (Indiana), Inc. or (2) transactions involving the Corporation, individually or in its capacity as general partner (whether directly or indirectly through another entity) of SPG Realty Consultants, L.P., in which the Simon Family Group or the DeBartolo Family Group or any member or affiliate of any member of the Simon Family Group or DeBartolo Family Group has an interest (other than through ownership interests in the Corporation or SPG Realty Consultants, L.P.), shall, in addition to such other vote that may be required,

require the prior approval of a majority of the Independent Directors.

(g) Elections of directors need not be by written ballot.

(h) Pursuant to Section 141(a) of the Delaware General Corporation Law, the Board of Directors may appoint an Executive Committee, an Audit Committee, a Nominating Committee and other committees composed of one or more directors or one or more other persons delegated such powers and duties by the Board of Directors. The entire Audit Committee and a majority of the Compensation Committee shall be Independent Directors. The Nominating Committee shall have five members, with two being independent Directors.

SIXTH: (a) The following provisions are hereby adopted for the purpose of defining, limiting, and regulating the powers of the Corporation and of the directors and the stockholders:

(1) The Board of Directors is hereby empowered to authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class or classes, whether now or hereafter authorized, for such consideration as may be deemed advisable by the Board of Directors and without any action by the stockholders.

(2) No holder of any stock or any other securities of the Corporation, whether now or hereafter authorized, shall have any preemptive right to subscribe for or purchase any stock or any other securities of the Corporation and at such price or prices and upon such other terms as the Board of Directors, in its sole discretion, may fix; and any stock or other securities which the Board of Directors may determine to offer for subscription may, as the Board of Directors in its sole discretion shall determine, be offered to the holders of any class, series or type of stock or other securities at the time outstanding to the exclusion of the holders of any or all other classes, series or types of stock or other securities at the time outstanding.

(3) The Board of Directors of the Corporation shall, consistent with applicable law, have power in its sole discretion to determine from time to time in accordance with sound accounting practice or other reasonable valuation methods what constitutes annual or other net profits, earnings, surplus, or net assets in excess of capital; to fix and vary from time to time the amount to be reserved as working capital, or determine that retained earnings or surplus shall remain in the hands of the Corporation; to set apart out of any funds of the Corporation such reserve or reserves in such amount or amounts and for such proper

purpose or purposes as it shall determine and to abolish any such reserve or any part thereof; to redeem or purchase its stock or to distribute and pay distributions or dividends in stock, cash or other securities or property, out of surplus or any other funds or amounts legally available therefor, at such times and to the stockholders of record on such dates as it may, from time to time, determine; to determine the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); to determine the fair value and any matters relating to the acquisition, holding and disposition of any assets by the Corporation; and to determine whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of stockholders, except as otherwise provided by statute or by the By-laws, and, except as so provided, no stockholder shall have any right to inspect any book, account or document of the Corporation unless authorized so to do by resolution of the Board of Directors.

(4) (a) The Corporation shall indemnify to the fullest extent permitted under and in accordance with the laws of the State of Delaware any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer or trustee of or in any other capacity with another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) Expenses incurred in defending a civil or criminal action, suit or proceeding shall (in the case of any action, suit or proceeding against a director of the Corporation) or may (in the case of any action, suit or proceeding against an officer, trustee, employee or agent) be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the indemnified person to repay such amount

if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article SIXTH paragraph (a)(4).

(c) The indemnification and other rights set forth in this paragraph (a)(4) shall not be exclusive of any provisions with respect thereto in the By-laws or any other contract or agreement between the Corporation and any officer, director, employee or agent of the Corporation.

(d) Neither the amendment nor repeal of this paragraph (a)(4), subparagraph (a), (b) or (c), nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with paragraph (a)(4), subparagraph (a), (b) or (c), shall eliminate or reduce the effect of this paragraph (a)(4), subparagraphs (a), (b) and (c), in respect of any matter occurring before such amendment, repeal or adoption of an inconsistent provision or in respect of any cause of action, suit or claim relating to any such matter which would have given rise to a right of indemnification or right to receive expenses pursuant to this paragraph (a)(5), subparagraph (a), (b) or (c), if such provision had not been so amended or repealed or if a provision inconsistent therewith had not been so adopted.

(e) No director shall be personally liable to the Corporation or any stockholder for monetary damages for breach of fiduciary duty as a director, except for liability

(i) for any breach of the director's duty of loyalty to the Corporation or its stockholders;

(ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;

(iii) under Section 174 of the General Corporation Law of the State of Delaware; or

(iv) for any transaction from which the director derived an improper personal benefit.

If the General Corporation Law of the State of Delaware is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. All references in this paragraph (e) shall also be deemed to refer to the Independent Directors and members of committees of the Board of Directors.

(5) For any stockholder proposal to be presented in connection with an annual meeting of stockholders of the Corporation, including any proposal relating to the nomination of a director to be elected to the Board of Directors of the Corporation, the stockholders must have given timely written notice thereof in writing to the Secretary of the Corporation in the manner and containing the information required by the By-laws. Stockholder proposals to be presented in connection with a special meeting of stockholders will be presented by the Corporation only to the extent required by the General Corporation Law of the State of Delaware.

(b) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the Corporation reserves the right to amend, alter, change or repeal any provision contained in the Charter, including any amendments changing the terms or contract rights, as expressly set forth in the Charter, of any of its outstanding stock by reclassification or otherwise, by a majority of the directors (including a majority of the Independent Directors adopting a resolution setting forth the proposed change, declaring its advisability, and either calling a special meeting of the stockholders certified to vote on the proposed change, or directing the proposed change to be considered at the next annual stockholders meeting; provided however, that any amendment to, repeal of or adoption of any provision inconsistent with subparagraphs (a)(4)(e) or (a)(5) or this paragraph (b) of Article SIXTH will be effective only if it is adopted upon the affirmative vote of not less than 80% of the aggregate votes entitled to be cast thereon.

(c) In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-laws of the Corporation.

(d) Pursuant to Section 141(a) of the General Corporation Law of the State of Delaware, the affirmative vote of least six of the Independent Directors is necessary to cause any partnership in which the Corporation acts, directly or indirectly, as a general partner to sell any property owned by such partnership in accordance with the terms of the partnership agreement of such partnership.

(e) The enumeration and definition of particular powers of the Board of Directors included in the foregoing shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of the Charter of the Corporation, or construed as or deemed by inference or otherwise in any manner to exclude or limit any powers conferred upon the Board of Directors under the General

Corporation Law of the State of Delaware now or hereafter in force.

SEVENTH: Any action required or permitted to be taken by stockholders of the Company at a duly called annual or special meeting of such stockholders of the Company may be effected by written consent without a meeting by such stockholders.

EIGHTH: The following terms shall have the following meaning:

"Board of Directors" shall mean the Board of Directors of the Corporation as defined in Article FIFTH.

"By-laws" shall mean the By-laws of the Corporation.

"DeBartolo Family Group" shall mean the Estate of Edward J. DeBartolo, Sr., Edward J. DeBartolo, Jr. and Marie Denise DeBartolo York, other members of the immediate family of any of the foregoing, any other lineal descendants of any of the foregoing, any estates of any of the foregoing, any trusts established for the benefit of any of the foregoing, and any other entity controlled by any of the foregoing.

"Independent Director" shall mean a director of the Corporation who is neither an employee of the Corporation nor a member (or an affiliate of a member) of the Simon Family Group or the DeBartolo Family Group.

"Simon Family Group" shall mean Melvin Simon, Herbert Simon and David Simon, other members of the immediate family of any of the foregoing, any other lineal descendants of any of the foregoing, any estates of any of the foregoing, any trust established for the benefit of any of the foregoing, and any other entity controlled by any of the foregoing.

"Units" shall mean units representing limited partnership interests in SPG Realty Consultants, L.P.

NINTH: Whenever the Corporation shall have the obligation to purchase Units and shall have the right to choose to satisfy such obligation by purchasing such Units either with cash or with Common Stock, the determination whether to utilize cash or Common Stock to effect such purchase shall be made by majority vote of the Independent Directors, pursuant to Section 141(a) of the General Corporation Law of the State of Delaware.

TENTH: In the event any term, provision, sentence or paragraph of the Charter of the Corporation is declared by a court of competent jurisdiction to be invalid or unenforceable, such term, provision, sentence or paragraph shall be deemed

severed from the remainder of the Charter, and the balance of the Charter shall remain in effect and be enforced to the fullest extent permitted by law and shall be construed to preserve the intent and purposes of the Charter. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, provision, sentence or paragraph of the Charter in any other jurisdiction.

IN WITNESS WHEREOF, I have made and signed this Certificate this __ day of _____ __, 1998 and affirm the statements contained herein as true under penalties of perjury.

_____
Name:
Title:

EXHIBIT 3.7

CPI REALTY SERVICES, INC.

BY-LAWS

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of CPI Realty Services, Inc. (the "Corporation"), in the State of Delaware shall be at 100 West Tenth Street, City of Wilmington, County of New Castle. The name of the registered agent in charge thereof is The Corporation Trust Company.

SECTION 2. Other Offices. The Corporation may also have offices at other places either within or without the State of Delaware.

ARTICLE II

Meetings of Stockholders; Stockholders' Consent in Lieu of Meeting

SECTION 1. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, date, and hour as shall be designated in the notice thereof.

SECTION 2. Special Meetings. A special meeting of the stockholders for any purpose or purposes may be called by the Board, the Chairman of the Board, the President, or the

Secretary, to be held at such place, date, and hour as shall be designated in the notice thereof.

SECTION 3. Stockholders' Consent in Lieu of Meeting. Any corporate action requiring a vote of stockholders may be taken without a meeting if the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted consent thereto in writing, and the writing or writings are filed with the minutes of the meetings of stockholders.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by the Board.

SECTION 2. Number and Term of Office. The number of directors which shall constitute the whole Board shall be fixed from time to time by a vote of a majority of the whole board. Each of the directors of the Corporation shall hold office until the annual meeting next after his election and until his successor shall be elected and shall qualify or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 3. Resignation, Removal, and Vacancies. Any director may resign at any time by giving written notice of his resignation to the Chairman of the Board or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective

shall not be specified therein, then it shall take effect when accepted by action of the Board. Except as aforesaid, the acceptance of such resignation shall not be necessary to make it effective.

A director may be removed, either with or without cause, at any time by vote of a majority of the whole Board.

In case of any vacancy on the Board or in case of any newly created directorship, a director to fill the vacancy of the newly created directorship for the unexpired portion of the term being filled may be elected by a majority of the directors of the Corporation then in office though less than a quorum; provided, however, that if, at the time of filling any vacancy, the directors then in office shall constitute less than a majority of the whole Board (as constituted immediately prior to such vacancy), the Court of chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order a meeting of stockholders to be held to fill such vacancy or to replace the director chosen by the directors then in office.

SECTION 4. Meetings.

(A) Annual Meetings. As soon as practicable after each annual election of directors, the Board shall meet for the purpose of organization and the transaction of other business.

(B) Other Meetings. Other meetings of the Board shall be held at such times and places as the Board, the Chairman of

the Board, the President, or the Secretary shall from time to time determine.

(C) Notice of Meetings. The Secretary shall give notice to each director of each meeting, including the time and place of such meeting. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent to him by telegraph, cable, wireless, or other form of recorded communication or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. Notice of any meeting shall not be required to be given to any director who shall attend such meeting. A written waiver of notice, signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice.

(D) Place of Meeting. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution determine or as shall be designated in the respective notices or waivers of notice thereof.

(E) Quorum and Manner of Acting. A majority of the directors then in office (but in no case less than two directors) shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those directors present at any such meeting at which a quorum is present shall be necessary

for the passage of any resolution or act of the Board, except as otherwise expressly required by law or these By-laws. In the absence of a quorum for any such meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

(F) Organization and Order of Business. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside thereat, in the following order of precedence:

(a) the Chairman of the Board;

(b) the President;

(c) any director chosen by a majority of the directors present thereat.

The Secretary, or in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present thereat) whom the chairman shall appoint, shall act as secretary of the meeting and keep the minutes thereof.

SECTION 5. Unanimous Director Consent in Lieu of Meeting. Any corporate action requiring a vote of the Board may be taken without a meeting if all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

SECTION 6. Compensation. Each director, in consideration of his serving as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at meetings of the Board or of any committee, or

both, as the Board shall from time to time determine. The Board may likewise provide that the Corporation shall reimburse each director or member of a committee for any expenses incurred by him on account of his attendance at any such meeting. Nothing contained in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

Committees

SECTION 1. Committees of Directors. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees (including, but not limited to, an Executive Committee), each committee to consist of two or more of the directors of the Corporation. Any such committee, to the extent provided in such resolution, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation and shall have such other duties and functions as shall be provided in such resolution.

SECTION 2. Minutes of Committee Meetings. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

ARTICLE V

Officers

SECTION 1. Election and Appointment and Term of Office. The officers of the Corporation shall be a Chairman of the Board, a President, such number of Vice Presidents (including

any Executive and/or Senior Vice Presidents) as the Board may determine from time to time, a Treasurer and a Secretary. Each such officer shall be elected by the Board at its annual meeting and shall hold office until the next annual meeting of the Board and until his successor shall be elected or until his earlier death or resignation or removal in the manner hereinafter provided.

The Board may elect or appoint such other officer (including one or more Assistant Treasurers and one or more Assistant Secretaries) as it deems necessary, who shall have such authority and shall perform such duties as the Board may prescribe.

If additional officers are elected or appointed during the year, each of them shall hold office until the next annual meeting of the board and until his successor shall be elected or appointed or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 2. Resignation, Removal, and Vacancies. Any officer may resign at any time by giving written notice of his resignation to the Chairman of the Board or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect when accepted by action of the Board. Except as aforesaid, the acceptance of such resignation shall not be necessary to make it effective.

All officers and agents elected or appointed by the Board shall be subject to removal at any time by the Board with or without cause.

A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided for election or appointment to such office.

SECTION 3. Duties and Functions.

(A) The Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board and of the stockholders at which he is present and shall have the general supervision of the affairs of the Corporation, and perform all such duties as are incident to his office or as are properly required of him by the Board.

(B) The President. The President shall be the chief operating officer of the Corporation. Under the supervision of the Chairman of the Board, he shall have general charge of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect.

(C) Vice Presidents. Each Vice President shall have such powers and duties as shall be prescribed by the Chairman of the Board, the President, or the Board.

(D) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. He shall have charge of the accounting records of the Corporation and shall be responsible for the preparation and filing of all reports and returns relating to or based upon such accounting records.

(E) Secretary. The Secretary shall keep the records of all meetings of the stockholders and of the Board. He shall affix the seal of the Corporation to all deeds, contracts, bonds, or other instruments requiring the corporate seal when the same shall have been signed on behalf of the Corporation by a duly authorized officer.

ARTICLE VI

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 1. Execution of Contracts. The Board, except as otherwise provided in these By-laws, may authorize any officer or officers or other person or persons to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances, and unless so authorized by the Board or by the provisions of these By-laws, no officer or other person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable papers shall be issued in its name, except by such officer or officers or other person or persons as may be designated by the Board from time to time. If and to the extent authorized by the Board, the power to contract loans or issue negotiable papers may be delegated by any such officer or officers or other person or persons.

SECTION 3. Checks, Drafts, etc. All checks, drafts, bills of exchange, and other orders for the payment of money,

letters of credit, acceptances, obligations, notes, and other evidences of indebtedness, bills of lading, warehouse receipts and insurance certificates of the Corporation shall be signed or endorsed by such officer or officers or other person or persons as may be designated by the Board from time to time. If and to the extent authorized by the Board, the power to sign or endorse any such instrument may be delegated by any such officer or officers or other person or persons.

SECTION 4. Bank Accounts. The Board may from time to time authorize the opening and maintenance of general and special bank and custodial accounts with such banks, trust companies, and other depositories as it may select. Rules, regulations, and agreements applicable to such accounts may be made, and changed form time to time, by the Board, including, but without limitation, rules, regulations, and agreements with respect to the use of facsimile and printed signatures. Any of such powers of the Board with respect to bank and custodial accounts may be delegated by the Board to any officer or officers or other person or persons as may be designated by the Board, and if and to the extent authorized by the Board, any such power may be further delegated by any such officer or officers or other person or persons.

SECTION 5. Proxies in Respect of Stock or Other Securities of Other Corporations. The Board shall designate the officers of the Corporation who shall have authority from time to time to appoint an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other corporation and to vote or consent in respect of such stock or securities. Such designated officers may instruct the person or persons so appointed as to the manner of exercising such powers and

rights, and such designated officers may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, powers of attorney, or other instruments as they may deem necessary or proper in order that the Corporation may exercise such powers and rights.

ARTICLE VII

Books and Records

The books and records of the Corporation may be kept at such places within or without the State of Delaware as the Board, the Chairman of the Board, the President, or the Secretary may from time to time determine.

ARTICLE VIII

Indemnification

The Corporation shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action, suit, or proceeding (whether civil, criminal, administrative, or investigative) by reason of the fact that he, his testator or intestate is or was a director, officer, or employee of the Corporation or serves or served any other enterprise at the request of the Corporation.

ARTICLE IX

Seal

The Board shall provide a corporate seal, which shall be in form of a circle and shall bear the full name of the Corporation and the words and figures "Corporate Seal 1975 Delaware."

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall end on the 31st day of December in each year.

ARTICLE XI

Amendments

These By-laws may be altered or repealed by the vote of a majority of the whole Board, subject to the power of the stockholders of the Corporation to alter or repeal any By-law made by the Board.

Exhibit 3.8

FORM OF

SPG REALTY CONSULTANTS, INC.

BY-LAWS

ARTICLE I.

STOCKHOLDERS

SECTION 1.01. ANNUAL MEETING. SPG Realty Consultants, Inc. (the "Corporation") shall hold an annual meeting of its stockholders to elect directors and transact any other business within its powers, at such place, on such date, and at such time as shall be set by the Board of Directors. Except as the Restated Certificate of Incorporation of the Corporation (the "Charter"), these By-laws, or statute provides otherwise, any business may be considered at an annual meeting without the purpose of the meeting having been specified in the notice. Failure to hold an annual meeting does not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

SECTION 1.02. SPECIAL MEETING. At any time in the interval between annual meetings, a special meeting of the stockholders may be called by the Chairman of the Board, or a Co-Chairman of the Board or the President or by a majority of the Board of Directors by vote at a meeting or in writing (addressed to the Secretary of the Corporation) with or without a meeting.

SECTION 1.03. PLACE OF MEETINGS. Meetings of stockholders shall be held at such place in the United States as is set from time to time by the Board of Directors.

SECTION 1.04. NOTICE OF MEETINGS; WAIVER OF NOTICE. Not less than ten nor more than 60 days before each stockholders meeting, the Secretary shall give written notice of the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting. The notice shall state the time and place of the meeting and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a stockholder when it is personally delivered to him, left at his residence or usual place of business, or mailed to him at his address as it appears on the records of the Corporation. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he or she before or after the meeting signs a waiver of the notice which is filed with the records of stockholders' meetings, or is present at the meeting in person or by proxy (except as otherwise provided by Section 229 of the General Corporation Law of the State of Delaware).

SECTION 1.05. QUORUM; VOTING. Unless any statute or the Charter provides otherwise, at a meeting of stockholders the

presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and the affirmative vote of a majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director.

SECTION 1.06. ADJOURNMENTS. Whether or not a quorum is present, a meeting of stockholders convened on the date for which it was called may be adjourned from time to time by a majority vote of the stockholders present in person or by proxy entitled to vote without notice other than by announcement at the meeting. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be present.

SECTION 1.07. GENERAL RIGHT TO VOTE; PROXIES. Unless the Charter provides otherwise, each outstanding share of stock, regardless of class, is entitled to one vote on each matter submitted to a vote at a meeting of stockholders. In all elections for directors, each share of stock entitled to vote may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A stockholder may vote the stock he or she owns of record either in person or by proxy authorized by an instrument in writing or by a transmission permitted by law. Unless a proxy provides otherwise, it is not valid more than three years after its date.

SECTION 1.08. LIST OF STOCKHOLDERS. The Secretary shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote, arranged in alphabetical order and showing the address of each stockholder and the number of shares of each stockholder. Such list shall be open at the place where the election is to be held for said ten days, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

SECTION 1.09. CONDUCT OF BUSINESS. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving notice provided for in Section 1.11, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 1.12. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section and Section 1.12 and, if any

proposed nomination or business is not in compliance with this Section and Section 1.12, to declare that such defective nomination or proposal be disregarded. No person shall be qualified to serve as a director unless nominated in accordance with this Section 1.09.

SECTION 1.10. CONDUCT OF VOTING. At all meetings of stockholders, unless the voting is conducted by inspectors, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies, the acceptance or rejection of votes and procedures for the conduct of business not otherwise specified by these By-laws, the Charter or law, shall be decided or determined by the chairman of the meeting. Unless required by law, no vote need be by ballot and voting need not be conducted by an inspector. No candidate for election as a director at a meeting shall serve as an inspector thereat.

SECTION 1.11. STOCKHOLDER PROPOSALS. For any stockholder proposal to be presented in connection with an annual meeting of stockholders of the Corporation, including any proposal relating to the nomination of a director to be elected to the Board of Directors of the Corporation, the stockholders must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such stockholder, as they appear on the Corporation's books, and of

such beneficial owner and (ii) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholders and such beneficial owner.

ARTICLE II.

BOARD OF DIRECTORS

SECTION 2.01. FUNCTION OF DIRECTORS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the stockholders by statute or by the Charter or By-laws.

SECTION 2.02. NUMBER OF DIRECTORS. The Corporation shall have that number of directors as provided in paragraph (a) of Article FIFTH of the Charter.

SECTION 2.03. REMOVAL OF DIRECTOR. Any director or the entire Board of Directors may be removed only in accordance with the provisions of the Charter and General Corporation Law of the State of Delaware.

SECTION 2.04. VACANCY ON BOARD. Subject to the rights of the holders of any class of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors shall be filled by a vote of the stockholders or a majority of the directors in office on the Board of Directors, and any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office, or other cause shall be filled in accordance with paragraph (b) of Article FIFTH of the Charter.

SECTION 2.05. REGULAR MEETINGS. After each meeting of stockholders at which directors shall have been elected, the Board of Directors shall meet as soon as practicable for the purpose of organization and the transaction of other business. In the event that no other time and place are specified by resolution of the Board of Directors, the President, the Chairman of the Board or a Co-Chairman of the Board, with notice in accordance with Section 2.07, the Board of Directors shall meet immediately following the close of, and at the place of, such stockholders' meeting. Any other regular meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

SECTION 2.06. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, a Co-Chairman of the Board, or the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

In the absence of designation such meeting shall be held at such place as may be designated in the call.

SECTION 2.07. NOTICE OF MEETING. Except as provided in Section 2.05, the Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him, left at his residence or usual place of business, or sent by telegraph, facsimile transmission or telephone, at least 24 hours before the time of the meeting or, in the alternative by mail to his address as it shall appear on the records of the Corporation, at least 72 hours before the time of the meeting. Unless the By-laws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.08. ACTION BY DIRECTORS. Unless statute or the Charter or By-laws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the Board and filed with the minutes of proceedings of the Board.

SECTION 2.09. MEETING BY CONFERENCE TELEPHONE. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 2.10. COMPENSATION. By resolution of the Board of Directors a fixed sum and expenses, if any, for attendance at

each regular or special meeting of the Board of Directors or of committees thereof, and other compensation for their services as such or on committees of the Board of Directors, may be paid to directors. Directors who are employees of the Corporation need not be paid for attendance at meetings of the board or committees thereof for which fees are paid to other directors. A director who serves the Corporation in any other capacity also may receive compensation for such other services, pursuant to a resolution of the directors.

SECTION 2.11. ADVISORY DIRECTORS. The Board of Directors may by resolution appoint advisory directors to the Board, who may also serve as directors emeriti, and shall have such authority and receive such compensation and reimbursement as the Board of Directors shall provide. Advisory directors or directors emeriti shall not have the authority to participate by vote in the transaction of business.

SECTION 2.12. SURETY BONDS. Unless required by law, no director shall be obligated to give any bond or surety or other security for the performance of any of his or her duties.

ARTICLE III.

COMMITTEES

SECTION 3.01. COMMITTEES. In accordance with the Charter, the Board of Directors may appoint an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating Committee and other committees composed of one or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to declare dividends or other distributions on stock, elect directors, issue stock other than as provided in the next sentence, recommend to the stockholders any action which requires stockholder approval, amend the By-laws, or approve any merger or share exchange which does not require stockholder approval. If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board of Directors, in accordance with a general formula or method specified by the Board of Directors by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors.

SECTION 3.02. COMMITTEE PROCEDURE. Each committee may fix rules of procedure for its business. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each committee

member and filed with the minutes of the committee. The members of a committee may conduct any meeting thereof by conference telephone in accordance with the provisions of Section 2.10.

ARTICLE IV.

OFFICERS

SECTION 4.01. EXECUTIVE AND OTHER OFFICERS. The Corporation shall have a President, a Secretary, and a Treasurer. The Corporation may also have a Chairman, or Co-Chairmen, of the Board, a Chief Executive Officer, a Chief Operating Officer, one or more Vice-Presidents, assistant officers, and subordinate officers as may be established by the Board of Directors. A person may hold more than one office in the Corporation except that no person may serve concurrently as both President and Vice-President of the Corporation. The Chairman of the Board, or each of the Co-Chairmen of the Board, as the case may be, shall be a director; the other officers may be directors.

SECTION 4.02. CHAIRMAN OF THE BOARD. The Chairman, or Co-Chairmen, of the Board, if elected, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she or they shall be present. In general, the Chairman of the Board and a Co-Chairman of the Board shall perform all such duties as are from time to time assigned to him or her by the Board of Directors.

SECTION 4.03. VICE CHAIRMAN. The Vice Chairman of the Board, if one be elected by the Board of Directors, shall be an officer of the Corporation. In general, the Vice Chairman of the Board shall perform all such duties as are from time to time assigned to him or her by the Board of Directors.

SECTION 4.04. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors and with the President, shall in general supervise and control all of the business and affairs of the Corporation. In general, he or she shall perform such other duties usually performed by a chief executive officer of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors of the Corporation. Unless otherwise provided by resolution of the Board of Directors, the Chief Executive Officer, if one be elected, in the absence of the Chairman of the Board or a Co-Chairman of the Board, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present.

SECTION 4.05. PRESIDENT. Unless otherwise specified by the Board of Directors, the President shall be the principal operating officer of the Corporation and perform the duties customarily performed by a principal operating officer of a corporation. If no Chief Executive Officer is appointed, he or

she shall also serve as the Chief Executive Officer of the Corporation. The President may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Corporation. In general, he or she shall perform such other duties usually performed by a president of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors or the Chief Executive Officer of the Corporation. Unless otherwise provided by resolution of the Board of Directors, the President, in the absence of the Chairman of the Board, a Co-Chairman of the Board and the Chief Executive Officer, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present.

SECTION 4.06. CHIEF OPERATING OFFICER. The Chief Operating Officer, at the request of the Chief Executive Officer or the President, or in the President's absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. Unless otherwise specified by the Board of Directors, he or she shall perform such other duties usually performed by a chief operating officer of a corporation and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive Officer or the President of the Corporation.

SECTION 4.07. VICE-PRESIDENTS. The Vice-President or Vice-Presidents, at the request of the Chief Executive Officer or the President or the Chief Operating Officer, or in the Chief Operating Officer's absence or during his inability to act, shall perform the duties and exercise the functions of the Chief Operating Officer, and when so acting shall have the powers of the Chief Operating Officer. If there be more than one Vice-President, the Board of Directors may determine which one or more of the Vice-Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the Chief Executive Officer, or the President may make such determination; otherwise any of the Vice-Presidents may perform any of such duties or exercise any of such functions. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties, and have such additional descriptive designations in their titles (if any), as are from time to time assigned to them by the Board of Directors, the Chief Executive Officer, or the President of the Corporation.

SECTION 4.08. SECRETARY. The Secretary shall keep the minutes of the meetings of the stockholders, of the Board of Directors and of any committees, in books provided for the purpose; he or she shall see that all notices are duly given in accordance with the provisions of the By-laws or as required by law; he or she shall be custodian of the records of the Corporation; he or she may witness any document on behalf of the

Corporation, the execution of which is duly authorized, see that the corporate seal is affixed where such document is required or desired to be under its seal, and, when so affixed, may attest the same; and, in general, the Secretary shall perform all duties incident to the office of a secretary of a corporation, and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive officer, or the President of the Corporation.

SECTION 4.09. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he or she shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and, in general, the Treasurer shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as are from time to time assigned to him or her by the Board of Directors, the Chief Executive officer, or the President of the Corporation.

SECTION 4.10. ASSISTANT AND SUBORDINATE OFFICERS. The assistant and subordinate officers of the Corporation are all officers below the office of Vice-President, Secretary, or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors, the Chief Executive Officer, or the President of the Corporation.

SECTION 4.11. ELECTION, TENURE AND REMOVAL OF OFFICERS. The Board of Directors shall elect the officers. The Board of Directors may from time to time authorize any committee or officer to appoint assistant and subordinate officers. Election or appointment of an officer, employee or agent shall not of itself create contract rights. All officers shall be appointed to hold their offices, respectively, during the pleasure of the Board. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may remove an officer at any time. The removal of an officer does not prejudice any of his contract rights. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may fill a vacancy which occurs in any office for the unexpired portion of the term.

SECTION 4.12. COMPENSATION. The Board of Directors shall have power to fix the salaries and other compensation and remuneration, of whatever kind, of all officers of the Corporation. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation. The Board of Directors may authorize any committee or officer, upon whom the power of appointing assistant and subordinate officers may have been conferred, to fix the

salaries, compensation and remuneration of such assistant and subordinate officers.

ARTICLE V.

DIVISIONAL TITLES

SECTION 5.01. CONFERRING DIVISIONAL TITLES. The Board of Directors may from time to time confer upon any employee of a division of the Corporation the title of President, Vice President, Treasurer or Controller of such division or any other title or titles deemed appropriate, or may authorize the Chairman of the Board, a Co-Chairman of the Board, the Chief Executive Officer or the President to do so. Any such titles so conferred may be discontinued and withdrawn at any time by the Board of Directors, or by the Chairman of the Board, or a Co-Chairman of the Board or the President if so authorized by the Board of Directors. Any employee of a division designated by such a divisional title shall have the powers and duties with respect to such division as shall be prescribed by the Board of Directors, the Chairman of the Board, a Co-Chairman of the Board, or the President.

SECTION 5.02. EFFECT OF DIVISIONAL TITLES. The conferring of divisional titles, as described in Section 5.01 hereof, shall not create an office of the Corporation under Article IV unless specifically designated as such by the Board of Directors; but any person who is an officer of the Corporation may also have a divisional title.

ARTICLE VI.

STOCK

SECTION 6.01. CERTIFICATES FOR STOCK. Each stockholder is entitled to certificates which represent and certify the shares of stock he or she holds in the Corporation. Each stock certificate shall include on its face the name of the Corporation, the name of the stockholder or other person to whom it is issued, and the class of stock and number of shares it represents. It shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each stock certificate shall be signed by the Chairman of the Board, a Co-Chairman of the Board, the President, or a Vice-President, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. A certificate may not be issued until the stock represented by it is fully paid.

SECTION 6.02. TRANSFERS. The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

SECTION 6.03. RECORD DATES. The Board of Directors may set a record date for the purpose of making any proper determination with respect to stockholders, including which stockholders are entitled to notice of a meeting, vote at a meeting, receive a dividend, or be allotted other rights. The record date may not be prior to the close of business on the day the record date is fixed nor, subject to Section 1.06, more than 60 days before the date on which the action requiring the determination will be taken; and, in the case of a meeting of stockholders, the record date shall be at least ten days before the date of the meeting.

SECTION 6.04. STOCK LEDGER. The Corporation shall maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. The stock ledger may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the offices of a transfer agent for the particular class of stock, or, if none, at the principal office in the State of Delaware or the principal executive offices of the Corporation.

SECTION 6.05. LOST STOCK CERTIFICATES. The Board of Directors of the Corporation may determine the conditions for issuing a new stock certificate in place of one which is alleged to have been lost, stolen, or destroyed, or the Board of Directors may delegate such power to any officer or officers of the Corporation. In their discretion, the Board of Directors or such officer or officers may refuse to issue such new certificate save upon the order of some court having jurisdiction in the premises.

ARTICLE VII.

FINANCE

SECTION 7.01. CHECKS, DRAFTS, ETC. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Corporation, shall, unless otherwise provided by resolution of the Board of Directors, be signed by the Chief Executive Officer, the President, a Vice-President or an Assistant Vice-President and countersigned by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary.

SECTION 7.02. FISCAL YEAR. The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

SECTION 7.03. DIVIDENDS. If declared by the Board of Directors at any meeting thereof, the Corporation may pay dividends on its shares in cash, property, or in shares of the capital stock of the Corporation, unless such dividend is contrary to law or to a restriction contained in the Charter.

SECTION 7.04. CONTRACTS. To the extent permitted by applicable law, and except as otherwise prescribed by the Charter or these By-laws with respect to certificates for shares, the Board of Directors may authorize any officer, employee, or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

ARTICLE VIII.

INDEMNIFICATION

SECTION 8.01. PROCEDURE. Any indemnification, or payment of expenses, for which mandatory payments must be made under the Charter, in advance of the final disposition of any proceeding, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification (the "Indemnified Party"). The right to indemnification and advances hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Corporation denies such request, in whole or in part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be reimbursed by the Corporation. It shall be a defense to any action for advance for expenses that (a) a determination has been made that the facts then known to those making the determination would preclude indemnification or (b) the Corporation has not received both (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met and (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met.

SECTION 8.02. EXCLUSIVITY, ETC. The indemnification and advance of expenses provided by the Charter and these By-laws shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of stockholders or disinterested directors or other

provision that is consistent with law, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification and advance of expenses under the Charter of the Corporation and hereunder shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this By-law is in effect. Nothing herein shall prevent the amendment of this By-law, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this By-law shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to events occurring, or claims made, while this By-law or any provision hereof is in force.

SECTION 8.03. SEVERABILITY; DEFINITIONS. The invalidity or unenforceability of any provision of this Article VIII shall not affect the validity or enforceability of any other provision hereof. The phrase "this By-law" in this Article VIII means this Article VIII in its entirety.

ARTICLE IX.

SUNDRY PROVISIONS

SECTION 9.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of a Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of the By-laws shall be kept at the principal office of the Corporation.

SECTION 9.02. CORPORATE SEAL. The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "Seal" adjacent to the

signature of the person authorized to sign the document on behalf of the Corporation.

SECTION 9.03. BONDS. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 9.04. VOTING UPON SHARES IN OTHER CORPORATIONS. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the President, a Vice-President, or a proxy appointed by either of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

SECTION 9.05. MAIL. Any notice or other document which is required by these By-laws to be mailed shall be deposited in the United States mails, postage prepaid.

SECTION 9.06. EXECUTION OF DOCUMENTS. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

SECTION 9.07. RELIANCE. Each director, officer, employee and agent of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Corporation, upon an opinion of counsel or upon reports made to the Corporation by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Board of Directors or officers of the Corporation, regardless of whether such counsel or expert may also be a director.

SECTION 9.08. CERTAIN RIGHTS OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The directors shall have no responsibility to devote their full time to the affairs of the Corporation. Any director or officer, employee or agent of the Corporation, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to or in addition to those of or relating to the Corporation.

SECTION 9.09. AMENDMENTS. In accordance with the Charter, these By-laws may be repealed, altered, amended or rescinded by the stockholders of the Corporation (considered for this purpose as one class) by the affirmative vote of not less than 80% of all the votes entitled to be cast generally in the election of

directors which are cast on the matter at any meeting of the stockholders called for that purpose (provided that notice of such proposed repeal, alteration, amendment or rescission is included in the notice of such meeting).

Exhibit 4.3

Form of stock certificate of Simon Property Group, Inc. Common Stock, par value $0.0001 per share.

The holder of the shares represented by this certificate also holds a beneficial interest in shares of stock of SPG Realty Consultants, Inc. ("SRC") held in a trust under a Trust Agreement dated as of October 30, 1979, among stockholders of Corporate Property Investors (predecessor to the Corporation), Corporate Property Investors (predecessor to the Corporation), Corporate Realty Consultants, Inc. (predecessor to SRC), and the trustee thereunder.

The securities represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time (the "Code"). Transfers in contravention of such restrictions shall be void ab initio. Except as otherwise determined by the Board of Directors of the Corporation, no Person may (1) Beneficially Own or Constructively Own shares of Capital Stock in excess of 8.0% (other than members of the Simon Family Group, whose relevant percentage is 18.0%) of the value of any class of outstanding Capital Stock of the Corporation, or any combination thereof, determined as provided in the Corporation's Charter, as the same may be amended from time to time (the "Charter"), and computed with regard to all outstanding shares of Capital Stock and, to the extent provided by the Code, all shares of Capital Stock issuable under existing options and Exchange Rights that have not been exercised; or (2) Beneficially Own Capital Stock which would result in the Corporation being "closely held" under Section 856(h) of the Code. Unless so excepted, any acquisition of Capital Stock and continued holding of ownership constitutes a continuous representation of compliance with the above limitations, and any Person who attempts to Beneficially Own or Constructively Own shares of Capital Stock in excess of the above limitations has an affirmative obligation to notify the Corporation immediately upon such attempt. If the restrictions on transfer are violated, the transfer will be void ab initio and the shares of Capital Stock represented hereby will be automatically converted into shares of Excess Stock and will be transferred to the Trustee to be held in trust for the benefit of one or more Qualified Charitable Organizations, whereupon such person shall forfeit all rights and interests in such Excess Stock. In addition, certain Beneficial Owners or Constructive Owners must give written notice as to certain information on demand and on an annual basis. All capitalized terms in this legend have the meanings defined in the Charter. The Corporation will mail without charge to any requesting stockholder a copy of the Charter, including the express terms of each class and series of the authorized capital stock of the Corporation, within five days after receipt of a written request therefor.

Exhibit 4.4

Form of stock certificate of Simon Property Group, Inc. Class B Common Stock, par value $0.0001 per share.

The holder of the shares represented by this certificate also holds a beneficial interest in shares of stock of SPG Realty Consultants, Inc. ("SRC") held in a trust under a Trust Agreement dated as of October 30, 1979, among stockholders of Corporate Property Investors (predecessor to the Corporation), Corporate Realty Consultants, Inc. (predecessor to SRC), and the trustee thereunder.

The securities represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time (the "Code"). Transfers in contravention of such restrictions shall be void ab initio. Except as otherwise determined by the Board of Directors of the Corporation, no Person may (1) Beneficially Own or Constructively Own shares of Capital Stock in excess of 8.0% (other than members of the Simon Family Group, whose relevant percentage is 18.0%) of the value of any class of outstanding Capital Stock of the Corporation, or any combination thereof, determined as provided in the Corporation's Charter, as the same may be amended from time to time (the "Charter"), and computed with regard to all outstanding shares of Capital Stock and, to the extent provided by the Code, all shares of Capital Stock issuable under existing Options and Exchange Rights that have not been exercised; or (2) Beneficially Own Capital Stock which would result in the Corporation being "closely held" under Section 856(h) of the Code. Unless so excepted, any acquisition of Capital Stock and continued holding of ownership constitutes a continuous representation of compliance with the above limitations, and any Person who attempts to Beneficially Own or Constructively Own shares of Capital Stock in excess of the above limitations has an affirmative obligation to notify the Corporation immediately upon such attempt. If the restrictions on transfer are violated, the transfer will be void ab initio and the shares of Capital Stock represented hereby will be automatically converted into shares of Excess Stock and will be transferred to the Trustee to be held in trust for the benefit of one or more Qualified Charitable Organizations, whereupon such Person shall forfeit all rights and interests in such Excess Stock. In addition, certain Beneficial Owners or Constructive Owners must give written notice as to certain information on demand and on an annual basis. All capitalized terms in this legend have the meanings defined in the Charter. The Corporation will mail without charge to any requesting stockholder a copy of the Charter, including the express terms of each class and series of the authorized capital stock of the Corporation, within five days after receipt of a written request therefor.

Exhibit 4.5

Form of stock certificate of Simon Property Group, Inc. Class C Common Stock, par value $0.0001 per share.

The holder of the shares represented by this certificate also holds a beneficial interest in shares of stock of SPG Realty Consultants, Inc. ("SRC") held in a trust under a Trust Agreement dated as of October 30, 1979, among stockholders of Corporate Property Investors (predecessor to the Corporation), Corporate Realty Consultants, Inc. (predecessor to SRC), and the trustee thereunder.

The securities represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time (the "Code"). Transfers in contravention of such restrictions shall be void ab initio. Except as otherwise determined by the Board of Directors of the Corporation, no Person may (1) Beneficially Own or Constructively Own shares of Capital Stock in excess of 8.0% (other than members of the Simon Family Group, whose relevant percentage is 18.0%) of the value of any class of outstanding Capital Stock of the Corporation, or any combination thereof, determined as provided in the Corporation's Charter, as the same may be amended from time to time (the "Charter"), and computed with regard to all outstanding shares of Capital Stock and, to the extent provided by the Code, all shares of Capital Stock issuable under existing Options and Exchange Rights that have not been exercised; or (2) Beneficially Own Capital Stock which would result in the Corporation being "closely held" under Section 856(h) of the Code. Unless so excepted, any acquisition of Capital Stock and continued holding of ownership constitutes a continuous representation of compliance with the above limitations, and any Person who attempts to Beneficially Own or Constructively Own shares of Capital Stock in excess of the above limitations has an affirmative obligation to notify the Corporation immediately upon such attempt. If the restrictions on transfer are violated, the transfer will be void ab initio and the shares of Capital Stock represented hereby will be automatically converted into shares of Excess Stock and will be transferred to the Trustee to be held in trust for the benefit of one or more Qualified Charitable Organizations, whereupon such Person shall forfeit all rights and interests in such Excess Stock. In addition, certain Beneficial Owners or Constructive Owners must give written notice as to certain information on demand and on an annual basis. All capitalized terms in this legend have the meanings defined in the Charter. The Corporation will mail without charge to any requesting stockholder a copy of the Charter, including the express terms of each class and series of the authorized capital stock of the Corporation, within five days after receipt of a written request therefor.

Exhibit 4.6

Form of stock certificate of SPG Realty Consultants, Inc. Common Stock, par value $0.0001 per share.

Exhibit 4.7

TRUST AGREEMENT (herein called this "Agreement"), dated as of October 30, 1979, among shareholders of CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("CPI"), whose executions appear at the foot hereof (herein called the "Shareholders"), CORPORATE REALTY CONSULTANTS, INC., a Delaware corporation ("CRC"), and FIRST JERSEY NATIONAL BANK, as Trustee (herein called the "Trustee").

WHEREAS, the Shareholders hold outstanding shares of common stock, no par value (the "Shares"), of CRC and outstanding(shares of beneficial interest, par value $1 per share ("CPI Shares"), of CPI, whether Series A (Voting) Shares or Series B (Nonvoting) Shares of CPI; and

WHEREAS the Shareholders desire to create hereunder a trust, to be known as the "CRC Trust", the corpus of which is to consist of the Shares now held by the Shareholders and any shares of stock of CRC received by the Trustee with respect thereto and is to be held for the proportionate benefit of, or distributed proportionately to the registered holders from time to time (herein called the "Grantors") of CPI Shares who shall, respectively, be (i) a Shareholder, or a transferee of the CPI Shares now held by a Shareholder who deposits all his Shares hereunder in accordance with Section 1.1 hereof or a transferee of the

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CPI Shares now held by First Jersey National Bank as Escrow Agent under an Escrow Agreement dated as of February 29, 1973, (ii) a holder of CPI Shares the issuance of which hereafter was, pursuant to Section 2.3 hereof, accompanied by the transfer by CPI to the Trustee of a portion of the consideration received by CPI therefor, or a transferee of any such CPI Shares, (iii) a holder of CPI Shares (the "Conversion Shares") heretofore or hereafter issued upon the conversion of CPI's presently outstanding 7-1/2% Convertible Subordinated Debentures Due 1981, or a transferee of any Conversion Shares, or (iv) a holder of CPI Shares (the "Option Shares") heretofore issued upon the exercise of options of CPI or hereafter issued upon the exercise of options of CPI outstanding at the date hereof, or a transferee of any Option Shares; and

WHEREAS the Trustee is willing to accept the trust property hereinafter described and to hold and dispose of it upon the trusts herein set forth;

NOW, THEREFORE, the parties hereto are agreed as follows:

ARTICLE I

Transfers of Shares to Trustee and Holding of Beneficial Interest Therein

1.1. Transfer. (a) The Shareholders will, promptly after the date of execution hereof, cause to be delivered to the Trustee certificates, duly endorsed for

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transfer to the nominee of the Trustee and with proper transfer tax stamps affixed thereto if any such stamps are required.

(b) The Grantors may from time to time cause to be delivered to the Trustee certificates, duly endorsed for transfer to the nominee of the Trustee and with proper transfer tax stamps affixed thereto if any such stamps are required, representing additional shares of stock of any class of CRC.

1.2. Beneficial Interest in Shares and Distributions with Respect Thereto. (a) The Trustee agrees that (i) all shares of stock of CRC transferred to the nominee Trustee as described in Section 1.1 hereof, (ii) all shares of stock of any class of CRC received by the Trustee as a stock dividend or other distribution on, or as a result of a split-up of, shares of stock of CRC held by the Trustee or received in exchange for such shares as a result of a merger, consolidation, recapitalization or reclassification of CRC or otherwise and (iii) all shares of stock of any class of CRC received by the Trustee upon its purchase thereof pursuant to Section 2.3 hereof or upon its exercise, pursuant to Section 2.4 hereof, of warrants or rights to subscribe to or purchase such shares, will be held by it as Trustee hereunder for the benefit of the Grantors in proportion to the respective numbers of CPI Shares held by them, and, subject to Section 5.4, will not be sold or

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otherwise disposed of during the term of the CRC Trust. The Trustee further agrees that, subject to Section 5.1 hereof, all cash dividends and other assets received by the Trustee with respect to any of the foregoing (including all assets received pursuant to Section 3.5 hereof and all property other than cash or securities, all debt obligations, all shares of stock and all warrants or rights to purchase stock or other securities which the Trustee shall receive) exclusive of shares of stock, and warrants and rights to purchase shares of stock, of CRC, will be distributed currently by the Trustee to the Grantors in proportion to the respective numbers of CPI Shares held by them.

1.3 Holding Trust Assets. All Shares and other assets held in the CRC Trust may be held of record in the name of the Trustee's nominee.

ARTICLE III

Transfer of Beneficial Interest, Issuance of Additional CPI Shares and Warrants and Rights Offering by CRC

2.1. List. The Trustee shall maintain a list in alphabetical order of the names and addresses of the Grantors and the number and series of CPI Shares held by each Grantor, all as certified to the Trustee by CPI or its agent for the transfer of CPI Shares. Upon written request from CPI or CRC, the Trustee shall furnish a certified copy of such list as of the date specified in such request to CPI

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or CRC or to their respective authorized representatives or successors in interest.

2.2. Transfer. The beneficial interest of the Grantors in the shares of stock of CRC held in the CRC Trust shall not be transferable separately but only by and as part of a transfer of CPI Shares, and every sale or transfer by any Grantor of all or part of his CPI Shares shall include all or a proportionate part of his undivided beneficial interest in the shares of stock of CRC or in any other assets in the CRC trust then held by the Trustee. The sale of transfer of such an undivided beneficial interest shall be evidenced by the transfer of a certificate representing CPI Shares.

2.3. Issuance of Additional CPI Shares. It is anticipated that, if CPI shall issue any additional CPI Shares (other than Conversion Shares or Option Shares) after the date hereof, (a) CPI will (i) receive therefor an amount equal to the aggregate fair value (as determined by the Trustees of CPI) of such CPI Shares and of the number of the Shares of CRC which will represent the beneficial interests in the CRC Trust to be acquired by the purchasers of such CPI Shares as herein provided and (ii) transfer to the Trustee the portion of the consideration received by CPI for such CPI Shares which represents the value of such beneficial interests in the CRC Trust, and (b) in that event, CRC will simultaneously offer to sell additional

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Shares of CRC proportionately to its shareholders at a price equal to the value of CRC's Shares determined as aforesaid and in such aggregate number that the Trustee will be entitled to subscribe to the number of such Shares determined as aforesaid. The Trustee will apply the consideration transferred to it by CPI as aforesaid to the purchase of Shares of CRC pursuant to its aforesaid offer. The Trustee will be advised of any action taken by CPI as described in this Section and may properly rely on such advice.

2.4. Warrants and Rights for Stock of CRC. Upon the receipt by the Trustee from CRC of warrants or rights to subscribe to or purchase shares of stock of any class of CRC, the Trustee shall inform the Grantors thereof and advise the Grantors that if they desire and provide the Trustee with their respective portions (proportionately to the respective numbers of CPI Shares held by them) of the consideration required for the exercise in full of all such warrants or rights, the Trustee will exercise the same. The Trustee will exercise such warrants or rights upon its receipt of the total consideration required of the exercise of all such warrants or rights, but in the event the Trustee does not receive the total consideration for the exercise of all such warrants or rights it shall permit all such warrants or rights to lapse and shall refund the consideration which it did receive.

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ARTICLE III

Dividends and Distributions

3.1. Definition of "Additional Assets". Any cash, any property other than cash or securities, any debt obligations, any shares of stock and any warrants or rights to subscribe to or purchase securities (hereinafter collectively called "Additional Assets") which the Trustee shall receive as a dividend or other distribution on shares of stock of CRC held by the Trustee, or as a result of a split-up of such shares or in exchange for such shares pursuant to a merger, consolidation, recapitalization or reclassification or CRC or otherwise, or upon the dissolution, liquidation or bankruptcy of CRC, shall be dealt with by the Trustee as provided in Sections 2.4, 3.2, 3.3, 3.4 and 3.5 hereof.

3.2. Trustee to Distribute Additional Assets Other Than Stock of CRC or Warrants or Rights for Stock of CRC. Additional Assets (including (i) property other than cash or securities, (ii) debt obligations of CRC and warrants or rights to purchase securities of CRC other than shares of its stock, and (iii) debt obligations of, shares of stock of, and warrants or rights to purchase stock or other securities of, any corporation other than CRC) other than shares of stock of any class of CRC and warrants or rights to purchase shares of stock of any class of CRC which

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the Trustee shall receive shall be distributed by the Trustee to the Grantors on the record date fixed by CRC for purposes of the payment or delivery of such Additional Assets to its stockholders, in proportion to the respective numbers of CPI Shares held by such Grantors. The Trustee may direct that any such Additional Assets be paid or distributed by CRC or by its dividend paying or distribution or exchange agent directly to the Grantors and, upon acceptance of such direction by CRC or such agent, such direction shall relieve the Trustee from all further responsibility with respect thereto.

3.3. Trustee to Retain Stock of CRC and Warrants or Rights for Stock of CRC. Additional Assets consisting of shares of stock of any class of CRC or warrants or rights to purchase shares of stock of any class or CRC which the Trustee shall receive shall be added to the corpus of the CRC Trust and held by the Trustee, subject to all the terms and provisions of this Agreement, for the benefit of the Grantors.

3.4. Handling of Rights and Warrants. Additional Assets received by the Trustee consisting of warrants or rights to subscribe to or purchase any securities of CRC other than shares of its stock or to subscribe to or purchase any securities of any corporation other than CRC shall be distributed by the Trustee in the manner described in Section 3.2 hereof. The Trustee shall not sell or

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distribute any warrants or rights to subscribe to or purchase additional shares of stock of any class of CRC and shall exercise such rights or warrants if but only if the Grantors shall provide the Trustee funds appropriate for such exercise pursuant to Section 2.4 hereof. Any shares of stock of CRC acquired by the Trustee upon such exercise shall be added to the corpus of the CRC Trust and held by the Trustee, subject to all the terms and provisions of this Agreement, for the benefit of the Grantors.

3.5. Responsibility of Trustee of Dissolution, Liquidation and Bankruptcy of CRC. In the event that CRC should be dissolved or completely liquidated or be adjudged a bankrupt or institute proceedings to be adjudged a bankrupt or take advantage of any bankruptcy or insolvency laws or if a receiver is appointed for CRC or its property, the Trustee shall not be charged with any responsibility with respect to the dissolution, liquidation, bankruptcy, insolvency, receivership or other proceedings except (i) to mail to the Grantors a copy of any notice the Trustee may receive of the institution of any such proceedings; and (ii) to pay and distribute moneys and other property received by the Trustee to the Grantors, as of the date of receipt by the Trustee, in proportion to their respective beneficial interests in the CRC Trust, against the submission to the Trustee of their certificates for CPI Shares for appropriate notation thereon of such payment and

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upon final distribution for notation thereon to the effect that the CRC Trust has been terminated. If in connection with the final distribution made to the Trustee the certificates evidencing stock of CRC held in trust are required to be surrendered, the Trustee is authorized to surrender the same against the receipt of such distribution. If such certificates are not required to be surrendered in connection with such final distribution, the Trustee, after the receipt thereof, shall deliver the certificates to the Grantors in accordance with their respective interests, or as may be otherwise directed in such dissolution, liquidation, bankruptcy, insolvency, receivership and other proceedings.

ARTICLE IV

Voting and Proxies

4.1. Directors of CRC. The Trustee shall, to the extent of and in accordance with instructions received by it from CPI, vote the Shares held by it so that each director of CRC shall at all times also be a trustee of CPI.

4.2. Other Matters--Delivery of Notices and Proxies to Trustee. With respect to each meeting of stockholders of CRC, the Trustee, as holder of all the voting stock of CRC, will cause CRC to furnish to the Trustee copies of the notice of and proxy and proxy statements (if any) for such meeting in sufficient number

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and sufficiently in advance of such meeting so that the Trustee may mail the same to each Grantor on the date fixed by CRC for determining stockholders entitled to vote at such meeting and request instructions from each Grantor as to how the Shares held in the CRC Trust at such date for the benefit of such Grantor should be voted. Subject to Section 4.1 hereof, the Trustee shall file with CRC a proxy or proxies in accordance with the instructions received from the Grantors in respect of the Shares covered by such instructions. Subject to Section 4.1 hereof, the Trustee shall not cast any vote in respect of the Shares held in the CRC Trust as to which voting instructions were not given to the Trustee by the Grantors.

4.3. Financial Information. The Trustee shall mail to the Grantors, as shown by a list of Grantors maintained by the Trustee as provided in Section 2.1 hereof, copies of all reports, financial statements and other communications which CRC mails to its stockholders of record.

4.4. Inspection of Records. The Trustee shall, upon request of one or more Grantors, as shown by a list of Grantors maintained by the Trustee as provided in Section 2.1 hereof, exercise for their benefit such rights to inspect and make copies of all corporate records of CRC as such Grantors would have if they were holders of record of the Shares held in the CRC Trust for their benefit.

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ARTICLE V

Concerning the Trustee

5.1. Duties and Responsibilities. The Trustee shall be obligated to perform and be liable for only such acts as are specifically provided for herein. The Trustee shall have no responsibility with respect to the voting of stock held in the CRC Trust, except as provided in Article IV hereof, or with respect to the operation or carrying on of the business of CRC. The Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee.

5.2. Certain Rights of Trustee. The Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, consent, order or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its own choosing and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance with such opinion.

5.3. Recitals. The recitals contained herein and any recital or provision contained in certificates representing CPI Shares shall be taken as the statements of

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CPI or CRC, and the Trustee assumes no responsibility for the correctness of the same.

5.4. Compensation, Indemnification and Lien of Trustee. CRC agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to receive, reasonable compensation. CRC also agrees to pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance herewith, including reasonable compensation and the expenses and disbursements of its counsel or agents, except any such expense, disbursement or advance arising from the Trustee's negligence or bad faith. CRC agrees to indemnify the Trustee for and to hold itharmless against any loss, liability, tax or expense incurred without wilful misconduct, negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the CRC Trust or this Agreement, including the costs and expenses of defending itself against any claim or liability in the premises. The Trustee shall have the right to pay or reimburse itself for all such compensation, expenses, disbursements, advances, losses, liabilities, taxes, expenses and costs, out of any or all cash dividends and all other assets received by the Trustee pursuant to Section 1.2 hereof. The Trustee shall have a lien prior to that of the Grantors upon all the corpus of the CRC Trust to secure such

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payment or reimbursement, and if CRC fails to make any such payment or reimbursement after a reasonable lapse of time after being requested to do so the Trustee shall have the right to make such payment or reimbursement to itself out of any or all of such corpus and to sell at public or private sale without notice any or all trust assets to the extent necessary to make such payment or reimbursement.

5.5. Merger or Consolidation of Trustee. In the extent that the Trustee shall merge into or consolidate with another bank or trust company, the surviving corporation shall act as the Trustee hereunder without further action of the parties hereto.

5.6. Resignation and Removal, Appointment of Successor Trustee.

(a) The Trustee may at any time resign by giving written notice of resignation to CRC and all Grantors. Upon receiving such notice of resignation Grantors shall, by the vote, at a meeting or by proxy, of Grantors holding a majority of the outstanding CPI Shares held by Grantors, promptly appoint a successor trustee by written instrument, in triplicate, one copy of which instrument shall be delivered to the Trustee, one copy to the successor trustee and one copy to CRC. If no successor trustee shall have been so appointed and have accepted appointment within thirty days after the giving of such notice of resignation, the resigning

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Trustee or any Grantor may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) In case at any time the Trustee shall fail to comply with the provisions of this Agreement or if the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or its property shall be appointed, or if any public officer shall take charge or control of the Trustee or its property or affairs, then and in any such case the Grantors may by the vote, at a meeting or by proxy, of Grantors holding a majority of the outstanding CPI Shares held by the Grantors remove the Trustee and appoint a successor trustee by written instrument, in triplicate, one copy of which instrument shall be delivered to the Trustee so removed, one copy to the successor trustee and one copy to CRC.

(c) The Trustee hereunder shall at all times be a corporation or association organized and doing business under the laws of the United States of America or of the State of New Jersey or the State of New York having its principal office and place of business in Jersey City, New Jersey, or New York, New York, and having capital and surplus of at least $5,000,000 and which is authorized to exercise corporate trust powers.

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(d) Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon the acceptance in writing of the appointment by the successor trustee and the agreement by such successor trustee to the terms and provisions of this Agreement.

(e) Upon the appointment and acceptance of a successor trustee, the Trustee shall promptly assign and transfer to such successor trustee, subject to the provisions of Section 5.4 hereof, all shares of stock and other assets held in the CRC Trust and shall deliver to such successor trustee a certified list of all the Grantors together with any other assets or property held in the CRC Trust.

ARTICLE VI

Duration of CRC Trust

6.1. Duration of Trust. The CRC Trust shall continue until the expiration of twenty (20) years after the death of the last survivor of the following persons (provided, however, that as to any part of the trust estate located in any jurisdiction in which such duration is not permitted, the CRC Trust created hereby shall terminate on the latest date permitted by the law of such jurisdiction, using Lawrence Lederman, John J. Cirigliano and Gary S.

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Spirer, the Initial Trustees of CPI, and the following persons as measuring lives if so permitted):

Name	Date of Birth	Address
Marjorie G. Deane	July 7, 1955)	
Kathryn M. Deane	June 28, 1956)	16 East 76th Street
Disque D. Deane, Jr.	Sept. 23, 1959)	New York, N.Y.
Walter L. Deane	Sept. 24, 1962)	
Paul E. Taylor, III	May 19, 1955)	
Joseph Somers Taylor	June 8, 1957)	86 Hereford Road
Martha Wenzel Taylor	Dec. 5, 1959)	Bronxville, N.Y.
Henry Robbins Taylor	July 13, 1962)	
Alexander Buchanan Taylor	Dec. 5, 1964)	
Charles Bergen Taylor	July 23, 1968)	
William Q. O'Connor	May 27, 1969)	293 Pondfield Road
Christopher B. O'Connor	May 8, 1970)	Bronxville, N.Y.

6.2. Termination. The CRC Trust shall terminate prior thereto (i) upon the termination of CPI or (ii) upon notification to the Trustee of the vote to that effect, at a meeting or by proxy, of Grantors holding two-thirds of the outstanding CPI Shares held by Grantors. As used in this Section 6.2, termination of CPI shall mean the termination of CPI otherwise than in a transaction contemplated by Sections 7.1 or 7.2 hereof.

6.3. Effect of Termination of Trust. Upon the termination of the CRC Trust, all assets then held in the CRC Trust by the Trustee shall be transferred and assigned by the Trustee to the Grantors in proportion to their beneficial interests herein.

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ARTICLE VII

CPI Shares

7.1. Conversion of CPI into Corporation. If the trust creating CPI shall be converted into a corporation, the term "CPI Shares" shall be deemed to refer to the shares of common stock of such corporation, regardless of class or series.

7.2. Merger, Consolidation or Exchange of CPI Shares. If (i) CPI shall merge or consolidate with or into, or sell all or substantially all of its assets to, any other business entity ("CPI Transaction") and (ii) all CPI Shares are canceled or deemed canceled as a result of the CPI Transaction and (iii) CPI (and/or its shareholders) shall receive shares of common stock of such entity or an entity affiliated therewith as a result of the CPI Transaction, the term "CPI Shares" shall be deemed to refer to such shares of common stock, regardless of class or series.

7.3. Reclassification of CPI Shares. If any CPI Shares are reclassified, the term "CPI Shares" as used in this Agreement shall be deemed to refer to the common shares of CPI, after such reclassification, regardless of class or series.

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7.4. CPI. The term "CPI" as used in this Agreement shall be deemed to refer to any issuer from time to time of CPI Shares.

7.5. Substituted CPI Issuer or Shares. If other shares of CPI or of any corporation shall be deemed pursuant to this ARTICLE VII to be CPI Shares, appropriate descriptions of such shares (and of any other shares which shall subsequently be deemed to be CPI Shares) and of the certificates representing them shall be deemed to be substituted for references to CPI Shares and to certificates representing CPI Shares wherever used in this Agreement and the name of any such other corporation shall be deemed substituted for or added to "CPI".

ARTICLE VIII

Miscellaneous Provisions

8.1. Amendments. This Agreement may be amended by the affirmative vote or written consent of Grantors holding at least two-thirds of the outstanding CPI Shares held by Grantors; provided, however, that no amendment shall (i) change the proportionate beneficial interests of the Grantors in the CRC Trust without the affirmative vote or written consent of all such Grantors; or (ii) make any provision not uniformly applicable to all stock of CRC theretofore or thereafter deposited in the CRC Trust, regardless of the time of deposit or (iii) require or

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authorize the Trustee to engage in any business; or (iv) change the termination provisions in ARTICLE VI hereof. In the event that any such amendment, in the opinion of the Trustee, adversely affects its obligations, rights or responsibilities, such amendment shall not become effective until thirty days after a copy thereof has been delivered to the Trustee or until such time as a resignation of the Trustee, written notice of which shall have been given after such copy of such amendment shall have been so delivered to the Trustee, shall take place under Section 5.6(a) hereof, whichever is later, unless prior thereto the Trustee consents to such amendment.

8.2. Communications. Any notice or communication by the Grantors or CRC to the Trustee will be deemed to have been sufficiently given or made for all purposes if it is given or made in writing addressed to the Trustee at its principal office, attention of Corporate Trust Division. Any notice or communication by the Trustee to any Grantor will be deemed to have sufficiently given or made for all purposes if it is given or made in writing addressed to the Grantor at the address shown on the books of CPI. Any notice or communication by the Trustee to CRC will be deemed to have been sufficiently given or made for all purposes if it is given or made in writing addressed to CRC at its office at 230 Park Avenue, New York, New York 10017.

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8.3. Definition of "Trustee". Wherever used in this Agreement the term "Trustee" shall refer to the Trustee herein named and to any successor trustee appointed as herein provided which accepts the office as Trustee.

8.4. Execution and Governing Law. This Agreement is executed and acknowledged with reference to the statutes and laws of the State of New York and the rights of all parties and the construction and effect of every provision hereof shall be subject to and construed according to the statutes and laws of said State.

8.5. Securities Laws. If any Grantor has made or hereafter makes any representation or warranty that he has acquired any CPI Shares for investment and not with a view to the sale or distribution thereof or has agreed or hereafter agrees that he will not effect any transfer of any CPI Shares or any interest therein or right to purchase same except upon satisfying certain conditions designed to ensure compliance with the securities laws, such representation, warranty or agreement shall apply to his beneficial interest in the CRC Trust and to any securities received by him from the Trustee pursuant hereto to the same extent as such representation, warranty or agreement applies to his CPI Shares (or would apply to his CPI Shares but for CPI's termination as contemplated in Section 6.2 hereof), except that any references therein

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to CPI shall be deemed to mean CRC. Upon any registration of CPI Shares under the Securities Act of 1933 or the securities laws of any state, the Trustee shall cause CRC at its expense to cause such of its securities held by the CRC Trust which correspond to the CPI Shares being registered to be registered thereunder, to the extent CPI deems appropriate in connection therewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

EACH OF THE SHAREHOLDERS NAMED ON EXHIBIT A HERETO,

by

Attorney-in-Fact

CORPORATE REALTY CONSULTANTS, INC.,

Attest:

by

- ---

Secretary

President

FIRST JERSEY NATIONAL BANK,

Attest:

by

- ---

Assistant Secretary

EXHIBIT 4.8

CONFORMED COPY

TRUST AGREEMENT (herein called this "Agreement") dated as of August 26, 1994, among the holders of the 6.50% First Series Preference Shares of CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("CPI"), whose executions appear at the foot hereof (herein called the "Shareholders"), CORPORATE REALTY CONSULTANTS, INC., a Delaware corporation ("CRC"), and BANK OF MONTREAL TRUST COMPANY, a New York trust company, as Trustee (herein called, the "Trustee").

WHEREAS the Shareholders hold outstanding shares of Common Stock, $.10 par value per share (the "Shares"), of CRC and outstanding shares of beneficial interest, par value $1,000 per share, of 6.50% First Series Preference Shares of CPI ("First Series Preference Shares"), the terms of the Certificate of Designation (the "Certificate of Designation") for which are substantially set forth in Exhibit A hereto; and

WHEREAS the Shareholders desire to create hereunder a trust, to be known as the "CRC Trust II", the corpus of which is to consist of the Shares now held by the Shareholders and any shares of stock of CRC received by the Trustee with respect thereto and is to be held for the proportionate benefit of, or distributed proportionately to, the registered holders from time to time (herein called the "Grantors") of First Series Preference Shares who shall, respectively, be (i) a Shareholder, or a transferee of the First Series Preference Shares now held by a Shareholder who deposits all his Shares hereunder in accordance with Section 1.01 hereof, or (ii) a holder of First Series Preference Shares the issuance of which hereafter was, pursuant to Section 2.03 hereof, accompanied by the transfer to CRC of the consideration set forth in Section 2.03 hereof, or a transferee of any such First Series Preference Shares; and

WHEREAS the Trustee is willing to accept the trust property hereinafter described and to hold and dispose of it upon the trusts herein set forth;

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NOW, THEREFORE, the parties hereto are agreed as follows:

ARTICLE I

Transfers of Shares to Trustee, Establishment of Initial Trust Corpus and Holding of Beneficial Interest Therein

SECTION 1.01. Transfer. (a) The Shareholders will, promptly after the date of execution hereof, cause to be delivered to the Trustee certificates, either registered in the Trustee's nominee's name or duly endorsed for transfer to the nominee of the Trustee and with proper transfer tax stamps affixed thereto if any such stamps are required, representing the Shares.

(b) The Grantors may from time to time cause to be delivered to the Trustee certificates, either registered in the Trustee's nominee's name or duly endorsed for transfer to the nominee of the Trustee and with proper transfer tax stamps affixed thereto if any such stamps are required, representing additional shares of stock of any class of CRC. CRC shall reimburse the Grantors for any transfer tax stamps or any other transfer taxes payable in connection with the issuance of such certificates.

(c) Stichting Pensioenfonds voor de Gezondheid Geestelijke en Maatschappelijke belangen, a Dutch foundation (the "Initial Beneficiary"), will, on the date of execution hereof, cause to be delivered to the Trustee $100 in cash (the "Initial Trust Corpus"). Notwithstanding any other provision of this Agreement, (i) the Trustee shall hold the Initial Trust Corpus, uninvested, until the occurrence of the transfers contemplated by Section 1.01(a) hereof or the earlier termination of the CRC Trust II pursuant to the terms hereof, (ii) upon the occurrence of the transfers contemplated by Section 1.01(a) hereof or such earlier termination, the Initial Trust Corpus shall be returned to the Initial Beneficiary, without interest, and (iii) thereupon the Initial Beneficiary shall not, in such capacity, have any further interest, as beneficiary or otherwise, in the CRC Trust II, but Stichting Pensioenfonds voor de Gezondheid Geestelijke en Maatschappelijke belangen shall have an interest in the CRC Trust II as a Grantor.

SECTION 1.02. Beneficial Interest in Shares and Distributions with Respect Thereto. (a) The Trustee agrees that (i) (all shares of stock of CRC transferred to the nominee of the Trustee as described in Section 1.01

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hereof,(ii) all shares of stock of any class of CRC received by the Trustee as a stock dividend or other distribution on, or as a result of a split-up of, shares of stock of CRC held by the Trustee or received in exchange for such shares as a result of a merger, consolidation, recapitalization or reclassification of CRC or otherwise, (iii) all shares of stock of CRC issued to the Trustee as described in Section 2.03 hereof and (iv) all shares of stock of any class of CRC received by the Trustee upon its purchase thereof pursuant to Section 3.03 hereof or upon its exercise, pursuant to Section 2.04 hereof, of warrants or rights to subscribe to or purchase such shares, will be held by it as Trustee hereunder for the benefit of the Grantors in proportion to the respective numbers of First Series Preference Shares held by them, and, subject to Section 5.04, will not be sold or otherwise disposed of during the term of the CRC Trust II. The Trustee further agrees that, subject to Section 5.04 hereof, all cash dividends and other assets received by the Trustee with respect to any of the foregoing (including all assets received pursuant to Section 3.05 hereof and all property other than cash or securities, all debt obligations, all shares of stock and all warrants or rights to purchase stock or other securities which the Trustee shall receive) exclusive of shares of stock, and warrants and rights to purchase shares of stock, of CRC, will be distributed currently by the Trustee to the Grantors in proportion to the respective numbers of First Series Preference Shares held by them.

SECTION 1.03. Holding Trust Assets. All Shares and other assets held in the CRC Trust II may be held of record in the name of the Trustee's nominee.

ARTICLE II

Transfer of Beneficial Interest, Issuance of Additional First Series Preference Shares, Warrants and Rights Offering by CRC and Conversion of First Series Preference Shares

SECTION 2.01. List. The Trustee shall keep a list in alphabetical order of the names and addresses of the Grantors and the number of First Series Preference Shares held by each Grantor, all as certified to the Trustee by CPI or its agent for the transfer of First Series Preference Shares. Upon written request from CPI, CRC or any Grantor, the Trustee shall furnish to CPI, CRC or such Grantor or to

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their respective authorized representatives or successors in interest a copy of the most recent list furnished to the Trustee.

SECTION 2.02. Transfer. The beneficial interest of the Grantors in the Shares held in the CRC Trust II shall not be transferable separately but only by and as part of a transfer of First Series Preference Shares, and every sale or transfer by any Grantor of all or part of its First Series Preference Shares shall include all or a proportionate part of such Grantor's undivided beneficial interest in the Shares or in any other assets in the CRC Trust II then held by the Trustee. The sale or transfer of such undivided beneficial interest shall be evidenced by the transfer of a certificate representing First Series Preference Shares.

SECTION 2.03. Issuance of Additional First Series Preference Shares. It is anticipated that, if CPI shall issue any additional First Series Preference Shares after the date hereof and prior to January 1, 1995, (a) CRC will concurrently issue a number of Shares to the Trustee bearing the same relationship to the number of Shares then held by the Trustee as the number of First Series Preference Shares being issued bears to the number of First Series Preference Shares outstanding immediately prior to such issuance of First Series Preference Shares and (b) against such issuance, the purchaser of such First Series Preference Shares from CPI shall pay to CRC an amount approximately equal to the product of $3.589 and the number of First Series Preference Shares being issued. The Trustee will be advised in writing of any action taken by CPI as described in this Section 2.03 and may properly rely on such advice.

SECTION 2.04. Warrants and Rights for Stock of CRC. Upon the receipt by the Trustee from CRC of warrants or rights to subscribe to or purchase shares of stock of any class of CRC, the Trustee shall inform the Grantors thereof and advise the Grantors that if they desire and provide the Trustee with their respective portions (proportionately to the respective numbers of First Series Preference Shares held by them) of the consideration required for the exercise in full of all such warrants or rights, the Trustee will exercise the same. The Trustee will exercise such warrants or rights upon its receipt of the total consideration required for the exercise of all such warrants or rights, but in the event the Trustee does not receive the total consideration for the exercise of all such warrants or rights it shall permit all such warrants or rights to lapse and shall refund the consideration which it did receive to the Grantors from which it was received, without interest.

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CRC shall not issue any warrants or rights to subscribe to or purchase shares of stock of any class of CRC to the Trustee and holders of Shares other than the Trustee unless such warrants or rights provide that such other holders shall not be entitled to exercise the warrants or rights issued to such other holders unless the Trustee shall exercise the warrants or rights issued to the Trustee.

SECTION 2.05. Conversion of First Series Preference Shares. Upon each conversion by a Grantor of First Series Preference Shares pursuant to Section 4 of the Certificate of Designation, the Trustee shall deliver to the trustee of the CRC Trust (as defined below) all or a proportionate part, as applicable, of such holder's undivided beneficial interest in the Shares and in any other assets in the CRC Trust II then held by the Trustee, duly endorsed to the trustee of the CRC Trust (as defined below) or its nominee. The "CRC Trust" means the Trust created by that certain Trust Agreement dated as of October 30, 1979, among the shareholders of CPI at that date, CRC and First Jersey National Bank, as Trustee, under which the holders of common shares of CPI have beneficial interests in the shares of stock of CRC deposited in such Trust.

ARTICLE III

Dividends and Distributions

SECTION 3.01. Definition of "Additional Assets". Any cash, any property other than cash or securities, any debt obligations, any shares of stock and any warrants or rights to subscribe to or purchase securities (hereinafter collectively called "Additional Assets") which the Trustee shall receive as a dividend or other distribution on shares of stock of CRC held by the Trustee, or as a result of a split-up of such shares or in exchange for such shares pursuant to a merger, consolidation, recapitalization or reclassification of CRC or otherwise, or upon the dissolution, liquidation or bankruptcy of CRC, shall be dealt with by the Trustee as provided in Sections 2.04, 3.02, 3.03, 3.04 and 3.05 hereof.

SECTION 3.02. Trustee to Distribute Additional Assets Other Than Stock of CRC or Warrants or Rights for Stock of CRC. Additional Assets (including (i) property other than cash or securities, (ii) debt obligations of CRC and warrants or rights to purchase securities of CRC other than shares of its stock and (iii) debt obligations of, shares of stock of, and warrants or rights to purchase stock or other securities of, any corporation other than CRC)

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other than shares of stock of any class of CRC and warrants or rights to purchase shares of stock of any class of CRC which the Trustee shall receive shall be distributed by the Trustee to the Grantors who are such on the record date fixed by CRC for purposes of the payment or delivery of such Additional Assets to its stockholders, in proportion to the respective numbers of First Series Preference Shares held by such Grantors. The Trustee may direct that any such Additional Assets be paid or distributed by CRC or by its dividend paying or distribution or exchange agent directly to the Grantors and, upon acceptance of such direction by CRC or such agent, such direction shall relieve the Trustee from all further responsibility with respect thereto.

SECTION 3.03. Trustee to Retain Stock of CRC and Warrants or Rights for Stock of CRC. Additional Assets consisting of shares of stock of any class of CRC or warrants or rights to purchase shares of stock of any class of CRC which the Trustee shall receive shall be added to the corpus of the CRC Trust II and held by the Trustee, subject to all the terms and provisions of this Agreement, for the benefit of the Grantors.

SECTION 3.04. Handling of Rights and Warrants. Additional Assets received by the Trustee consisting of warrants or rights to subscribe to or purchase any securities of CRC other than Shares or to subscribe to or purchase any securities of any corporation other than CRC shall be distributed by the Trustee in the manner described in Section 3.02 hereof. The Trustee shall not sell or distribute any warrants or rights to subscribe to or purchase additional shares of stock of any class of CRC and shall exercise such rights or warrants if but only if the Grantors shall provide the Trustee funds appropriate for such exercise pursuant to Section 2.04 hereof. Any shares of stock of CRC acquired by the Trustee upon such exercise shall be added to the corpus of the CRC Trust II and held by the Trustee, subject to all the terms and provisions of this Agreement, for the benefit of the Grantors.

SECTION 3.05. Responsibility of Trustee on Dissolution, Liquidation and Bankruptcy of CRC. In the event that CRC should be dissolved or completely liquidated or be adjudged a bankrupt or institute proceedings to be adjudged a bankrupt or take advantage of any bankruptcy or insolvency laws or if a receiver is appointed for CRC or its property, or have proceedings to be adjudged a bankrupt commenced against it without its application or consent, the Trustee shall not be charged with any responsibility with respect to the dissolution, liquidation, bankruptcy, insolvency, receivership or other proceedings except (i) to

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mail to the Grantors a copy of any notice the Trustee may receive of the institution of any such proceedings; and (ii) to pay and distribute moneys and other property received by the Trustee to the Grantors, as of the date of receipt by the Trustee, in proportion to their respective beneficial interests in the CRC Trust II, against the submission to the Trustee of their certificates for First Series Preference Shares for appropriate notation thereon of such payment and upon final distribution for notation thereon to the effect that the CRC Trust II has been terminated. If in connection with the final distribution made to the Trustee the certificates evidencing stock of CRC held in trust are required to be surrendered, the Trustee is authorized to surrender the same against the receipt of such distribution. If such certificates are not required to be surrendered in connection with such final distribution, the Trustee, after the receipt thereof, shall deliver the certificates to the Grantors in accordance with their respective interests, or as may be otherwise directed in such dissolution, liquidation, bankruptcy, insolvency, receivership and other proceedings.

ARTICLE IV

Voting and Proxies

SECTION 4.01. Directors of CRC. The Trustee shall, to the extent of and in accordance with instructions received by it from CPI, vote the Shares held by it so that each director of CRC shall, at all times also be a trustee of CPI.

SECTION 4.02. Other Matters--Delivery of Notices and Proxies to Trustee. With respect to each meeting of stockholders of CRC, the Trustee will cause CRC to furnish to the Trustee copies of the notice of meeting, proxy statement (if any) and form of proxy for such meeting in sufficient number and sufficiently in advance of such meeting so that the Trustee may mail the same to each Grantor on the date fixed by CRC for determining stockholders entitled to vote at such meeting and request instructions from each Grantor as to how the Shares held in the CRC Trust II at such date for the benefit of such Grantor should be voted. Subject to Section 4.01 hereof, the Trustee shall, or shall cause its nominee to, file with CRC a proxy or proxies in accordance with the instructions received from the Grantors in respect of the Shares covered by such instructions. Subject to Section 4.01 hereof, the Trustee shall not cast any vote in respect of the Shares

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held in the CRC Trust II as to which voting instructions were not given to the Trustee by the Grantors.

SECTION 4.03. Financial Information. The Trustee shall mail to the Grantors, as shown by a list of Grantors maintained by the Trustee as provided in Section 2.01 hereof, copies of all reports, financial statements and other communications which CRC mails to its stockholders of record.

SECTION 4.04. Inspection of Records. The Trustee shall, upon request of one or more Grantors, as shown by a list of Grantors maintained by the Trustee as provided in Section 2.01 hereof, exercise for their benefit such rights to inspect and make copies of all corporate records of CRC as such Grantors would have if they were holders of record of the Shares held in the CRC Trust II for their benefit.

ARTICLE V

Concerning the Trustee

SECTION 5.01. Duties and Responsibilities. The Trustee shall be obligated to perform and be liable for only such acts as are specifically provided for herein. The Trustee shall have no responsibility with respect to the voting of stock held in the CRC Trust II, except as provided in Article IV hereof, or with respect to the operation or carrying on of the business of CRC. The Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee. No provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights and powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 5.02. Certain Rights of Trustee. The Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, consent, order or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its own choosing and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance with such opinion.

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SECTION 5.03. Recitals. The recitals contained herein and any recital or provision contained in certificates representing First Series Preference Shares shall be taken as the statements of CPI or CRC, and the Trustee assumes no responsibility for the correctness of the same.

SECTION 5.04. Compensation, Indemnification and Lien of Trustee. CRC agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to receive, reasonable compensation. CRC also agrees to pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance herewith, including reasonable compensation and the expenses and disbursements of its counsel or agents, except any such expense, disbursement or advance arising from the Trustee's negligence or bad faith. CRC agrees to indemnify the Trustee for and to hold it harmless against any loss, liability, tax or expense incurred without wilful misconduct, negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the CRC Trust II or this Agreement, including the costs and expenses of defending itself against any claim or liability in the premises. The Trustee shall have the right to pay or reimburse itself for all such compensation, expenses, disbursements, advances, losses, liabilities, taxes, expenses and costs, out of any or all cash dividends and all other assets received by the Trustee pursuant to Section 1.02 hereof. The Trustee shall have a lien prior to that of the Grantors upon all the corpus of the CRC Trust II to secure such payment or reimbursement, and if CRC fails to make any such payment or reimbursement after a reasonable lapse of time after being requested to do so the Trustee shall have the right to make such payment or reimbursement to itself out of any or all of such corpus and to sell at public or private sale without notice any or all trust assets to the extent necessary to make such payment or reimbursement; provided, however, that the Trustee shall notify the Grantors prior to exercising such lien.

SECTION 5.05. Merger or Consolidation of Trustee. In the event that the Trustee shall merge into or consolidate with another bank or trust company, the surviving corporation shall act as the Trustee hereunder without further action of the parties hereto.

SECTION 5.06. Resignation and Removal, Appointment of Successor Trustee. (a) The Trustee may at any time resign by giving written notice of resignation to CRC and all Grantors. Upon receiving such notice of

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resignation Grantors shall, by the vote, at a meeting or by proxy, of Grantors holding a majority of the outstanding First Series Preference Shares held by Grantors, promptly appoint a successor trustee by written instrument, in triplicate, one copy of which instrument shall be delivered to the Trustee, one copy to the successor trustee and one copy to CRC. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee or any Grantor may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) In case at any time the Trustee shall fail to comply with the provisions of this Agreement or if the Trustee shall become incapable of acting or shall file for bankruptcy or become insolvent, or if receiver of the Trustee or its property shall be appointed, or if any public officer shall take charge or control of the Trustee or its property or affairs, then and in any such case the Grantors may by the vote, at a meeting or by proxy, of Grantors holding a majority of the outstanding First Series Preference Shares held by the Grantors remove the Trustee and appoint a successor trustee by written instrument, in triplicate, one copy of which instrument shall be delivered to the Trustee so removed, one copy to the successor trustee and one copy to CRC.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon the acceptance in writing of the appointment by the successor trustee and the agreement by such successor trustee to the terms and provisions of this Agreement.

(d) Upon the appointment and acceptance of a successor trustee, the Trustee shall promptly assign and transfer to such successor trustee, subject to the provisions of Section 5.04 hereof, all shares of stock and other assets held in the CRC Trust II and shall deliver to such successor trustee a certified list of all the Grantors together with any other assets or property held in the CRC Trust II.

ARTICLE VI

Duration of CRC Trust II

SECTION 6.01. Duration of Trust. The CRC Trust II shall continue until the expiration of 20 years after the death of the last survivor of the following persons (provided, however, that as to any part of the trust

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estate located in any jurisdiction in which such duration is not the CRC Trust II created hereby shall terminate on the latest date permitted by the law of such jurisdiction, using Lawrence Lederman, John J. Cirigliano and Gary S. Spirer, the initial Trustees of CPI, and the following persons as measuring lives if so permitted):

Name	Date of Birth	Address
Marjorie G. Deane	July 7, 1955)	
Kathryn M. Deane	June 28, 1956)	16 East 76th Street
Disque D. Deane, Jr.	Sept. 23, 1959)	New York, NY
Walter L. Deane	Sept. 24, 1962)	
Paul E. Taylor, III	May 19, 1955)	
Joseph Somers Taylor	June 6, 1957)	86 Hereford Road
Martha Wenzel Taylor	Dec. 5, 1959)	Bronxville, NY
Henry Robbins Taylor	July 13, 1962)	
Alexander Buchanan Taylor	Dec. 5, 1964)	
Charles Bergen Taylor	July 23, 1968)	
William Q. O'Connor	May 27, 1969)	293 Pondfield Road
Christopher B. O'Connor	May 8, 1970)	Bronxville, NY

SECTION 6.02. Termination. The CRC Trust II shall terminate prior thereto upon the earlier to occur of (i) the termination of CPI, (ii) notification to the Trustee of the vote to that effect, at a meeting or by proxy, of Grantors holding two-thirds of the outstanding First Series Preference Shares held by Grantors at any time after the termination or dissolution of the CRC Trust and (iii) the conversion or redemption of all outstanding First Series Preference Shares. As used in this Section 6.02, termination of CPI shall mean the termination of CPI otherwise than in a transaction contemplated by Sections 7.01 or 7.02 hereof.

SECTION 6.03. Effect of Termination of Trust. Upon the termination of the CRC Trust II, all assets then held in the CRC Trust II by the Trustee shall be transferred and assigned by the Trustee to the Grantors in proportion to their beneficial interests herein.

ARTICLE VII

First Series Preference Shares

SECTION 7.01. Conversion of CPI into Corporation. If the trust creating CPI shall be converted

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into a corporation, the term "First Series Preference Shares" shall be deemed to refer to the comparable shares of preferred stock of such corporation, regardless of the name of such class or series.

SECTION 7.02. Merger, Consolidation or Exchange of First Series Preference Shares. If (i) CPI shall merge or consolidate with or into, or sell all or substantially all its assets to, any other business entity ("CPI Transaction") and (ii) all First Series Preference Shares are canceled or deemed canceled as a result of the CPI Transaction and (iii) CPI (and/or its shareholders) shall receive shares of preferred stock of such entity or an entity affiliated therewith as a result of the CPI Transaction, the term "First Series Preference Shares" shall be deemed to refer to such shares of preferred stock, regardless of class or series.

SECTION 7.03. Reclassification of First Series Preference Shares. If any First Series Preference Shares are reclassified, the term "First Series Preference Shares" as used in this Agreement shall be deemed to refer to the preferred shares of CPI, after such reclassification, regardless of class or series.

SECTION 7.04. CPI. The term "CPI" as used in this Agreement shall be deemed to refer to any issuer from time to time of First Series Preference Shares.

SECTION 7.05. Substituted CPI Issuer or Shares. If other shares of CPI or of any corporation shall be deemed pursuant to this ARTICLE VII to be First Series Preference Shares, appropriate descriptions of such shares (and of any other shares which shall subsequently be deemed to be First Series Preference Shares) and of the certificates representing them shall be deemed to be substituted for references to First Series Preference Shares and to certificates representing First Series Preference Shares wherever used in this Agreement and the name of any such other corporation shall be deemed substituted for or added to "CPI".

ARTICLE VIII

Miscellaneous Provisions

SECTION 8.01. Amendments. This Agreement may be amended by the affirmative vote or written consent of Grantors holding at least two-thirds of the outstanding First Series Preference Shares held by Grantors; provided,

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however, that no amendment shall (i) change the proportionate beneficial interests of the Grantors in the CRC Trust II without the affirmative vote or written consent of all such Grantors; or (ii) make any provision not uniformly applicable to all stock of CRC theretofore or thereafter deposited in the CRC Trust II, regardless of the time of deposit; or (iii) require or authorize the Trustee to engage in any business; or (iv) change the termination provisions in ARTICLE VI hereof. In the event that any such amendment, in the opinion of the Trustee, adversely affects its obligations, rights or responsibilities, such amendment shall not become effective until 30 days after a copy thereof has been delivered to the Trustee or until such time as a resignation of the Trustee, written notice of which shall have been given after such copy of such amendment shall have been so delivered to the Trustee, shall take place under Section 5.06(a) hereof, whichever is later, unless prior thereto the Trustee consents to such amendment.

SECTION 8.02. Communications. Any notice or communication by the Grantors or CRC to the Trustee will be deemed to have been sufficiently given or made for all purposes if it is given or made in writing addressed to the Trustee at 77 Water Street, New York, New York 10005, attention of Trust Officer. Any notice or communication by the Trustee to any Grantor will be deemed to have been sufficiently given or made for all purposes if it is given or made in writing addressed to the Grantor at the address shown on the books of CPI. Any notice or communication by the Trustee to CRC will be deemed to have been sufficiently given or made for all purposes if it is given or made in writing addressed to CRC at its office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017.

SECTION 8.03. Definition of "Trustee". Wherever used in this Agreement the term "Trustee" shall refer to the Trustee herein named and to any successor trustee appointed as herein provided which accepts the office as Trustee.

SECTION 8.04. Execution and Governing Law. This Agreement is executed and acknowledged with reference to the statutes and laws of the State of New York and the rights of all parties and the construction and effect of every provision hereof shall be subject to and construed according to the statutes and laws of said State.

SECTION 8.05. Securities Laws. If any Grantor has made or hereafter makes any representation or warranty

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that he has acquired any First Series Preference Shares for investment and not with a view to the sale or distribution thereof or has agreed or hereafter agrees that he will not effect any transfer of any First Series Preference Shares or any interest therein or right to purchase same except upon satisfying certain conditions designed to ensure compliance with the securities laws, such representation, warranty or agreement shall apply to his beneficial interest in the CRC Trust II and to any securities received by him from the Trustee pursuant hereto to the same extent as such representation, warranty or agreement applies to his First Series Preference Shares (or would apply to his First Series Preference Shares but for CPI's termination as contemplated in Section 6.02 hereof), except that any references therein to CPI shall be deemed to mean CRC. Upon any registration of First Series Preference Shares under the Securities Act of 1933 or the securities laws of any state, the Trustee shall cause CRC at its expense to cause such of its securities held by the CRC Trust II which correspond to the First Series Preference Shares being registered to be registered thereunder, to the extent CPI deems appropriate in connection therewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

STICHTING PENSIOENFONDS VOOR,
DE GEZONDHEID GEESTELIJKE EN
MAATSCHAPPELIJKE BELANGEN,

by
/s/ J.H.W.R. van der Vlist

J.H.W.R. van der Vlist

by
/s/ Anneke C. van der Puttelaar

Anneke C. van der Puttelaar

ALASKA, PERMANENT FUND
CORPORATION,

by
/s/ Pete Jeans

Pete Jeans
Real Estate Investment Officer

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UNITED STATES STEEL & CARNEGIE
PENSION FUND, as Trustee for each
of the U.S. Steel Group Trust and
the Marathon Oil Group Trust,

by
/s/ Peter C. Lincoln

Peter C. Lincoln
Vice President-Investments

THE STATE STREET BANK & TRUST
COMPANY, not in its individual
capacity but solely as Trustee for
Telephone Real Estate Equity Trust,

by
/s/ Dave Hill

Dave Hill
Vice President

CORPORATE REALTY CONSULTANTS,
INC.,

by
/s/ Hans C. Mautner

Hans C. Mautner
Chairman, President and
Chief Executive Officer

[Seal]

Attest:

/s/ William J. Lyons
- ---
Secretary

BANK OF MONTREAL TRUST COMPANY,

by
/s/ Amy Roberts

Amy Roberts
Assistant Vice President

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[Seal]

Attest:

/s/ Maryann Lyons
- -----------------
Assistant Secretary

EXHIBIT A to
CRC Trust II Agreement

See Certificate of Designation included herein
under Tab 1.

EXHIBIT 4.9

CONFORMED COPY

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CORPORATE PROPERTY INVESTORS

Issuer

And

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Trustee

Indenture

Dated as of March 15, 1992

$250,000,000

9% Notes Due 2002

==========

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder (or under any Note), and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder (or under any Note) or for the performance hereof (or of any Note).

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ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

THIS INDENTURE, dated as of March 15, 1992 between CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer"), having its principal office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, as Trustee hereunder (hereinafter called the "Trustee"), having its corporate trust office at 60 Wall Street (36th Floor), New York, New York 10260.

RECITALS

WHEREAS, the Issuer has duly authorized the creation of an issue of its 9% Notes Due 2002 (the "Notes") of substantially the tenor and amount hereinafter set forth, and to provide, among other things, for the authentication delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Notes, that the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO THE THIRD ANNIVERSARY OF THE LATER OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR NOTE HERETO) OR THE SALE HEREOF (OR ANY PREDECESSOR NOTE HERETO) BY THE ISSUER OR ANY AFFILIATE OF THE ISSUER, ONLY (1) TO THE ISSUER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS

OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO ANY EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT WHICH DELIVERS A CERTIFICATE IN THE FORM OF EXHIBIT A TO THE INDENTURE TO THE TRUSTEE UNDER THE INDENTURE DATED AS OF MARCH 15, 1992, BETWEEN THE ISSUER AND MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS TRUSTEE.

CUSIP #220027AC0

No. _____ $_____

CORPORATE PROPERTY INVESTORS

9% NOTES DUE 2002

CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, upon surrender hereof the principal sum of United States Dollars ($) on March 15, 2002 and to pay interest thereon, semiannually in arrears, on each March 15 and September 15 (an "Interest Payment Date") in each year, commencing in 1992, at 9% per annum, from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if the date hereof is an Interest Payment Date to which interest has been paid or duly provided for, then from the date hereof or, if no interest has been paid or duly provided for, from March 25, 1992, in each case until the principal hereof is paid or payment thereof is duly provided for. Notwithstanding the foregoing, if the date hereof is after March 1 or September 1 in any year and before the following March 15 or September 15 in such years this Note shall bear interest, from such March 15 or September 15, as applicable, provided that if the Issuer shall default in the payment of interest due on such March 15 or September 15, as applicable, then this Note shall bear interest from the next preceding Interest Payment Date to which interest on the Note has been paid or duly provided for, or if no interest has been paid or duly provided for, from March 25, 1992. The interest so payable on any Interest Payment Date will, subject to the provisions contained in the

Indenture (as hereinafter defined), be paid to the Person in whose name this Note is registered at the close of business in the City of New York on the fifteenth calendar day next preceding such Interest Payment Date (hereinafter called the "Record Date"). Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The statements set forth in the legend are an integral part of the terms of this Note and by acceptance hereof each holder of this Note agrees to be subject to and bound by the terms and provisions set forth in such legend.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth on the face hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed by the manual or facsimile signature of a duly authorized officer of the Issuer.

Dated:

CORPORATE PROPERTY INVESTORS

[Seal]

By:_____

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes described in the within-mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Trustee

By:_____
Authorized Officer

[FORM OF REVERSE OF NOTE]

CORPORATE PROPERTY INVESTORS

9% NOTES DUE 2002

1. This Note is one of a duly authorized issue of Notes of the Issuer designated as its 9% Notes Due 2002 (herein called the "Notes"), limited (except as otherwise provided in the Indenture referred to below), in aggregate principal amount to $250,000,000. The Notes are issued and to be issued under the Indenture, dated as of March 15, 1992 (herein called the "Indenture"), between the Issuer and Morgan Guaranty Trust Company of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders of the Notes. The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the offices of the paying agent referred to below.

2. The Notes are direct unsecured obligations of the Issuer and rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Notes are issuable in fully registered form without coupons in denominations of $250,000 and integral multiples thereof.

3. (a) The Notes are not entitled to any mandatory sinking fund. The Notes may be redeemed at the Issuer's option, in whole at any time or from time to time in part, upon notice as described below, at a redemption price

equal to the sum of (i) the principal amount of the Note, plus interest through the date of redemption, and (ii) the Make-Whole Amount (as defined in the Indenture), if any (the "Redemption Price").

(b) Except as provided in paragraph (c) below, notice of redemption of the Notes, in whole or in part, as the case may be, shall be given in accordance with paragraph 8, at least once not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. Notice having been given, the Notes so called for redemption shall become due and payable on the date fixed for redemption and upon presentation and surrender thereof will be paid at the Redemption Price at the place or places of payment and in the manner specified herein.

(c) The Notes will be subject to mandatory redemption, as described below, at the Redemption Price upon the occurrence of a Mandatory Redemption Event (as defined in the Indenture). The Issuer will be required to redeem the Notes within five Business Days of any Mandatory Redemption Event.

4. Pursuant to the terms of the Indenture, the Issuer has initially appointed Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), as transfer agent for the exchange and transfer of the Notes, and as Registrar. The Issuer shall have the right, at any time and from time to time, to terminate any such appointment and to appoint any substitute or additional paying agents, subject to the terms and conditions set forth in the Indenture.

5. (a) Principal and the Make-Whole Amount, if any, on the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made to the person in whose name such Note is registered at the close of business in the City of New York on the fifteenth calendar day (the "Record Date") next preceding the relevant Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided that if and to the extent the Issuer shall default in the payment of interest due on such payment date, such defaulted interest shall be paid to the persons in whose names the Notes are registered at the close of business on a subsequent Record Date established by notice given by mail by or on behalf of the Issuer to the Holders of Registered Notes not less than 15 days preceding such subsequent Record Date, such Record Date to be not less than

ten days preceding the date of payment of such defaulted interest. Payment of such interest will be made (i) by dollar check drawn on a bank in the City of New York sent to the Holder's registered address or (ii) to any Holder of $5,000,000 or more aggregate principal amount of the Notes, upon written instructions to the Paying Agent not later than the relevant Record Date, by wire transfer in immediately available funds to a dollar account maintained by such Holder, as the case may be, with a bank in the United States designated by such Holder (but only if such bank shall have appropriate facilities therefor). Interest payments on this Note shall include interest accrued from and including the date indicated on the face hereof, or from but excluding the most recent date to which interest has been paid or duly provided for, to but excluding the related Interest Payment Date or date of Maturity as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed.

(b) Should the Issuer at any time default in the payment of any principal of or the Make-Whole Amount, if any, or interest on this Note, the Issuer will pay interest on the amount in default (to the extent permitted by law in the case of interest on interest) at the rate of interest borne by the Notes.

(c) The Issuer covenants that as long as this Note shall be outstanding it shall at all times maintain a paying agency in the Borough of Manhattan, the City of New York for payments with respect to Notes. Notice of any termination or appointment and of any change in the office through which any Paying Agent, transfer agent or Registrar will act will be promptly given once in the manner described in paragraph 8.

6. Except as otherwise provided in the Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all moneys paid by the Issuer to the Trustee or any other Paying Agent for the payment of principal of and the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount, if any, or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

7. The Issuer agrees to provide the Holder hereof and any prospective purchaser hereof designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A (d)(4) under the Securities Act as will enable resales of this Note to be made pursuant to Rule 144A; provided, however, that the Issuer shall not be required to provide more information pursuant to this paragraph 7 than is required by Rule 144A as in effect on the date of the Indenture, but may elect to do so if necessary as a result of subsequent amendments to such Rule. Further, this Note and related documentation may be amended or supplemented from time to time (x) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedure in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (y) to accommodate the issuance, if any, of this Note in book-entry form and matters related thereto (although no such amendment or supplement may require that this Note, if it is outstanding at the time such amendment or supplement becomes effective, be placed in book-entry form). The Holders of this Note shall be deemed, by the acceptance of this Note, to have agreed to any such amendment or supplement.

8. All notices to the Noteholders will be mailed to Holders of Notes at their registered addresses.

9. (a) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and, upon the request of the Issuer, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note pay or authorize the payment of the same, if the applicant for such payment shall furnish to the Issuer and to the Trustee

security or indemnity and, in every case of apparent destruction, loss or theft, satisfactory evidence, in each case as set forth in the preceding sentence. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note or Notes, duly endorsed or accompanied by a duly executed instrument of assignment and transfer, may be exchanged for an equal aggregate principal amount of Notes in different authorized denominations or Notes may be exchanged for a Note or Notes of authorized denominations by surrender of such Note or Notes at the corporate trust office of the Trustee in the City of New York, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note may be transferred in whole or in part (in the amount of U.S. $250,000 and integral multiples thereof) by the Holder or Holders surrendering the Note for registration of transfer at the office of any transfer agent or at the office of the Registrar, duly endorsed or accompanied by a duly executed instrument of assignment and transfer. Upon presentation of this Note for registration of transfer as provided herein, the Registrar shall register the transfer of this Note only if (i) the Registrar shall have received written instructions from the Issuer to effect such transfer, (ii) the Note is presented for registration of transfer at least three years after the later of the issuance of this Note (or any predecessor Note hereto) and the sale hereof (or any predecessor Note hereof) by the Issuer or an affiliate of the Issuer or (iii) the Holder hereof shall have properly completed the Certificate of Transfer below or a transfer instrument substantially in the form of such Certificate of Transfer and have delivered such Certificate of Transfer or transfer instrument (together with any transferee certification required as part of the Certificate of Transfer and any letter required by the Issuer or the Trustee to be delivered by the transferee with such certificate of transfer or transfer instrument) to the Trustee.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by mail

and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

(e) The Issuer, Trustee or Registrar may decline to accept any request for an exchange or registration of transfer during the period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

(f) Each purchaser of this Note will be deemed to have represented and agreed as follows: (i) it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and it or such account is (x) a "Qualified Institutional Buyer" (as defined in Rule 144A of the Securities Act) and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act; or (y) an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and in the case of each of (x) and (y) it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part hereof, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts to be at all times within its or their control and subject to its or their ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act; (ii) it acknowledges that this Note has not been and will not be registered under the Securities Act and may not be sold except as permitted below; (iii) it agrees that (A) if it should transfer this Note (or any predecessor Note hereto) within three years after the later of the original issuance of the Notes and the sale thereof by the Issuer or an affi1iate of the Issuer, it will do so in compliance with any applicable state securities or "Blue Sky" laws and only (1) to the Issuer, (2) in compliance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), (3) outside the United States in compliance with Regulation S under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), or (4) to an Accredited Investor, but only if, in connection with any transfer a certificate in the form of Exhibit A to the Indenture is delivered by the transferee to the Registrar, and (B) it will give the transferee notice of any restrictions on resale of this Note; (iv) it understands that this Note, unless otherwise agreed

by the Issuer and the Holder thereof, will bear the legend on the face of this Note; (v) it has received the information, if any, requested by it pursuant to Rule 144A under the Securities Act, has had full opportunity to review such information and has received all additional information necessary to verify such information; (vi) it (A) is able to fend for itself in the transactions contemplated by its acquisition of this Note; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in this Note; and (C) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment; and (vii) it understands that the Issuer, the Managers (as defined in the Offering Memorandum relating to the Notes) and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of this Note are no longer accurate, it shall promptly notify the Issuer. If it is acquiring this Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account.

10. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the holders of 66-2/3% in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such Holders may waive any default under the Indenture and its consequences, except a default in the payment of principal of or the Make-Whole Amount, if any, or interest on any of the Notes. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Note) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Note' which may be issued in exchange or substitution herefor, whether or not any notation thereof is made upon this Note or such other Notes.

11. The Indenture contains provisions permitting the Issuer and the Trustee, with the consent of the holders of not less than 66-2/3% in aggregate principal amount of the Notes at the time Outstanding (or such lesser amount as may

have acted at a Noteholders' meeting pursuant to Article Ten of the Indenture), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Notes; provided that no such supplemental indenture shall without the consent of each Holder of an Outstanding Note affected thereby (i) change the Stated Maturity of the principal of or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or on any amount payable upon redemption or acceleration thereof, (ii) change the coin or currency in which any Note or interest thereon is payable, (iii) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (iv) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of the Notes, (v) modify any of the provisions of Section 5.12 or 8.02 of the Indenture, except to increase any of the percentages set forth therein or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby or (vi) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders. In addition, this Note and related documentation may be amended or supplemented from time to time (i) to modify the restrictions on, and procedures for, resales and other transfers of this Note to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of this Note shall be deemed, by the acceptance of such Note, to have agreed to any amendment or supplement described in the immediately preceding sentence.

12. The Indenture provides that persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum at a meeting of Holders of Notes. In the absence of such a quorum at a meeting of Holders of Notes called by the Issuer, such meeting shall be adjourned for a period of not less than 10

days and, in the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for another period of not less than 10 days. At any subsequent reconvening of any meeting of Holders of Notes adjourned for lack of a quorum, persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. Any action which may be taken by a meeting of Holders of Notes requires a vote of the Holders of the lesser of (a) a majority of the aggregate principal amount of the Notes then outstanding or (b) 75% in aggregate principal amount of the Holders of Notes represented and voting at the meeting.

13. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and the Make-Whole Amount, if any, and interest on this Note at the times and rate herein prescribed.

14. The Indenture provides that the Issuer may merge or consolidate with, or sell or convey all or substantially all its assets to, any corporation or other entity and that such corporation or other entity may assume the obligations of the Issuer under the Indenture and the Notes without the consent of the Noteholders provided that certain conditions are met.

15. The Indenture provides that, upon satisfaction of certain terms and conditions as set forth in the Indenture, the Issuer (a) will be discharged from any and all obligations in respect of this Note (except for certain obligations to register the transfer or exchange of Notes, to replace any stolen, lost or mutilated Note, to maintain paying agencies and hold monies in trust) and (b) has the option to omit to comply with certain covenants and certain provisions of the Indenture shall cease to apply, in the case of each of (a) and (b) above, 91 days after the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations (as defined in the Indenture), which through the payment of interest and principal thereof in accordance with their terms will provide money in sufficient amount to pay the principal of and interest on this Note on the Stated Maturity of such payments in accordance with the terms of the Indenture and this Note.

16. The Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Note is registered as the absolute owner thereof for all purposes

and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

17. The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

18. All terms not otherwise defined herein shall have the meanings specified in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM---as tenants in common

UNIF GIFT MIN AT--.....Custodian.....

Under Uniform Gifts to Minors Act
.....

TEN ENT--as tenants by the entireties
JT TEN--as joint tenants with right of
survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

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

(please print or typewrite name and address including zip code of assignee and insert Taxpayer Identification No.)

this Note and all rights hereunder, hereby irrevocably constituting and appointing _____ attorney to transfer this Note on the books of the Issuer, with full power of substitution in the premises.

(The following is not required for sales or other transfers of this Note to or through or with the written approval of the Issuer.)

CERTIFICATE OF TRANSFER

In connection with any transfer of this Note occurring prior to the date which is three years after the later of the issuance of this Note (or any predecessor Note) and the sale hereof by an Affiliate of the Issuer, the undersigned confirms that:

Transferor Certifications

1. Applicable Exemption [check one]

[ ] (a) This Note is being transferred by the undersigned to a transferee that is, or that the undersigned reasonably believes to be, a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended) pursuant to and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) This Note is being transferred by the undersigned to a transferee that is an "accredited investor" (within the meaning of Rule 50l(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended) that has furnished to the Registrar a signed letter containing certain representations and agreements relating to the restrictions on transfers of such Notes (the form of which letter can be obtained from the Registrar) and that the undersigned has been advised by the transferee that it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part thereof, subject to any requirement of law that the disposition of its property being at all times within its control and subject to its ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act of 1933, as amended.

or

[ ] (c) This Note is being transferred by the undersigned in an "offshore Transaction" (as defined in Regulation S under the Securities Act of 1933, as amended) to a transferee that is not, or that the undersigned reasonably believes not to be, a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) pursuant and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder.

2. Affiliation with Issuer [check if applicable]

[ ] The undersigned represents and warrants that it is an affiliate of the Issuer within the meaning of Rule 144 under the Securities Act of 1933, as amended.

TO BE COMPLETED BY TRANSFEREE
IF 1(a) ABOVE IS CHECKED AND THE TRANSFEROR IS NOT A
QUALIFIED INSTITUTIONAL BUYER:

The undersigned represents and warrants that it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information.

Dated:_____ _____

NOTICE: To be executed by an officer.

TO BE COMPLETED BY TRANSFEREE
IF 1(c) ABOVE IS CHECKED:

The undersigned represents and warrants that it is not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended).

Dated:_____ _____

NOTICE: To be executed by an officer.

If none of the boxes under the Applicable Exemption section of the Transferor Certifications is checked or if any of the above representations required to be made by the transferee is not made, the Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof.

THE UNDERSIGNED HEREBY AGREES THAT, UNLESS THE BOX ABOVE UNDER ITEM 2 IS CHECKED, THE UNDERSIGNED SHALL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT AN AFFILIATE, AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OF THE ISSUER.

Dated: _____

_____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.01. Definitions.

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any, indenture supplemental hereto shall have the respective meanings specified in this Section.

(1) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America then in effect; and

(3) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a)(l), (2), (3) or (7) under the Securities Act.

"Act" when used with respect to any Holder of a Note has the meaning specified in Section 1.03.

"Affiliate" of any Person shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

"Appraisal" means an appraisal referred to in Section 4.11 hereof.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that is a member of the Appraisal Institute selected by the Issuer and acceptable to the Trustee, which acceptance shall be deemed given unless the Trustee reasonably objects to the selection on the basis of such appraiser's lack of national recogni-

tion, independence or qualification as a member of the Appraisal Institute.

"Asset Disposition" means any sale, lease, transfer or other disposition of any asset, directly or indirectly (by merger or otherwise), by the Issuer or any Subsidiary other than (i) any lease of space in Real Property entered into in the ordinary course of business, (ii) any sale, lease, transfer or other disposition of any asset other than Real Property entered into in the ordinary course of business, (iii) any sale, lease, transfer or other disposition of any asset to the Issuer or to any wholly-owned Consolidated Subsidiary of the Issuer, (iv) any transfer of cash or any sale or other disposition of a short-term investment and (v) any grant of a Lien on any property of the Issuer or any Subsidiary.

"Board of Trustees" means the Board of Trustees of the Issuer or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board in connection herewith.

"Board Resolution" when used with reference to the Issuer means a copy of a resolution, certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Trustees and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day which is not a Saturday, Sunday or a legal holiday or a day on which banks in the State of New York are required or authorized to be closed.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period (determined in accordance with generally accepted accounting principles) to the extent deducted in determining Consolidated Net Income for such period.

"Consolidated Debt" means at any date the Debt of the Issuer and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation, (i) any interest accrued or paid during such period which is capitalized in accordance with generally

accepted accounting principles, (ii) the portion of any obligation under capitalized leases allocable to interest expense during such period in accordance with generally accepted accounting principles and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a person other than the Issuer or a wholly-owned Consolidated Subsidiary.

"Consolidated Net Income" means for any period the consolidated income (or loss) before nonrecurring items of the Issuer and its Consolidated Subsidiaries for such period, determined in accordance with generally accepted accounting principles.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding principal amount of Consolidated Debt at such date.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Issuer at such date and (ii) Debt of any Subsidiary at such date. Notwithstanding the foregoing, if the Trustee shall have received a certificate from the Chairman or chief financial officer of the Issuer stating that the amount of Secured Debt of the Issuer or any Subsidiary that is Non-Recourse Debt exceeds the FMV of the assets securing it and setting forth the FMV thereof (together with the basis therefor), then the amount of such excess shall be deemed not to be Debt for purposes of computing Consolidated Secured Debt. As used in the preceding sentence, the term "FMV" with respect to any asset means (i) if such asset is Real Property that was valued in the most recent Appraisal, then the value of such asset as set forth in such Appraisal, (ii) if such asset is Real Property acquired after the valuation date of the most recent Appraisal, then the purchase price thereof and (iii) in all other cases, the fair market value of such asset determined in good faith by the Chairman or chief financial officer of the Issuer.

"Consolidated Subsidiary" means any Subsidiary or other entity (including, without limitation, a partnership), the accounts of which would be consolidated with those of the Issuer in its consolidated financial statements if such statements were prepared as of such date.

"Corporate Trust Office" means the principal corporate trust office of the Trustee at which at any particular time its corporate trust business shall be administered,

which office is, at the date of execution of this Indenture, located at 60 Wall Street (36th Floor), New York, New York 10260.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment of such obligations and (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee; provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b) the Obligor's interest in Real Property to the payment of a mortgage loan or other secured indebtedness which is solely the obligation of any other Person, the amount of indebtedness or other obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the Obligors interest in such Real Property as determined in accordance with the most recent Appraisal.

"Depositary" means the depositary for the Global Notes initially appointed by the Issuer pursuant to Section 2.01(f), until a successor depositary shall have become such pursuant to such Section and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Event of Default" means any event or condition specified in Section 5.01.

"Global Note" has the meaning specified in Section 2.01(f).

"Gross Assets" means at any date the sum of (i) the consolidated Real Property Value of the Issuer and its Consolidated Subsidiaries, (ii) cash and all other assets of the Issuer and its Consolidated Subsidiaries which, in accordance with generally accepted accounting principles, would at such time be included on a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries (other than Real Property and any asset which is classified as an intangible asset under generally accepted accounting principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all determined as of the valuation date for the most recent Appraisal and (iii) if not included in the assets described in clause (ii), the value of any notes and contract receivables held by the Issuer pursuant to its Employee Share Purchase Plan as indicated in the most recent Appraisal.

"Holder" or "Noteholder" when used with respect to any Note means the Person in whose name the Note is registered in the Note Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest" or "interest" means the interest payable on the Notes.

"Interest Payment Date" has the meaning specified in the form of face of Note.

"Issuer" means the Person named as the "Issuer" in the first paragraph of this instrument until a successor entity shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor entity.

"Lien" means any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind (including any right under any conditional sale or other title retention agreement).

"Make-Whole Amount" means, in connection with any optional or mandatory redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present

value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semiannual basis, such principal and interest at the Reinvestment Rate (determined on the Business Day immediately preceding the date of such redemption or declaration of accelerated payment) from the respective dates on which they would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Note being redeemed or paid.

"Mandatory Redemption Event" means any of:

(a) any Asset Disposition if, after giving effect thereto, the aggregate net proceeds (which includes without limitation, the principal amount of any debt secured by any disposed of Real Property which is released in connection with such Asset Disposition) from all Asset Dispositions made by the Issuer and its Subsidiaries on or after the date of this Indenture exceeds 50% of the sum of (i) $4,011,000,000 (Four Billion Eleven Million Dollars) plus (ii) the excess, if any, of (x) the net cash proceeds of any Subordinated Securities of the Issuer sold by the Issuer after the date of this Indenture over (y) the portion of such proceeds not invested by the Issuer or any Subsidiary in Real Property. (for purposes of clause (y), proceeds used to repay Debt incurred to invest in Real Property being deemed to have been invested in Real Property); and

(b) the failure by the Issuer to qualify, at any time, as a "real estate investment trust" under Sections 856-859 of the Internal Revenue Code of 1986, as amended, or any successor provision.

"Maturity" means, when used with respect to any Note means the date on which the principal and the Make-Whole Amount, if any, of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or otherwise.

"Non-Recourse Debt" of any Person means at an y time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing,

Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document, evidencing, governing, securing or otherwise relating to such Debt provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) liabilities of the holders of such Debt and their affiliates to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Note" means a registered Note authenticated and delivered under this Indenture.

"Note Register" has the meaning specified in Section 2.04(a).

"Notice of Issuance" means a Request of the Issuer pursuant to Section 2.03.

"Officers' Certificate" means a certificate signed by both the President and any Senior Vice-President or the General Counsel of the Issuer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer, Cravath, Swaine & Moore or other counsel of nationally recognized standing.

"Outstanding" when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment money in the necessary amount has been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Notes; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered or which have been paid pursuant to Section 2.05 of this Indenture unless proof satisfactory to the

Trustee is presented that any such Notes are held by bona fide holders in due course;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder and for purposes of determining Outstanding Notes under Section 5.01, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the Pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon and in accordance with the advice of counsel shall be full protection to the Trustee.

"Paying Agent" means any Person appointed by the Issuer pursuant to Section 4.02 to pay the principal of, the Make-Whole Amount, if any, or interest on any Notes on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Private Placement Legend" has the meaning set forth in Section 2.04(g).

"Purchase Agreement" means the Purchase Agreement among the Issuer, J.P. Morgan Securities, Inc. and Lazard Freres & Co. dated as of March 18, 1992.

"Qualified Institutional Buyer" has the meaning assigned thereto in Rule 144A.

"Real Property" means land, rights in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in land, or interests therein, including,

without limitation, fee ownership of land or improvements, options, leasehold, joint venture or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or otherwise secured in any way by mortgages, or interests in any of the fore going instruments.

"Real Property Value" means at any time the fair market value of the equity in all interests in Real Property held at such time by the Issuer and its Consolidated Subsidiaries as set forth in the most recent Appraisal to which shall be added related debt secured by real property, to the extent that such debt has been deducted in determining such fair market value.

"Record Date" means the fifteenth calendar day next preceding an Interest Payment Date.

"Redemption Date" has the meaning set forth in Section 9.02.

"Redemption Price" has the meaning set forth in Section 9.01.

"Registrar" has the meaning set forth in Section 2.04.

"Regulation S" means Regulation S under the Securities Act, and any successor regulation thereto.

"Reinvestment Rate" means .50% (one-half of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the maturity of the principal being prepaid or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Request" and "Order" when used with reference to the Issuer mean, respectively, a written request or order signed in the name of the Issuer by the Chairman of the Board of Trustees or the President or any Senior Vice President, the General Counsel, or the Treasurer of the Issuer, delivered to the Trustee.

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"Secured Debt" means, with respect to any Person, any Debt of such Person that is secured by a Lien on any of its assets.

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

"Stated Maturity" when used with respect to any Note or any installment of interest thereon means the date specified in such Note as the fixed date on which the principal of such Note, the Make-Whole Amount, if any, or such installment of interest is due and payable.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Obligations adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the Issuer.

"Subordinated Securities" of any Person means shares of beneficial interest or stock, or other equity interest, in such Person (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of such Person which shall have been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Notes.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, securities or ownership interests of which having ordinary voting power to elect a majority of such

board or body are at the time of determination directly or indirectly owned by the Issuer and (ii) any general or limited partnership or joint venture of which the Issuer directly or indirectly owns the interest of a general partner or venturer; provided, however, that (A) for purposes of Sections 5.01 and 9.05, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause such partnership or venture to take, or to refrain from taking, the action described in such Sections and (B) for purposes of Article Four, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause compliance by such partnership or venture with the provisions of such Article. For purposes of the preceding sentence, the right to take or refrain from taking any action shall include the right to cause the subject partnership or venture to obtain the necessary funds required for it to take or refrain from taking such action.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed by the United States.

"U.S. Person" has the meaning assigned thereto in Regulation S.

SECTION 1.02. Form of Documents Delivered to Trustee; Compliance Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such

Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture other than a Request pursuant to Section 2.03 for the initial authentication of Notes pursuant to this Indenture, there shall be furnished to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Acts of Holders of Notes.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy, or of the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is shown by the evidence to be included in the Notes the Holders of which have consented to such action may (to the extent permitted by applicable law), by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in this Section 1.03, revoke such consent so far as it concerns such Note. Except as aforesaid, any such action by the Holder of any Note (to the extent permitted by applicable law) shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon each Note or upon any Note issued in exchange or substitution therefor.

SECTION 1.04. Notices, etc., to Trustee or Issuer. Except as provided in Section 5.01, any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Notes or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder of Notes or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office to the attention of Corporate Trust Administration, or

(2) the Issuer by the Trustee or by any Holder of Notes shall be sufficient for every purpose hereunder if in writing, and delivered by hand, mailed, first-class postage prepaid, or telexed or telecopied and confirmed by mail, first-class postage prepaid, addressed to the Issuer at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Secretary, or at any other address previously furnished in writing to the Trustee by the Issuer.

All notices, elections, requests and demands required or permitted under this Indenture shall be in the English language.

SECTION 1.05. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.06. Successors and Assigns. All covenants and agreements in this Indenture by the Issuer or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.07. Separability Clause. In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.08. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.09. Governing Law. This Indenture and each of the Notes shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.10. Legal Holidays. In any case where the Stated Maturity of any Note or the date on which any installment of interest is due and payable shall be a day which is not a Business Day, then (notwithstanding any other provision of this Indenture or the Notes) payment of interest, the Make-Whole Amount, if any, or principal need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as if made at the Stated Maturity or due date and no interest shall accrue on such payment for the intervening period after such Stated Maturity or due date to such next succeeding Business Day.

SECTION 1.11. Consent to Jurisdiction and Service of Process. The Issuer waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue in any suit, action or proceeding arising out of or relating to this Indenture or any Note brought in any New York State or United States Federal court sitting in the Borough of Manhattan in the City of New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment, provided that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain Outstanding, the Issuer will at all times during which the Issuer does not maintain an office in the Borough of Manhattan, the City of New York have an authorized agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note and will upon the appointment of such agent promptly notify the Trustee in writing of the name and address of such agent. Service of process upon such

agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding.

Nothing in this Section shall affect the right of the Trustee or any Noteholder to serve process in any manner permitted by law or limit the right of the Trustee to bring proceedings against the Issuer in the courts of any jurisdiction or jurisdictions.

SECTION 1.12. Disclaimer of Liability of Shareholders and Others. Corporate Property Investors refers to the Trustees for the time being under an Amended and Restated Declaration of Trust dated as of June 15, 1978, as amended, on file in the office of the Secretary of the Commonwealth of Massachusetts. The Declaration of Trust provides that the obligations of Corporate Property Investors shall not constitute personal obligations of its Trustees, officers, shareholders, employees or agents, and that all persons dealing with Corporate Property Investors shall look solely to the assets of Corporate Property Investors for satisfaction of any liability of Corporate Property Investors, and will not seek recourse against such Trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

ARTICLE TWO

ISSUE, EXECUTION, FORM AND REGISTRATION OF SECURITIES

SECTION 2.01. Form Generally; Title and Terms.

(a) The Notes, including the face of the Notes, the reverse of the Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth above, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by such execution.

The definitive Notes shall be printed, lithographed, engraved or otherwise produced as determined by the officers executing such Notes as evidenced by such execution.

(b) Except for Notes authenticated and delivered in exchange for or in lieu of Notes pursuant to Section 2.04, 2.05 or 8.05, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $250,000,000 principal amount.

The Notes shall be known and designated as the 9% Notes Due 2002 of the Issuer. Their Stated Maturity shall be March 15, 2002. The Notes shall bear interest as provided in the form of Note.

(c) The Notes and transfers thereof shall be registered as provided in Section 2.04.

(d) Each Note shall be dated the date of its authentication.

(e) The Notes shall not be entitled to any mandatory sinking fund. The Notes shall be redeemable by the Issuer as provided for in Article Nine.

(f) The Notes may be issued in whole or in part in the form of one or more global notes (the "Global Notes"). The Issuer shall execute and the Trustee shall, in accordance herewith and upon the Order of the Issuer, authenticate and deliver one or more Global Notes that (i) shall represent and shall be denominated in an aggregate principal or face amount of the Outstanding Notes to be represented by such Global Note or Notes, (ii) shall be registered in the name of the Depositary or the nominee of the Depositary, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (iv) shall bear the legend set forth below.

The Issuer initially designates The Depository Trust Company ("DTC") as the depositary for the Global Notes. The Issuer and the Trustee shall enter into a customary letter of representation with DTC, providing for, among other things, a legend restricting transfer of the Global Notes.

The Depositary may be treated by the Issuer as the owner of such Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer from giving effect to any written certification,

proxy or other authorization furnished by or to the Depositary or impair, as between the Depositary and its participants, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The Holder of any Global Note, by its acceptance thereof, and the Trustee agree that such Global Note shall be transferred pursuant to Section 2.04 hereof only in whole and not in part to a nominee of DTC, a successor to DTC or a nominee of such successor which is another clearing agency registered under the Securities Exchange Act of 1934, as amended.

If at any time DTC (or any successor Depositary) notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Note or at any time DTC (or such successor Depositary) shall no longer be eligible under this Section 2.01, the Issuer shall appoint a successor Depositary with respect to the Global Notes and such successor shall enter into a customary letter of representation with the Issuer and the Trustee. If a successor Depositary for the Global Notes is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, or if an Event of Default has occurred and is continuing, the Notes shall thereafter no longer be in the form of the Global Notes and the Issuer shall execute and the Trustee upon receipt of an Order of the Issuer for the authentication and delivery of certificated Notes, will authenticate and deliver certificated Notes in any authorized denominations in an aggregate principal amount of the Global Notes in exchange for the Global Notes, such certificated Notes to be in denominations and registered in the names specified by the Depositary; provided that if such Event of Default is waived pursuant to Section 5.01 or is no longer continuing, such certificated Notes need not be issued and if already issued may, at the Holder's request, be represented again by a Global Note in accordance with this Section 2.01.

SECTION 2.02. Denominations. The Notes are issuable in registered form in denominations of $250,000 and integral multiples thereof.

SECTION 2.03. Execution, Authentication and Delivery of Notes. The Notes shall be executed on behalf of the Issuer by a duly authorized officer of the Issuer. Any such signature may be manual or facsimile.

Notes bearing the manual or facsimile signature of any Person who was, at the actual date of execution thereof,

a duly authorized officer of the Issuer shall bind the Issuer, notwithstanding that such Person has ceased to be a duly authorized officer prior to the authentication and delivery of such Notes. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver to the Trustee for authentication Notes executed by the Issuer and, upon written Request of the Issuer, the Trustee shall authenticate and deliver such Notes as in this Indenture provided and not otherwise.

Except as otherwise provided in Sections 3.03 and 4.14 of this Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all monies paid by the Issuer to the Trustee or other Paying Agent for the payment of principal of and, the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, Make-Whole Amount or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

SECTION 2.04. Registration, Transfer and Exchange.

(a) The Issuer shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 4.02 for such purpose being herein sometimes collectively referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and for transfers of Notes. The Issuer hereby appoints Morgan Guaranty Trust Company of New York as the Registrar. The registration of transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer. Upon surrender for registration of transfer of any Note at an office or agency of the Issuer designated pursuant to Section 4.02 for such purpose, the Issuer shall execute, and the Trustee. shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(b) Notwithstanding the provisions of Section 2.04(a), the following procedures and restrictions with respect to the registration of any transfer of any Note other than a Global Note shall apply:

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if the requested transfer is (x) to the Issuer, or (y) at least three years after the later of (A) the issue date of such Note (or any predecessor of such Note) and (B) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor Note), determined as set forth in Section 2.04(j) hereof. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(ii) The Registrar shall register the transfer of a Note, whether or not such Note bears the Private Placement Legend, if each of (i) the Holder of such Note and (ii) the proposed transferee (if so required by the Certificate of Transfer) has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate to the Registrar, together, in the case of a transfer to an Accredited Investor, with a letter from the transferee in the form of Exhibit A hereto.

(iii) The Registrar shall register the transfer of a Note to or from a depositary organization for any other institutional trading system designated by the Issuer in a Notice of Issuance or otherwise set forth in a written notice to the Registrar. In connection with any such transfer to such depositary organization for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Registrar in respect thereof. In connection with any such transfer out of such other institutional trading system, the Registrar shall receive such documents, certifications or other evidence from the transferor or transferee as are specified in such Notice of Issuance or other written notice.

(iv) If so specified in the Notice of Issuance with respect to the Notes, the Registrar shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer in such Notice of Issuance which has agreed in writing to offer, sell and effect transfers of Notes only to a prospective purchaser who such dealer, placement agent or other person has reasonable grounds to believe and does believe is a Qualified Institutional Buyer or an Accredited Investor who can make representations with respect to itself substantially to the same effect as set forth in the Certificate of Transfer. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv) above, the Registrar shall, subject to such additional procedures as the Issuer may establish, register such transfer upon surrender of such Note. Such additional procedures may include, without limitation, (x) delivery by the transferor or the proposed transferee of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act.

(vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents, the Registrar shall register the transfer and complete, countersign and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.

(vii) The Registrar shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the instructions described here.

(c) Notwithstanding any other provisions of this Indenture, so long as a Global Note remains Outstanding, and

is held by the Registrar, as custodian for the Depositary, unless the transferee shall otherwise request in writing to the Registrar, no certificated Note shall be issued or authenticated in connection with the transfer of any certificated Note pursuant to the exemption from registration provided by Rule 144A. Instead, upon acceptance for transfer of any certificated Note, the Registrar shall cancel such certificated Note and shall, in lieu of issuing a new certificated Note in exchange for the certificated Note surrendered for registration of transfer, endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of such certificated Note. All provisions of this Section 2.04 relating to the transfer of Notes (other than those relating to the issuance and authorization of a new Note) shall apply to any transfer resulting in an increase in the principal amount of such Global Note. The Registrar shall notify the Depositary promptly of any increase in the principal amount of any Global Note.

Notwithstanding any other provisions of this Indenture, resales or other transfers of Notes represented by a Global Note made in compliance with Rule 144A or made on or subsequent to the date that is three years after the later of (i) the original issue date of such Note (or any predecessor of such Note) and (ii) the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof, will be conducted according to the rules and procedures of the Depositary applicable to U.S. corporate debt obligations and without notice to, or action by, the Registrar. Upon notice from the beneficial owner (or an agent of the beneficial owner) of Notes represented by a Global Note that such beneficial owner intends to resell or transfer such Notes otherwise than pursuant to Rule 144A under the Securities Act prior to three years after the later of (i) the original issue date of such Notes (or any predecessor of such Notes) and (ii) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof, and upon satisfaction by the transferor and, if applicable, the transferee, of the conditions necessary for the registration of transfer of a Note set out in Section 2.04(b), the Registrar shall and is authorized by the holder of such Global Note, by its acceptance thereof, to endorse on the

schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and the reduction in the principal amount of such Global Note equal to the principal amount of the portion of the Global Note being transferred and shall authenticate and deliver a certificated Note registered in the name of the transferee or its nominee in an equal aggregate principal amount. The Registrar shall notify the Depositary promptly of any decrease in the principal amount of any Global Note.

(d) Except as otherwise provided on the face of the Notes with respect to the payment of interest on Notes transferred between Record Dates and Interest Payment Dates, each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note shall carry all the rights to interest, if any, accrued and unpaid and to accrue which were carried by the whole or such part of such Note.

(e) The Issuer, Trustee or Registrar may decline to exchange or register the transfer of any Note during the period of 15 days preceding (i) the due date for any payment of principal of, the Make-Whole Amount, if any, or interest, on the Notes or (ii) the date on which Notes are scheduled for redemption.

(f) Transfer, registration and exchange shall be permitted and executed as provided in this Section without any charge other than any stamp or other taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery but subject to such reasonable regulations as the Issuer and the Registrar may prescribe.

(g) Upon the transfer, exchange or replacement of Notes not bearing the legend set forth in the form of Note (the "Private Placement Legend"), the Trustee shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Trustee shall deliver only Notes that bear the Private Placement Legend unless the circumstances contemplated by Section 2.04(b)(i)(y) above exist.

(h) Any Note or Notes may be exchanged for a Note or Notes in other authorized denominations, in an equal aggregate principal amount. Notes to be exchanged shall be surrendered at an office or agency to be maintained by the Issuer for such purpose as provided in Section 4.02, and the

Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Notes presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

(i) The Issuer agrees to make available such information as is required by Rule 144A(d)(iv) as in effect on the original issue date of the Notes. Further, the Notes and related documentation may be amended or supplemented from time to time in accordance with Section 8.01 (i) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of any Note shall be deemed, by the acceptance of such Note, to have agreed to any such amendment or supplement.

(j) For purposes of determining the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of a Note, the Registrar and the Issuer shall rely on the representation as to "Affiliation with Issuer" set forth on the Certificate or Certificates of Transfer delivered to it from and after the date of issuance of such Note (or any predecessor Note) in connection with transfers of such Note. The Registrar, the Issuer and all Holders of Notes shall be entitled to rely without further investigation on any certification by any transferor on the Certificate of Transfer. Unless a transferor required to provide a Certificate of Transfer shall certify thereon that

it is an Affiliate of the Issuer, such transferor shall be deemed to have represented that it is not an Affiliate of the Issuer.

SECTION 2.05. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any Note shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, with the Holder's consent in the case that the Note is called for redemption, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless, from all risks, however remote, and, in every case of apparent destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at

any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, the Make-Whole Amount, if any, and (subject to the provisions for payment of interest set forth in the form of Note) interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary to the extent permitted by applicable law.

SECTION 2.07. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, or registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such Acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

ARTICLE III

SATISFACTION AND DISCHARGE; DEPOSITED MONEYS

SECTION 3.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange herein expressly provided for), and the Trustee, upon Request of the Issuer at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Notes theretofore authenticated and delivered (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.04), have been delivered to the Trustee for cancellation and 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date of delivery of the last such Note for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable, (2) will become due and payable at their Stated Maturity within one year, (3) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, or (4) are deemed paid and discharged pursuant to Section 3.03, as applicable, and in the case of (1), (2) or (3) above, 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date on which the Issuer has deposited or caused to be deposited with the Trustee or the Paying Agent, in trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal, the Make-Whole Amount, if any, and interest accrued to the date of such deposit or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and any predecessor Trustee under Section 6.06 and, if money shall have been deposited with the Trustee pursuant to sub-clause (ii) of clause (a) of this Section or if money or obligations shall have been deposited with or received by the Trustee pursuant to Section 3.03, the obligations of the Trustee under Sections 3.02 and 6.06 shall survive.

SECTION 3.02. Application of Trust Money. Subject to Section 4.02, all money deposited with the Trustee pursuant to Section 3.01, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 3.03 or 4.14 and all money received by the Trustee in respect of U.S. Governmental Obligations deposited with the Trustee pursuant to Section 3.03 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through the Paying Agent as the Trustee may determine, to the Holders of the Notes for whose payment such money has been deposited with the Trustee, of all sums due and to become due thereon for principal, the Make-Whole Amount, if any, and interest for whose payment such money has been deposited with or received by the Trustee or to make payments as contemplated by Section 3.03; but such money need not be segregated from other funds except to the extent required by law.

SECTION 3.03. Satisfaction, Discharge and Defeasance of Notes. The Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Notes on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture shall no longer be in effect (and the Trustee, at the expense of the Issuer, shall, upon receipt of a Request of the Issuer, execute proper instruments acknowledging the same), except as to:

(a) the rights of Holders of Notes to receive, from the trust funds described in subparagraph (d) of this Section 3.03, payment of the principal of and each installment of or interest on the Notes on the Stated Maturity of such principal or installment of principal or interest;

(b) the Issuer's obligations with respect to the Notes under Section 2.04, 2.05 and 4.02; and

(c) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 3.02 and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that, the following conditions shall have been satisfied:

(d) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defease the Notes under this Section 3.03 and deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(e) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(f) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date;

(g) the Issuer has delivered to the Trustee (1) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (2) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (1) or (2), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred;

(h) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble to this Section 3.03 (i) will not cause the Trustee or the trust created pursuant to this Section 3.03 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 3.03, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(i) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 3.03 have been complied with.

ARTICLE FOUR

COVENANTS OF THE ISSUER AND THE TRUSTEE

SECTION 4.01. Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of, the Make-Whole Amount, if any, and interest on the Notes, in accordance with the terms of the Notes and this Indenture.

Payment of principal of and the Make-Whole Amount, if any, on Notes will be made in accordance with the terms of the Notes against surrender of the Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made, in accordance with the terms of the Notes, to the respective persons in whose name the Notes are registered at the close of business on the subsequent Record Date prior to the relevant Interest Payment Date.

The Issuer will on or before 3:00 P.M., the City of New York time, on the day which is one Business Day next preceding the due date of the principal of and the Make-Whole Amount, if any, or interest on any Notes, pay to the Paying Agent in "next day" (New York Clearing House) funds a sum sufficient to pay the principal, the Make-Whole Amount or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Notes.

SECTION 4.02. Maintenance of Office or Agency; Appointment of Paying Agent. So long as any of the Notes remain Outstanding, the Issuer will maintain in the City of New York, the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer hereby appoints Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), for the payment of principal of, the Make-Whole Amount, if any, and interest on the Notes on behalf of the Issuer. The Issuer reserves the right at any time, and from time to time, to vary or terminate the appointment of any Paying Agent, transfer agent or Registrar or to appoint any additional or other Paying Agent or agencies or transfer agent or agencies or Registrar.

Whenever the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.02, that it will hold all sums held by it as such agent for the payment of the principal of, the Make-Whole Amount, if any, or interest on the Notes in trust for the benefit of the Holders of the Notes, that it will give the Trustee notice of any failure by the Issuer to make any payment of the principal of, or the Make-Whole Amount, if any, or interest on the Notes when the same shall be due and payable and that, at any time during the continuance of any such default, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held by it in trust.

Anything in this Section 4.02 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this Section 4.02, such sums to be held by the Trustee upon the trust herein contained. Any money deposited with the Trustee or any Paying Agent for the payment of the principal of or the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount or interest has become due and payable shall be paid to the Issuer, and the Holder of such Note shall thereafter look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amounts shall thereupon cease.

SECTION 4.03. Existence of Issuer. The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Issuer shall not be required to preserve the existence of the Issuer or any such right or franchise if the Board of Trustees of the Issuer

shall determine that the failure to preserve such existence, right or franchise is not disadvantageous in any material respect to the Holders of Notes and in the case of such right or franchise, is no longer desirable in the conduct of the business of the Issuer.

SECTION 4.04. Information. The Issuer will deliver to the Trustee and to each Holder of Notes upon the request of such Holder:

(a) within 90 days after the end of each fiscal year of the Issuer, a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of cash flows, income and shareholders' equity for such fiscal year, in each case prepared in accordance with generally accepted accounting principles, setting forth in each case in comparative form the figures for the previous fiscal year, and a report and opinion thereon of independent public accountants of recognized national standing; and

(b) within 60 days after the end of each of the first three fiscal quarters, unaudited consolidated financial statements of the Issuer and its Consolidated Subsidiaries for the portion of the Issuer's fiscal year then ended, prepared in accordance with generally accepted accounting principles, as provided to the Issuer's shareholders.

SECTION 4.05. Maintenance of Property; Insurance.

(a) The Issuer will keep, and will cause each Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Issuer will maintain, and will cause each Subsidiary to maintain, in full force and effect at all times with financially sound and reputable insurance companies, insurance on all of its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in similar businesses.

SECTION 4.06. Trustee. The Issuer whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.09, a

Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.07. Compliance with Laws. The Issuer will comply, and, will cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authority, except where the necessity of compliance therewith is contested in good faith or where the failure to comply would not have a material adverse effect upon the Issuer and its Consolidated Subsidiaries, taken as a whole.

SECTION 4.08. Limitations on Debt. The Issuer shall not, at any time, permit:

(a) Consolidated Debt to exceed 50% of Gross Assets, or

(b) Consolidated Secured Debt to exceed 35% of the Gross Assets.

SECTION 4.09. Minimum Net Worth. The Issuer shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars).

SECTION 4.10. Debt Service Coverage. The Issuer shall not, at the end of any fiscal quarter, permit the sum of (i) Cash Flow for the four fiscal quarters then ended plus (ii) Consolidated Interest Expense for such four fiscal quarters to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other lump sum or bullet payments).

SECTION 4.11. Annual Real Property Appraisal. Prior to February 28 of each year, the Issuer will (a) cause the fair market value of the equity of the Issuer and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (b) calculate as of such December 31 the value of Gross Assets, (c) cause the Appraiser to review such calculation of Gross Assets and (d) cause to be filed with the Trustee a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such December 31 and its opinion on the reasonableness of the Issuer's calculation of the value of Gross Assets as of such

December 31 and stating that the appraisal referred to in clause (a) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 4.12. File Statement Annually with the Trustee. Within 120 days after the close of each fiscal year, the Issuer will file with the Trustee an Officers' Certificate, stating that in the course of the performance by the signers of their duties as officers of the Issuer, they would normally obtain knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, that they have made a review with a view to determining whether there is any default under this Indenture, and stating whether or not they have obtained knowledge of any such default, and, if so, specifying each default of which the signers have knowledge and the nature thereof.

At the time such Officers' Certificate is filed, the Issuer will also file with the Trustee a letter or statement of the independent accountants who shall have certified the consolidated financial statements of the Issuer for its preceding fiscal year to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention to cause them to believe that the Issuer failed to comply with the covenants in Sections 4.01, 4.08, 4.09 and 4.10 which failure remains uncured at the date of such letter or statement, or, if they shall have obtained knowledge of any such failure, specifying in such letter or statement the nature thereof.

SECTION 4.13. Further Assurances. From time to time whenever requested by the Trustee, the Issuer will execute and deliver such further instruments and assurances and do such further acts as may be reasonably necessary or proper to carry out more effectually the purposes of this Indenture or to secure the rights and remedies hereunder of the Holders of the Notes.

SECTION 4.14. Defeasance of Certain Obligations. The Issuer may omit to comply with any term, provision or condition set forth in Sections 4.04, 4.05, 4.07, 4.08 to 4.11, inclusive, and Section 5.01(c) and (d) and (e) and (f) (but only insofar as such paragraphs (e) and (f) relate to Subsidiaries of the Issuer), inclusive, and Article Nine shall be deemed deleted, provided that the following conditions shall have been satisfied:

(1) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defeasance under this Section 4.14 and deposited or caused to be deposited irrevocably (except as provided in Section 3.03) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(2) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit;

(4) the Issuer has delivered to the Trustee (a) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (b) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (a) or (b), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been

the case if such deposit and defeasance of certain obligations had not occurred;

(5) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble of this Section 4.14 (i) will not cause the Trustee or the trust created pursuant to this Section 4.14 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 4.14, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(6) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 4.14 have been complied with.

ARTICLE FIVE

REMEDIES

SECTION 5.01. Events of Default Defined; Acceleration of Maturity; Waiver of Default. The following events or conditions constitute Events of Default hereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order, rule or regulation of any administrative body):

(a) default in the payment of any installment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 10 Business Days; or

(b) default in the payment of principal of, or the Make-Whole Amount, if any, on any of the Notes when due, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture or the Notes (other than a covenant or agreement a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or default in the payment of principal, the Make-Whole Amount, if any, or interest), and continuance of such default or breach for a period of 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) acceleration of, or failure to pay at maturity, Debt (other than Non-Recourse Debt) of the Issuer or any Subsidiary in an aggregate principal amount in excess of $10,000,000 which acceleration is not rescinded or annulled or which Debt is not discharged, in either case, within 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such acceleration or failure to pay and requiring the Issuer to remedy the same; or

(e) the entry of a decree or order for relief in respect of the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) by a court having jurisdiction in the premises in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or Other similar law, or appointing a receiver, liquidate, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or the consent by it (or any such Subsidiary) to the entry of an order for relief in an involuntary case under any such law as to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer (or any such Subsidiary) in furtherance of any such action.

If an Event of Default set forth in Section 5.01(a) or (b) occurs and is continuing, then and in every such case (i) the Trustee by a notice in writing to the Issuer may declare all the Notes to be due and payable immediately or (ii) the Holders of not less than 25% in aggregate principal amount of the Outstanding Notes may by written notice to the Issuer and the Trustee declare the Notes to be due and payable immediately, and upon any such declaration the Notes shall be immediately due and payable at the principal amount thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(c) or (d) occurs and is continuing, then in every such case the Trustee or the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders) and upon such declaration the Notes shall be immediately due and payable at the principal amount plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(e) or (f) occurs, the Notes shall automatically become due and payable at the principal amount thereof plus accrued interest to the date the Notes are paid without any action or declaration upon the part of the Trustee or Noteholders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the

Notes shall have so become due and payable, before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the expenses of the Trustee, and any and all defaults under this Indenture, other than the non-payment of Notes which shall have become due by such declaration, shall have been remedied, then in every such case the Holders of a majority in aggregate principal amount of the Notes then outstanding (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof), by written notice to the Issuer and the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no waiver and rescission and annulment shall extend to or shall affect any default in the payment of the principal of or interest on any of the Notes or any subsequent default or shall impair any right consequent thereon.

SECTION 5.02. Collection of Debt and Suits for Enforcement by Trustee. The Issuer covenants that if:

(i) in case default is made in the payment of any installment of interest on any Note when such interest becomes due and payable and such default continues for a period of 10 Business Days, or

(ii) default is made in the payment of the principal of and the Make-Whole Amount, if any, on any Note at the Maturity thereof,

then the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the principal amount thereof, plus the Make-Whole Amount, if any, with interest upon the overdue principal and the Make-Whole Amount and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and all amounts payable to the Trustee and any predecessor Trustee under Section 6.06.

If the Issuer fails to pay any amounts required under this Section 5.02 forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect

the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

SECTION 5.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or such other obligor, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and any predecessor Trustee (including, in the case of any such proceeding relating to the Issuer, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel) and of the Holders of Notes allowed in such judicial proceeding,

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and

(c) unless prohibited by law or applicable regulations, to vote on behalf of Holders of Notes in any election of a trustee in bankruptcy or other person performing similar functions;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes, to pay, in the case of any such proceeding relating to the Issuer or to the Trustee any amount due to it or any predecessor Trustee under Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of Notes, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of Notes in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 5.04. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee (to the extent permitted by applicable law) without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes in respect of which judgment has been recovered, subject to the provisions of this Indenture.

SECTION 5.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, the Make-Whole Amount, if any, or interest, upon presentation of the Notes, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee or any predecessor Trustee under Section 6.06;

SECOND: In case the principal of the Outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest upon the overdue

installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of or the Make-Whole Amount, if any, on the Outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal, the Make-Whole Amount, if any, and interest, with interest on the overdue principal and installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal, the Make-Whole Amount, if any, and interest, without preference or priority of principal or the Make-Whole Amount, if any, over interest, or of interest over principal, or the Make-Whole Amount, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, the Make-Whole Amount, if any, and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.06. Limitation on Suits by Noteholders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Events of Default set forth in Sections 5.01(c) or (d);

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority (or 66-2/3% where expressly provided herein) in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

SECTION 5.07. Unconditional Rights of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of, and the Make-Whole Amount, if any, and interest on such Note on the respective dates such payments are due in accordance with the terms of the Notes and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights' and Remedies. If the Trustee or any Holder of Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Notes shall continue as though no such proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Notes, as the case may be.

SECTION 5.11. Control by Holders. Except as otherwise provided herein or in the Notes, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors and/or Responsible Officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability or would be unduly prejudicial to Holders not joining in such direction.

SECTION 5.12. Waiver of Past Defaults. The Holders of not less than 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder and its consequences, except a default in the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court of competent jurisdiction may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted against the Issuer by the Trustee, by any Holder of Notes, or group of Holders of Notes, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or by any Holder of any Note for the enforcement of the payment of the principal of, the Make-Whole Amount, if any, or interest on such Note on or after the respective dates such payments are due in accordance with the terms of the Notes.

SECTION 5.14. Notice of Default to Holders of Notes. The Trustee shall at the Issuer's expense, within 90 days after any Event of Default becomes known to a Responsible Officer of it, give the Holders of Notes notice thereof, unless such default shall have been cured or waived.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred: the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; this Subsection shall not be construed to limit the effect of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes (or 66-2/3% or 25% in principal amount where expressly provided herein) relating to the time, method and place of

conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 6.02. Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed) and any resolution of the Board of Trustees of the Issuer shall be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such

Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, or bond, debenture or other paper or document, unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of the investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or suf-

ficiency of this Indenture or of the Notes; provided that the Trustee shall not be relieved of its duty to authenticate Notes as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof.

SECTION 6.04. Trustee and Agents May Hold Notes. The Trustee, the Paying Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes, collections, proceeds, and may otherwise deal with the Issuer and may receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee, Paying Agent or such other agent.

SECTION 6.05. Moneys Held in Trust. Money held by the Trustee or the Paying Agent in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 6.06. Compensation and Indemnification of Trustee And Its Prior Claim. The Issuer covenants and agrees:

(a) to pay to the Trustee from time to time such compensation as shall from time to time be agreed upon in writing by the Trustee and the Issuer or, if there be no agreement, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any predecessor Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except to the extent any such expense, disbursement or advance may be attributable to its negligence or bad faith; and

(c) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense arising out

of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or investigating any claim of liability in the premises, except to the extent any such loss, liability or expense may be attributable to negligence or bad faith on its own part.

To ensure the performance of the obligations of the Trustee under this Section, the Trustee shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Notes. The rights of the Trustee under this Section 6.06 shall survive the satisfaction and discharge of this Indenture.

SECTION 6.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the good faith thereof.

SECTION 6.08. Corporate Trustee Required; Eligibility. The Trustee shall at all times be a corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $75,000,000, subject to supervision or examination by Federal or State authority and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and by mailing notice thereof by first-class mail to Holders of Notes at their last addresses as they shall appear on the Note Register. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee and to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note who has been a Holder in due course of a Note for at least six months, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer by a Board Resolution may remove the Trustee, or (B) subject to Section 5.13, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in

the office of Trustee for any cause, the Issuer, by an Issuer Order, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede `the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or by the Holders of Notes or pursuant to Section 6.09(b) and shall have accepted appointment in the manner hereinafter provided in Section 6.10, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, subject to Section 5.13, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee in the manner set forth in paragraph 8 on the Form of Reverse of Note. The notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

(g) The rights of a Trustee pursuant to Section 6.06 shall survive its resignation or removal and the appointment of successor Trustees hereunder.

SECTION 6.10. Acceptance of Appointment by Successor. Any successor Trustee appointed as provided in Section 6.09 shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment to it of all fees, expenses and other amounts owing to it hereunder, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its claim, if any, provided for in Section 6.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly

vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be eligible and qualified under this Article.

SECTION 6.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise eligible and qualified under Section 6.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at any time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor, by merger, conversion or consolidation or by succeeding to all or substantially all the corporate trust business of the Trustee, to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor only to its successor or successors by merger, conversion or consolidation.

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 7.01. Issuer May Consolidate, etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey (including by way of lease) all or substantially all of its assets to any Person (other than the sale, transfer or conveyance (including by way of lease) of all or substantially all of the Issuer's assets in a single transaction or a series of transactions to one or more wholly-owned Subsidiaries), unless (i) either (A) the Issuer shall be the continuing entity or (B) the successor entity or the Person which acquires by sale or conveyance all or substantially all

the assets of the Issuer (if other than the Issuer) shall (1) expressly assume the due and punctual payment of the principal of, the Make-Whole Amount, if any, and interest on all the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture and the Notes to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such Person, and (2) if such Person is not organized under the laws of the United States of America or any State thereof, agree in such supplemental indenture that any amount to be paid by such Person to Holders of the Notes shall be paid without deduction or withholding for any taxes, levies, imposts or charges whatsoever imposed by or for the account of the country in which any such Person is organized or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by such country as aforesaid, or any of its political subdivisions or taxing authorities, such Person will pay any such additional amount in respect of principal, Make-Whole Amount, if any, and interest as may be necessary in order that the net amounts paid to the Holders of the Notes or the Trustee, as the case may be, after such deduction or withholding, shall equal the respective amounts of principal, Make-Whole Amount, if any, and interest as specified in the Notes to which such Holders or the Trustee are entitled, and (ii) the Issuer or such successor Person or acquiring Person shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SECTION 7.02. Successor Issuer Substituted. In the case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor entity, such successor entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession, any or all of the Notes issuable hereunder, which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication and any Notes which such successor entity thereafter shall cause to be signed and delivered to

the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any successor entity which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

SECTION 7.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Section 6.01 and 6.02, may rely on an Opinion of Counsel and an Officers' Certificate, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, for any of the following purposes:

(a) to evidence the assumption by any successor entity to the Issuer of the covenants of the Issuer herein and in the Notes contained; or

(b) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer; or

(c) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(d) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form); or

(e) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to make any provisions with respect to matters or questions arising under this Indenture, or to make any other changes herein that shall not materially adversely affect the interests of the Holders of the Notes.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Notes at the time Outstanding notwithstanding any of the provisions of Section 8.02.

SECTION 8.02. Supplemental Indentures With Consent of Holders; Waiver of Future Compliance. With the consent of the Holders of 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes, by Act of said Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolutions, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provi-

sions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture or to waive future compliance with the Indenture or the provisions of the Notes; provided, however, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby,

(a) change the Stated Maturity of the principal of, or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or any amount payable upon redemption or acceleration thereof, or

(b) change the coin or currency in which any Note or the interest thereon is payable, or

(c) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note, or

(d) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of any Note, or

(e) modify any of the provisions of this Section or Section 5.12, except to increase any of the percentages set forth herein or therein or to provide that certain other provisions of this Indenture cannot be modified or waived without the o consent of the Holder of each Note affected thereby, or

(f) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Notes, or which modifies the rights of Noteholders, with respect to such covenant or provision, shall be deemed not to affect the rights under this Indenture of the Noteholders.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Trustees certified by the secretary or an assistant secretary of the Issuer

authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid and other documents, if any, required by Section 8.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall mail a notice thereof to the Holders of then Outstanding Notes by first-class mail to such Holders at their addresses as they shall appear on the Note Register. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trust created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.01 and 6.02) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, obligations or immunities under this Indenture or otherwise.

SECTION 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be and shall be deemed modified in accordance therewith and the respective rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Notes affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all other terms and conditions of any such

supplemental indenture shall form a part of this Indenture for all purposes.

SECTION 8.05. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and such Notes shall be authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE NINE

REDEMPTION OF NOTES

SECTION 9.01. Optional Redemption. The Issuer at its option may, at any time, redeem all, or from time to time any part, of the Notes upon payment of the principal amount of the Notes, plus accrued interest to the date of redemption, plus the Make-Whole Amount, if any (the "Redemption Price"). If less than all the Notes are to be redeemed at the option of the Issuer, the Issuer will deliver to the Trustee at least 45 days prior to the Redemption Date (or such shorter period as the Trustee may accept) an Officers' Certificate stating the aggregate principal amount of Notes to be redeemed.

If less than all the Notes are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Notes to be redeemed in whole or in part. Notes may be redeemed in part in multiples equal to the minimum authorized denomination for Notes. Unless the Trustee has been requested to notify Holders of redemption pursuant to the last paragraph of Section 9.02, the Trustee shall promptly (but in no event after the later of (a) the date that is ten days after the date of receipt by the Trustee of the Officers' Certificate referred to in the first paragraph of this Section 9.01 and (b) the date that is five days before the date identified by the Issuer in such Officers Certificate as the date on which the Issuer intends to give notice of redemption) notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture,

unless the context otherwise requires, all provisions relating to the redemption of Notes, in the case of any Note redeemed or to be redeemed only in part, relates to the portion of the principal amount of such Note which has been or is to be redeemed.

SECTION 9.02. Notice of Redemption. Notice of redemption to the Holders of Notes to be redeemed as a whole or in part at the option of the Issuer shall be given by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption (the "Redemption Date") at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice to the Holder of any Note as a whole or in part, shall not affect the validity of the proceedings for the redemption of any other Note.

The notice of redemption to each such Holder shall specify the principal amount of each Note held by such Holder to be redeemed, the date fixed for redemption, the Redemption Price (or the method of calculating thereof in the case of the Make-Whole Amount component, if any, of the Redemption Price), the place or places of payment and that payment will be made upon presentation and surrender of such Notes. In the case of the redemption of Notes that are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Notes at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

SECTION 9.03. Deposit of Redemption Price. Prior to 3:00 p.m., New York City time, on the day which is one Business Day next preceding the Redemption Date, the Issuer shall deposit with the Paying Agent in "next day" (New York Clearing House) funds an amount of money sufficient to pay on the Redemption Date the Redemption Price of all the Notes so called for redemption.

SECTION 9.04. Payment of Notes Called for Redemption. If notice of redemption has been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and on and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Notes shall cease to bear interest.

If the Issuer defaults on the Redemption Date in the payment of the Redemption Price such Notes shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

SECTION 9.05. Mandatory Redemption. The Notes shall be subject to redemption in whole, at any time, at the Redemption Price within five Business Days following any Mandatory Redemption Event in accordance with the provisions of Sections 9.02, 9.03 and 9.04, except that the notice referred to in Section 9.02 shall be mailed within two Business Days of the Mandatory Redemption Event.

ARTICLE TEN

MEETINGS OF NOTEHOLDERS

SECTION 10.01. Notice; Quorum; Actions Taken.

(a) The Issuer may at any time call a meeting of the Noteholders, such meeting to be held at such time and at such place as the Issuer shall determine, for the purposes provided in Section 8.02 hereof, or for the purpose of taking action with respect to any Event of Default under Article Five hereof. Notice of any meeting of Noteholders, setting forth the time and place of such meeting, in general terms the action proposed to be taken at such meeting and the record date for determining Holders entitled to take action at such meeting, shall be mailed to the registered address of such Holders not less than 20 nor more than 180 days prior to the date fixed for such meeting. To be entitled to vote at any meeting of Noteholders, a person must be (i) a Holder of one or more Notes on such record date or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Notes on such record date. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuer or the Trustee and their respective counsel.

(b) Persons entitled to vote a majority in principal amount of the Notes at the time Outstanding shall constitute a quorum for the purpose of any such meeting. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to order. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, a meeting which has been called by the Issuer or the Trustee shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for a period of not less than 10 additional days as determined by the chairman of the meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph (a) of this Section 10.01. Subject to the foregoing, at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in principal amount of the Notes at the time Outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the Outstanding Notes which shall constitute a quorum.

(c) At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution for any purpose provided in Article Eight hereof or for the purpose of taking any action with respect to any Event of Default under Article Five hereof shall be effectively passed and decided if passed and decided by the persons entitled to vote the lesser of (i) a majority in principal amount of Notes then Outstanding and (ii) 75% in principal amount of the Notes represented and voting at the meeting. Any Noteholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purpose of determining a quorum and be deemed to have voted, provided that such Noteholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting). Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Section shall be binding on all the Noteholders whether or not present or represented at the meeting.

(d) The Issuer shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of Persons entitled to vote a majority in principal amount of the Notes

represented at the meeting. At any meeting each Noteholder or proxy shall be entitled to one vote for each $250,000 principal amount of Notes as to which he is a Noteholder or proxy; provided, however that no vote shall be cast or counted at any meeting in respect of any Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Noteholder or proxy. Any meeting of Noteholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(e) The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or proxies and on which shall be inscribed an identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes entitled to be voted by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the acts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

* * * * *

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By: /s/ Michael L. Johnson

Senior Vice President
and Chief Financial
Officer

[SEAL]

Attest:

/s/ William J. Lyons
- ---
Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: /s/ Helen S. Chin

Vice President

[SEAL]

Attest:

/s/ Norma Pane
- ---

Assistant Secretary

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 24th day of March, 1992, before me personally came Michael L. Johnson, to me known, who, being by me duly sworn, did depose and say that he resides at 115 Central Park West, New York, NY 10023; that he is the Senior Vice President and Chief Financial Officer of CORPORATE PROPERTY INVESTORS, one of the parties described in and which executed the above instrument; that he knows the seal of said Trust; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of trustees of said Trust; and that he signed his name thereto pursuant to like authority.

/s/ Harold Rolfe

Notary Public

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STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 24th day of March, 1992, before me personally came Helen G. Chin, to me known, who, being by me duly sworn, did depose and say that she resides at New York, NY; that she is a Vice President of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, one of the parties described in and which executed the above instrument; that he knows the corporate seal of said banking corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of directors of said banking corporation; and that she signed her name thereto pursuant to like authority.

/s/ Peter V. Murphy

Notary Public

EXHIBIT A

[Name of Trustee]
[address]

Dear Sirs:

In connection with our proposed purchase of $_____ principal amount of 9% Notes Due 2002 (the "Notes") of Corporate Property Investors ("CPI"), we confirm that:

1. We have received a copy of the Offering Memorandum dated March 18, 1992, relating to the Notes and understand that the Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes within three years of the later of the original issuance of the Notes or the sale thereof by the Issuer or an affiliate of CPI, we will do so only (A) to CPI, (B) in accordance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note), (C) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note) or (D) to an institutional investor that is an "accredited investor" within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act which delivers a certificate in the form hereof to the trustee under the Indenture dated as of March 15, 1992 between CPI and Morgan Guaranty Trust Company of New York, as trustee (the "Indenture Trustee"), and we further agree, in the capacities stated above, to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

In addition, we understand that, upon any proposed resale of any Note within three years of the later of the original issuance of such Note (or any predecessor Note thereof) or the sale of such Note (or any predecessor Note thereof) by CPI or an affiliate of CPI, we will be required to furnish to the Indenture Trustee, such certification and other information (including, without limitation, an opinion of counsel) as the Indenture Trustee or CPI may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that certificates evidencing Notes purchased by us will, until the third anniversary of the later of the original issuance of the Notes (or any predecessor Notes thereof) or the sale thereof

by CPI or an affiliate of CPI bear a legend to the foregoing effect.

2. We are an institutional investor and an "accredited investor" (within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any account for which we are acting are each able to bear the economic risk of our or its investment.

3. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion and for each of which we are acquiring not less than $250,000 aggregate principal amount of Notes.

4. We have received such information as we deem necessary in order to make our investment decision.

You and CPI are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Purchaser]

By:

Name:
Title:

Exhibit 4.10

CORPORATE PROPERTY INVESTORS

Issuer

And

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Trustee

Indenture

Dated as of August 15, 1992

$150,000,000

7 3/4% Notes due 2004

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder (or under any Note), and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder (or under any Note) or for the performance hereof (or of any Note).

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ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

THIS INDENTURE, dated as of August 15, 1992 between CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer"), having its principal office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, as Trustee hereunder (hereinafter called the "Trustee"), having its corporate trust office at 60 Wall Street (36th Floor), New York, New York 10260.

RECITALS

WHEREAS, the Issuer has duly authorized the creation of an issue of its 7 3/4% Notes Due 2004 (the "Notes") of substantially the tenor and amount hereinafter set forth, and to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Notes, that the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE THIRD ANNIVERSARY OF THE LATER OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR NOTE HERETO) OR THE SALE HEREOF (OR ANY PREDECESSOR NOTE HERETO) BY THE ISSUER OR ANY AFFILIATE OF THE ISSUER (COMPUTED IN ACCORDANCE WITH PARAGRAPH (d) OF RULE 144 UNDER THE SECURITIES ACT) OR (Y) BY AN AFFILIATE OF THE ISSUER OR BY ANY HOLDER THAT WAS AN AFFILIATE OF THE ISSUER AT ANY TIME

DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE, OTHER THAN (1) TO THE ISSUER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO ANY EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 50l(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT WHICH DELIVERS A CERTIFICATE IN THE FORM OF EXHIBIT A TO THE INDENTURE TO THE TRUSTEE UNDER THE INDENTURE DATED AS OF AUGUST 15, 1992, BETWEEN THE ISSUER AND MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS TRUSTEE.

CUSIP #220027AD8

No. __ $_____

CORPORATE PROPERTY INVESTORS

7 3/4% NOTES DUE 2004

CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, upon surrender hereof the principal sum of United States Dollars ($) on August 15, 2004 and to pay interest thereon, semiannually in arrears, on each February 15 and August 15 (an "Interest Payment Date") in each year, commencing in 1993, at 7 3/4% per annum, from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if the date hereof is an Interest Payment Date to which interest has been paid or duly provided for, then from the date hereof or, if no interest has been paid or duly provided for, from August 19, 1992, in each case until the principal hereof is paid or payment thereof is duly provided for. Notwithstanding the foregoing, if the date hereof is after February 1 or August 1 in any year and before the following February 15 or August 15 in such year, this Note shall bear interest from such February 15 or August 15, as applicable, provided that if the Issuer shall default in the payment of interest due on such February 15 or August 15, as applicable, then this Note shall bear interest from the next preceding Interest Payment

Date to which interest on the Note has been paid or duly provided for, or if no interest has been paid or duly provided for, from August 19, 1992. The interest so payable on any Interest Payment Date will, subject to the provisions contained in the Indenture (as hereinafter defined), be paid to the Person in whose name this Note is registered at the close of business in the City of New York on the fifteenth calendar day next preceding such Interest Payment Date (hereinafter called the "Record Date"). Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The statements set forth in the legend are an integral part of the terms of this Note and by acceptance hereof each holder of this Note agrees to be subject to and bound by the terms and provisions set forth in such legend.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth on the face hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed by the manual or facsimile signature of a duly authorized officer of the Issuer.

Dated:

CORPORATE PROPERTY INVESTORS

(Seal]

By:_____

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes described in the within mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Trustee

By:_____
Authorized Officer

[FORM OF REVERSE OF NOTE]

CORPORATE PROPERTY INVESTORS

7 3/4% NOTES DUE 2004

1. This Note is one of a duly authorized issue of Notes of the Issuer designated as its 7 3/4% Notes Due 2004 (herein called the "Notes"), limited (except as otherwise provided in the Indenture referred to below), in aggregate principal amount to $150,000,000. The Notes are issued and to be issued under the Indenture, dated as of August 15, 1992 (herein called the "Indenture"), between the Issuer and Morgan Guaranty Trust Company of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders (as defined in the Indenture) of the Notes. The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the offices of the paying agent referred to below.

2. The Notes are direct unsecured obligations of the Issuer and rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Notes are issuable in fully registered form without coupons in denominations of $250,000 and integral multiples thereof.

3. (a) The Notes are not entitled to any mandatory sinking fund. The Notes may be redeemed at the Issuer's option, in whole at any time or from time to time in part, upon notice as described below, at a redemption price equal to the sum of (i) the principal amount of the Note, plus interest through the date of redemption, and (ii) the Make-Whole Amount (as defined in the Indenture), if any (the "Redemption Price").

(b) Except as provided in paragraph (c) below, notice of redemption of the Notes, in whole or in part, as the case may be, shall be given in accordance with paragraph 8, at least once not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. Notice having been given, the Notes so called for redemption shall become due and payable on the date fixed for redemption and upon presentation and surrender thereof will

be paid at the Redemption Price at the place or places of payment and in the manner specified herein.

(c) The Notes will be subject to mandatory redemption, as described below, at the Redemption Price upon the occurrence of a Mandatory Redemption Event (as defined in the Indenture). The Issuer will be required to redeem the Notes within five Business Days (as defined in the Indenture) of any Mandatory Redemption Event.

4. Pursuant to the terms of the Indenture, the Issuer has initially appointed Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), as transfer agent for the exchange and transfer of the Notes, and as Registrar. The Issuer shall have the right, at any time and from time to time, to terminate any such appointment and to appoint any substitute or additional paying agents, subject to the terms and conditions set forth in the Indenture.

5. (a) Principal and the Make-Whole Amount, if any, on the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made to the person in whose name such Note is registered at the close of business in the City of New York on the fifteenth calendar day (the "Record Date") next preceding the relevant Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided that if and to the extent the Issuer shall default in the payment of interest due on such payment date, such defaulted interest shall be paid to the persons in whose names the Notes are registered at the close of business on a subsequent Record Date established by notice given by mail by or on behalf of the Issuer to the Holders of Registered Notes not less than 15 days preceding such subsequent Record Date, such Record Date to be not less than ten days preceding the date of payment of such defaulted interest. Payment of such interest will be made (i) by dollar check drawn on a bank in the City of New York sent to the Holder's registered address or (ii) to any Holder of $5,000,000 or more aggregate principal amount of the Notes, upon written instructions to the Paying Agent not later than the relevant Record Date, by wire transfer in immediately available funds to a dollar account maintained by such Holder, as the case may be, with a bank in the United States designated by such Holder (but only if such bank shall have appropriate facilities therefor). Interest payments on this Note shall include interest accrued from and including the

date indicated on the face hereof, or from but excluding the most recent date to which interest has been paid or duly provided for, to but excluding the related Interest Payment Date or date of maturity as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed.

(b) Should the Issuer at any time default in the payment of any principal of or the Make-Whole Amount, if any, or interest on this Note, the Issuer will pay interest on the amount in default (to the extent permitted by law in the case of interest on interest) at the rate of interest borne by the Notes.

(c) The Issuer covenants that as long as this Note shall be outstanding it shall at all times maintain a paying agency in the Borough of Manhattan, the City of New York for payments with respect to Notes. Notice of any termination or appointment and of any change in the office through which any Paying Agent, transfer agent or Registrar will act will be promptly given once in the manner described in paragraph 8.

6. Except as otherwise provided in the Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all moneys paid by the Issuer to the Trustee or any other Paying Agent for the payment of principal of and the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount, if any, or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

7. The Issuer agrees to provide the Holder hereof and any prospective purchaser hereof designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A (d)(4) under the Securities Act as will enable resales of this Note to be made pursuant to Rule 144A; provided, however, that the Issuer shall not be required to provide more information pursuant to this paragraph 7 than is required by Rule 144A as in effect on the date of the Indenture, but may elect to do so if necessary as a result of subsequent amendments to such Rule. Further, this Note and related documentation may be

amended or supplemented from time to time (x) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedure in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (y) to accommodate the issuance, if any, of this Note in book-entry form and matters related thereto (although no such amendment or supplement may require that this Note, if it is outstanding at the time such amendment or supplement becomes effective, be placed in book-entry form). The Holders of this Note shall be deemed, by the acceptance of this Note, to have agreed to any such amendment or supplement.

8. All notices to the Noteholders will be mailed to Holders of Notes at their registered addresses.

9. (a) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and, upon the request of the Issuer, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note pay or authorize the payment of the same, if the applicant for such payment shall furnish to the Issuer and to the Trustee security or indemnity and, in every case of apparent destruction, loss or theft, satisfactory evidence, in each case as set forth in the preceding sentence. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a

Note or Notes, duly endorsed or accompanied by a duly executed instrument of assignment and transfer, may be exchanged for an equal aggregate principal amount of Notes in different authorized denominations or Notes may be exchanged for a Note or Notes of authorized denominations by surrender of such Note or Notes at the corporate trust office of the Trustee in the City of New York, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note may be transferred in whole or in part (in the amount of U.S. $250,000 and integral multiples thereof) by the Holder or Holders surrendering the Note for registration of transfer at the office of any transfer agent or at the office of the Registrar, duly endorsed or accompanied by a duly executed instrument of assignment and transfer. Upon presentation of this Note for registration of transfer as provided herein, the Registrar shall register the transfer of this Note only if (i) the Registrar shall have received written instructions from the Issuer to effect such transfer, (ii) the Note is presented for registration of transfer at least three years after the later of the issuance of this Note (or any predecessor Note hereto) and the sale hereof (or any predecessor Note hereof) by the Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer or (iii) the Holder hereof shall have properly completed the Certificate of Transfer below or a transfer instrument substantially in the form of such Certificate of Transfer and have delivered such Certificate of Transfer or transfer instrument (together with any transferee certification required as part of the Certificate of Transfer and any letter required by the Issuer or the Trustee to be delivered by the transferee with such certificate of transfer or transfer instrument) to the Trustee.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by mail and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

(e) The Issuer, Trustee or Registrar may decline to accept any request for an exchange or registration of transfer during the period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

(f) Each purchaser of this Note will be deemed to have represented and agreed as follows: (i) it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and it or such account is (x) a "Qualified Institutional Buyer" (as defined in Rule 144A of the Securities Act) and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act; or (y) an "accredited investor" within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act and in the case of each of (x) and (y) it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part hereof, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts to be at all times within its or their control and subject to its or their ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act; (ii) it acknowledges that this Note has not been and will not be registered under the Securities Act and may not be sold except as permitted below; (iii) it agrees that (A) if it should transfer this Note (or any predecessor Note hereto) within three years after the later of the original issuance of the Notes and the sale thereof by the Issuer or an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if it was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer it will do so in compliance with any applicable state securities or "Blue Sky" laws and only (1) to the Issuer, (2) in compliance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), (3) outside the United States in compliance with Regulation S under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), or (4) to an Accredited Investor, but only if, in connection with any transfer a certificate in the form of Exhibit A to the Indenture is delivered by the transferee to the Registrar, and (B) it will give the transferee notice of any restrictions on resale of this Note; (iv) it understands that this Note, unless otherwise agreed by the Issuer and the Holder thereof, will bear the legend on the

face of this Note; (v) it has received the information, if any, requested by it pursuant to Rule 144A under the Securities Act, has had full opportunity to review such information and has received all additional information necessary to verify such information; (vi) it (A) is able to fend for itself in the transactions contemplated by its acquisition of this Note; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in this Note; and (C) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment; and (vii) it understands that the Issuer, the Managers (as defined in the Offering Memorandum relating to the Notes) and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of this Note are no longer accurate, it shall promptly notify the Issuer. If it is acquiring this Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account.

10. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the Holders of 66-2/3% in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such Holders may waive any default under the Indenture and its consequences, except a default in the payment of principal of or the Make-Whole Amount, if any, or interest on any of the Notes. Any such consent or waiver by the Holder of this Note (unless revoked as provided in the Note) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Note which may be issued in exchange or substitution herefor, whether or not any notation thereof is made upon this Note or such other Notes.

11. The Indenture contains provisions permitting the Issuer and the Trustee, with the consent of the Holders of not less than 66-2/3% in aggregate principal amount of the Notes at the time Outstanding (or such lesser amount as may have acted at a Noteholders' meeting pursuant to Article Ten

of the Indenture), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Notes; provided that no such supplemental indenture shall without the consent of each Holder of an Outstanding Note affected thereby (i) change the Stated Maturity of the principal of or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or on any amount payable upon redemption or acceleration thereof, (ii) change the coin or currency in which any Note or interest thereon is payable, (iii) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (iv) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of the Notes, (v) modify any of the provisions of Section 5.12 or 8.02 of the Indenture, except to increase any of the percentages set forth therein or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby or (vi) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders. In addition, this Note and related documentation may be amended or supplemented from time to time (i) to modify the restrictions on, and procedures for, resales and other transfers of this Note to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of this Note shall be deemed, by the acceptance of such Note, to have agreed to any amendment or supplement described in the immediately preceding sentence.

12. The Indenture provides that persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum at a meeting of Holders of Notes. In the absence of such a quorum at a meeting of Holders of Notes called by the Issuer, such meeting shall be adjourned for a period of not less than 10 days and, in the absence of a quorum at any such adjourned

meeting, such adjourned meeting shall be further adjourned for another period of not less than 10 days. At any subsequent reconvening of any meeting of Holders of Notes adjourned for lack of a quorum, persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. Any action which may be taken by a meeting of Holders of Notes requires a vote of the Holders of the lesser of (a) a majority of the aggregate principal amount of the Notes then outstanding or (b) 75% in aggregate principal amount of the Holders of Notes represented and voting at the meeting.

13. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and the Make-Whole Amount, if any, and interest on this Note at the times and rate herein prescribed.

14. The Indenture provides that the Issuer may merge or consolidate with, or sell or convey all or substantially all its assets to, any corporation or other entity and that such corporation or other entity may assume the obligations of the Issuer under the Indenture and the Notes without the consent of the Noteholders provided that certain conditions are met.

15. The Indenture provides that, upon satisfaction of certain terms and conditions as set forth in the Indenture, the Issuer (a) will be discharged from any and all obligations in respect of this Note (except for certain obligations to register the transfer or exchange of Notes, to replace any stolen, lost or mutilated Note, to maintain paying agencies and hold monies in trust) and (b) has the option to omit to comply with certain covenants and certain provisions of the Indenture shall cease to apply, in the case of each of (a) and (b) above, 91 days after the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations (as defined in the Indenture), which through the payment of interest and principal thereof in accordance with their terms will provide money in sufficient amount to pay the principal of and interest on this Note on the Stated Maturity of such payments in accordance with the terms of the Indenture and this Note.

16. The Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Note is registered as the absolute owner thereof for all purposes

and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

17. The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

18. All terms not otherwise defined herein shall have the meanings specified in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM--as tenants in common

UNIF GIFT MIN AT--.....Custodian.....

Under Uniform Gifts to Minors Act
.....

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of
survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

_____
_____
_____

(please print or typewrite name and address including zip code of assignee and insert Taxpayer Identification No.)

this Note and all rights hereunder, hereby irrevocably constituting and appointing _____ attorney to transfer this Note on the books of the Issuer, with full power of substitution in the premises.

(The following is not required for sales or other transfers of this Note to or through or with the written approval of the Issuer.)

CERTIFICATE OF TRANSFER

In connection with any transfer of this Note occurring prior to the date which is three years after the later of the issuance of this Note (or any predecessor Note) and the sale hereof by an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or by a Holder that was at the date of such transfer or during the three months preceding such date of

transfer an Affiliate of the Issuer, the undersigned confirms that:

Transferor Certifications

1. Applicable Exemption (check one]

[ ] (a) This Note is being transferred by the undersigned to a transferee that is, or that the undersigned reasonably believes to be, a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended) pursuant to and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) This Note is being transferred by the undersigned to a transferee that is an "accredited investor" (within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act of 1933, as amended) that has furnished to the Registrar a signed letter containing certain representations and agreements relating to the restrictions on transfers of such Notes (the form of which letter can be obtained from the Registrar) and that the undersigned has been advised by the transferee that it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part thereof, subject to any requirement of law that the disposition of its property being at all times within its control and subject to its ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act of 1933, as amended.

or

[ ] (c) This Note is being transferred by the undersigned in an "Offshore Transaction" (as defined in Regulation S under the Securities Act of 1933, as amended) to a transferee that is not, or that the undersigned reasonably believes not to be, a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) pursuant and in

accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder.

2. Affiliation with Issuer [check if applicable]

[ ] (a) The undersigned represents and warrants that it is, or at some time during which it held this Note was, an Affiliate of the Issuer.

(b) If 2(a) above is checked and if the undersigned was not an Affiliate of the Issuer at all times during which it held this Note, indicate the most recent date as of which the undersigned was an Affiliate of the Issuer: _____.

(c) If 2(a) above is checked and if the transferee will not pay the full purchase price for the transfer of this Note on or prior to the date of transfer indicate when such purchase price will be paid: _____.

TO BE COMPLETED BY TRANSFEREE IF

1(a) ABOVE IS CHECKED AND THE TRANSFEROR IS NOT A QUALIFIED INSTITUTIONAL BUYER:

The undersigned represents and warrants that it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information.

Dated: _____ _____

NOTICE: To be executed by an officer.

TO BE COMPLETED BY TRANSFEREE IF 1(c) ABOVE IS CHECKED:

The undersigned represents and warrants that it is not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended).

Dated: _____ _____

NOTICE: To be executed by an officer.

If none of the boxes under the Applicable Exemption section of the Transferor Certifications is checked or if any of the above representations required to be made by the transferee is not made, the Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof.

THE UNDERSIGNED HEREBY AGREES THAT, UNLESS THE BOX ABOVE UNDER ITEM 2(A) IS CHECKED, THE UNDERSIGNED SHALL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT NOR HAS IT BEEN AT ANY TIME DURING WHICH IT HELD THIS NOTE AN AFFILIATE, AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OF THE ISSUER.

Dated: _____ _____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS

OF GENERAL APPLICATION

SECTION 1.01. Definitions.

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section.

(1) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America then in effect; and

(3) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a)(l), (2), (3) or (7) under the Securities Act.

"Act" when used with respect to any Holder of a Note has the meaning specified in Section 1.03.

"Affiliate" has the meaning assigned thereto in Rule 144 under the Securities Act and any successor rule thereto.

"Appraisal" means an appraisal referred to in Section 4.11 hereof.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that is a member of the Appraisal Institute selected by the Issuer and acceptable to the Trustee, which acceptance shall be deemed given unless the Trustee reasonably objects to the selection

on the basis of such appraiser's lack of national recognition, independence or qualification as a member of the Appraisal Institute.

"Asset Disposition" means any sale, lease, transfer or other disposition of any asset, directly or indirectly (by merger or otherwise), by the Issuer or any Subsidiary other than (i) any lease of space in Real Property entered into in the ordinary course of business, (ii) any sale, lease, transfer or other disposition of any asset other than Real Property entered into in the ordinary course of business, (iii) any sale, lease, transfer or other disposition of any asset to the Issuer or to any wholly-owned Consolidated Subsidiary of the Issuer, (iv) any transfer of cash or any sale or other disposition of a short-term investment and (v) any grant of a Lien on any property of the Issuer or any Subsidiary.

"Board of Trustees" means the Board of Trustees of the Issuer or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board in connection herewith.

"Board Resolution" when used with reference to the Issuer means a copy of a resolution, certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Trustees and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day which is not a Saturday, Sunday or a legal holiday or a day on which banks in the State of New York are required or authorized to be closed.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period (determined in accordance with generally accepted accounting principles) to the extent deducted in determining Consolidated Net Income for such period.

"Consolidated Debt" means at any date the Debt of the Issuer and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation, (i) any interest accrued or paid during

such period which is capitalized in accordance with generally accepted accounting principles, (ii) the portion of any obligation under capitalized leases allocable to interest expense during such period in accordance with generally accepted accounting principles and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a person other than the Issuer or a wholly-owned Consolidated Subsidiary.

"Consolidated Net Income" means for any period the consolidated income (or loss) before nonrecurring items of the Issuer and its Consolidated Subsidiaries for such period, determined in accordance with generally accepted accounting principles.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding principal amount of Consolidated Debt at such date.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Issuer at such date and (ii) Debt of any Subsidiary at such date. Notwithstanding the foregoing, if the Trustee shall have received a certificate from the Chairman or chief financial officer of the Issuer stating that the amount of Secured Debt of the Issuer or any Subsidiary that is Non-Recourse Debt exceeds the FMV of the assets securing it and setting forth the FMV thereof (together with the basis therefor), then the amount of such excess shall be deemed not to be Debt for purposes of computing Consolidated Secured Debt. As used in the preceding sentence, the term "FMV" with respect to any asset means (i) if such asset is Real Property that was valued in the most recent Appraisal, then the value of such asset as set forth in such Appraisal, (ii) if such asset is Real Property acquired after the valuation date of the most recent Appraisal, then the purchase price thereof and (iii) in all other cases, the fair market value of such asset determined in good faith by the Chairman or chief financial officer of the Issuer.

"Consolidated Subsidiary" means any Subsidiary or other entity (including, without limitation, a partnership), the accounts of which would be consolidated with those of the Issuer in its consolidated financial statements if such statements were prepared as of such date.

"Corporate Trust Office" means the principal corporate trust office of the Trustee at which at any particular

time its corporate trust business shall be administered, which office is, at the date of execution of this Indenture, located at 60 Wall Street (36th Floor), New York, New York 10260.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment of such obligations and (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee; provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b) the Obligor's interest in Real Property to the payment of a mortgage loan or other secured indebtedness which is solely the obligation of any other Person, the amount of indebtedness or other obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the Obligor's interest in such Real Property as determined in accordance with the most recent Appraisal.

"Depositary" means the depositary for the Global Notes initially appointed by the Issuer pursuant to Section 2.01(f), until a successor depositary shall have become such pursuant to such Section and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Event of Default" means any event or condition specified in Section 5.01.

"Global Note" has the meaning specified in Section 2.01(f).

"Gross Assets" means at any date the sum of (i) the consolidated Real Property Value of the Issuer and its Consolidated Subsidiaries, (ii) cash and all other assets of the Issuer and its Consolidated Subsidiaries which, in accordance with generally accepted accounting principles, would at such time be included on a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries (other than Real Property and any asset which is classified as an intangible asset under generally accepted accounting principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all determined as of the valuation date for the most recent Appraisal and (iii) if not included in the assets described in clause (ii), the value of any notes and contract receivables held by the Issuer pursuant to its Employee Share Purchase Plan as indicated in the most recent Appraisal.

"Holder" or "Noteholder" when used with respect to any Note means the Person in whose name the Note is registered in the Note Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest" or "interest" means the interest payable on the Notes.

"Interest Payment Date" has the meaning specified in the form of face of Note.

"Issuer" means the Person named as the "Issuer" in the first paragraph of this instrument until a successor entity shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor entity.

"Lien" means any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind (including any right under any conditional sale or other title retention agreement).

"Make-Whole Amount" means, in connection with any optional or mandatory redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present

value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semiannual basis, such principal and interest at the Reinvestment Rate (determined on the Business Day immediately preceding the date of such redemption or declaration of accelerated payment) from the respective dates on which they would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Note being redeemed or paid.

"Mandatory Redemption Event" means any of:

(a) any Asset Disposition if, after giving effect thereto, the aggregate net proceeds (which includes without limitation, the principal amount of any debt secured by any disposed of Real Property which is released in connection with such Asset Disposition) from all Asset Dispositions made by the Issuer and its Subsidiaries on or after the date of this Indenture exceeds 50% of the sum of (i) $4,011,000,000 (Four Billion Eleven Million Dollars) plus (ii) the excess, if any, of (x) the net cash proceeds of any Subordinated Securities of the Issuer sold by the Issuer after the date of this Indenture over (y) the portion of such proceeds not invested by the Issuer or any Subsidiary in Real Property (for purposes of clause (y), proceeds used to repay Debt incurred to invest in Real Property being deemed to have been invested in Real Property); and

(b) the failure by the Issuer to qualify, at any time, as a "real estate investment trust" under Sections 856-859 of the Internal Revenue Code of 1986, as amended, or any successor provision.

"Maturity" means, when used with respect to any Note, the date on which the principal and the Make-Whole Amount, if any, of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or otherwise.

"Non-Recourse Debt" of any Person means at any time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing,

Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document, evidencing, governing, securing or otherwise relating to such Debt provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) liabilities of the holders of such Debt and their affiliates to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Note" means a registered Note authenticated and delivered under this Indenture.

"Note Register" has the meaning specified in Section 2.04(a).

"Notice of Issuance" means a Request of the Issuer pursuant to Section 2.03.

"Officers' Certificate" means a certificate signed by both the President and any Senior Vice-President or the General Counsel of the Issuer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer, Cravath, Swaine & Moore or other counsel of nationally recognized standing.

"Outstanding" when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment money in the necessary amount has been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Notes; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered or which have been paid pursuant to Section 2.05 of this Indenture unless proof satisfactory to the

Trustee is presented that any such Notes are held by bona fide holders in due course;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder and for purposes of determining Outstanding Notes under Section 5.01, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon and in accordance with the advice of counsel shall be full protection to the Trustee.

"Paying Agent" means any Person appointed by the Issuer pursuant to Section 4.02 to pay the principal of, the Make-Whole Amount, if any, or interest on any Notes on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Private Placement Legend" has the meaning set forth in Section 2.04(g).

"Purchase Agreement" means the Purchase Agreement among the Issuer, Lazard Freres & Co. and J.P. Morgan Securities, Inc. dated as of August 12, 1992.

"Qualified Institutional Buyer" has the meaning assigned thereto in Rule 144A.

"Real Property" means land, rights in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in land, or interests therein, including,

without limitation, fee ownership of land or improvements, options, leasehold, joint venture or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or otherwise secured in any way by mortgages, or interests in any of the foregoing instruments.

"Real Property Value" means at any time the fair market value of the equity in all interests in Real Property held at such time by the Issuer and its Consolidated Subsidiaries as set forth in the most recent Appraisal to which shall be added related debt secured by real property, to the extent that such debt has been deducted in determining such fair market value.

"Record Date" means the fifteenth calendar day next preceding an Interest Payment Date.

"Redemption Date" has the meaning set forth in Section 9.02.

"Redemption Price" has the meaning set forth in Section 9.01.

"Registrar" has the meaning set forth in Section 2.04.

"Regulation S" means Regulation S under the Securities Act, and any successor regulation thereto.

"Reinvestment Rate" means .50% (one-half of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the maturity of the principal being prepaid or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Request" and "Order" when used with reference to the Issuer mean, respectively, a written request or order signed in the name of the Issuer by the Chairman of the Board of Trustees or the President or any Senior Vice President, the General Counsel, or the Treasurer of the Issuer, delivered to the Trustee.

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"Secured Debt" means, with respect to any Person, any Debt of such Person that is secured by a Lien on any of its assets.

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

"Stated Maturity" when used with respect to any Note or any installment of interest thereon means the date specified in such Note as the fixed date on which the principal of such Note, the Make-Whole Amount, if any, or such installment of interest is due and payable.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Obligations adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the Issuer.

"Subordinated Securities" of any Person means shares of beneficial interest or stock, or other equity interest, in such Person (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of such Person which shall have been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Notes.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, securities or ownership interests of which having ordinary voting power to elect a majority of such

board or body are at the time of determination directly or indirectly owned by the Issuer and (ii) any general or limited partnership or joint venture of which the Issuer directly or indirectly owns the interest of a general partner or venturer; provided, however, that (A) for purposes of Sections 5.01 and 9.05, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause such partnership or venture to take, or to refrain from taking, the action described in such Sections and (B) for purposes of Article Four, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause compliance by such partnership or venture with the provisions of such Article. For purposes of the preceding sentence, the right to take or refrain from taking any action shall include the right to cause the subject partnership or venture to obtain the necessary funds required for it to take or refrain from taking such action.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed by the United States.

"U.S. Person" has the meaning assigned thereto in Regulation S.

SECTION 1.02. Form of Documents Delivered to Trustee; Compliance Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such

Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture other than a Request pursuant to Section 2.03 for the initial authentication of Notes pursuant to this Indenture, there shall be furnished to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Acts of Holders of Notes.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy, or of the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is shown by the evidence to be included in the Notes the Holders of which have consented to such action may (to the extent permitted by applicable law), by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in this Section 1.03, revoke such consent so far as it concerns such Note. Except as aforesaid, any such action by the Holder of any Note (to the extent permitted by applicable law) shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon each Note or upon any Note issued in exchange or substitution therefor.

SECTION 1.04. Notices, etc., to Trustee or Issuer. Except as provided in Section 5.01, any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Notes or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder of Notes or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office to the attention of Corporate Trust Administration, or

(2) the Issuer by the Trustee or by any Holder of Notes shall be sufficient for every purpose hereunder if in writing, and delivered by hand, mailed, first-class postage prepaid, or telexed or telecopied and confirmed by mail, first-class postage prepaid, addressed to the Issuer at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Secretary, or at any other address previously furnished in writing to the Trustee by the Issuer.

All notices, elections, requests and demands required or permitted under this Indenture shall be in the English language.

SECTION 1.05. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.06. Successors and Assigns. All covenants and agreements in this Indenture by the Issuer or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.07. Separability Clause. In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.08. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.09. Governing Law. This Indenture and each of the Notes shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.10. Legal Holidays. In any case where the Stated Maturity of any Note or the date on which any installment of interest is due and payable shall be a day which is not a Business Day, then (notwithstanding any other provision of this Indenture or the Notes) payment of interest, the Make-Whole Amount, if any, or principal need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as if made at the Stated Maturity or due date and no interest shall accrue on such payment for the intervening period after such Stated Maturity or due date to such next succeeding Business Day.

SECTION 1.11. Consent to Jurisdiction and Service of Process. The Issuer waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue in any suit, action or proceeding arising out of or relating to this Indenture or any Note brought in any New York State or United States Federal court sitting in the Borough of Manhattan in the City of New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment, provided that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain Outstanding, the Issuer will at all times during which the Issuer does not maintain an office in the Borough of Manhattan, the City of New York have an authorized agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note and will upon the appointment of such agent promptly notify the Trustee in writing of the name and address of such agent. Service of process upon such

agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding.

Nothing in this Section shall affect the right of the Trustee or any Noteholder to serve process in any manner permitted by law or limit the right of the Trustee to bring proceedings against the Issuer in the courts of any jurisdiction or jurisdictions.

SECTION 1.12. Disclaimer of Liability of Shareholders and Others. Corporate Property Investors refers to the Trustees for the time being under an Amended and Restated Declaration of Trust dated as of June 15, 1978, as amended, on file in the office of the Secretary of the Commonwealth of Massachusetts. The Declaration of Trust provides that the obligations of Corporate Property Investors shall not constitute personal obligations of its Trustees, officers, shareholders, employees or agents, and that all persons dealing with Corporate Property Investors shall look solely to the assets of Corporate Property Investors for satisfaction of any liability of Corporate Property Investors, and will not seek recourse against such Trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

ARTICLE TWO

ISSUE, EXECUTION, FORM AND REGISTRATION OF SECURITIES

SECTION 2.01. Form Generally; Title and Terms.

(a) The Notes, including the face of the Notes, the reverse of the Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth above, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by such execution.

The definitive Notes shall be printed, lithographed, engraved or otherwise produced as determined by the officers executing such Notes as evidenced by such execution.

(b) Except for Notes authenticated and delivered in exchange for or in lieu of Notes pursuant to Section 2.04, 2.05 or 8.05, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $150,000,000 principal amount.

The Notes shall be known and designated as the 7 3/4% Notes Due 2004 of the Issuer. Their Stated Maturity shall be August 15, 2004. The Notes shall bear interest as provided in the form of Note.

(c) The Notes and transfers thereof shall be registered as provided in Section 2.04.

(d) Each Note shall be dated the date of its authentication.

(e) The Notes shall not be entitled to any mandatory sinking fund. The Notes shall be redeemable by the Issuer as provided for in Article Nine.

(f) The Notes may be issued in whole or in part in the form of one or more global notes (the "Global Notes"). The Issuer shall execute and the Trustee shall, in accordance herewith and upon the Order of the Issuer, authenticate and deliver one or more Global Notes that (i) shall represent and shall be denominated in an aggregate principal or face amount of the Outstanding Notes to be represented by such Global Note or Notes, (ii) shall be registered in the name of the Depositary or the nominee of the Depositary, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (iv) shall bear the legend set forth below.

The Issuer initially designates The Depository Trust Company ("DTC") as the depositary for the Global Notes. The Issuer and the Trustee shall enter into a customary letter of representation with DTC, providing for, among other things, a legend restricting transfer of the Global Notes.

The Depositary may be treated by the Issuer as the owner of such Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer from giving effect to any written certification,

proxy or other authorization furnished by or to the Depositary or impair, as between the Depositary and its participants, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The Holder of any Global Note, by its acceptance thereof, and the Trustee agree that such Global Note shall be transferred pursuant to Section 2.04 hereof only in whole and not in part to a nominee of DTC, a successor to DTC or a nominee of such successor which is another clearing agency registered under the Securities Exchange Act of 1934, as amended.

If at any time DTC (or any successor Depositary) notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Note or at any time DTC (or such successor Depositary) shall no longer be eligible under this Section 2.01, the Issuer shall appoint a successor Depositary with respect to the Global Notes and such successor shall enter into a customary letter of representation with the Issuer and the Trustee. If a successor Depositary for the Global Notes is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, or if an Event of Default has occurred and is continuing, the Notes shall thereafter no longer be in the form of the Global Notes and the Issuer shall execute and the Trustee upon receipt of an Order of the Issuer for the authentication and delivery of certificated Notes, will authenticate and deliver certificated Notes in any authorized denominations in an aggregate principal amount of the Global Notes in exchange for the Global Notes, such certificated Notes to be in denominations and registered in the names specified by the Depositary; provided that if such Event of Default is waived pursuant to Section 5.01 or is no longer continuing, such certificated Notes need not be issued and if already issued may, at the Holder's request, be represented again by a Global Note in accordance with this Section 2.01.

SECTION 2.02. Denominations. The Notes are issuable in registered form in denominations of $250,000 and integral multiples thereof.

SECTION 2.03. Execution, Authentication and Delivery of Notes. The Notes shall be executed on behalf of the Issuer by a duly authorized officer of the Issuer. Any such signature may be manual or facsimile.

Notes bearing the manual or facsimile signature of any Person who was, at the actual date of execution thereof,

a duly authorized officer of the Issuer shall bind the Issuer, notwithstanding that such Person has ceased to be a duly authorized officer prior to the authentication and delivery of such Notes. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver to the Trustee for authentication Notes executed by the Issuer and, upon written Request of the Issuer, the Trustee shall authenticate and deliver such Notes as in this Indenture provided and not otherwise.

Except as otherwise provided in Sections 3.03 and 4.14 of this Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all monies paid by the Issuer to the Trustee or other Paying Agent for the payment of principal of and, the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, Make-Whole Amount or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

SECTION 2.04. Registration, Transfer and Exchange.

(a) The Issuer shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 4.02 for such purpose being herein sometimes collectively referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and for transfers of Notes. The Issuer hereby appoints Morgan Guaranty Trust Company of New York as the Registrar. The registration of transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer. Upon surrender for registration of transfer of any Note at an office or agency of the Issuer designated pursuant to Section 4.02 for such purpose, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(b) Notwithstanding the provisions of Section 2.04 (a), the following procedures and restrictions with respect to the registration of any transfer of any Note other than a Global Note shall apply:

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if the requested transfer is (x) to the Issuer, or (y) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer and such transfer is at least three years after the later of (A) the issue date of such Note (or any predecessor of such Note) and (B) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(ii) The Registrar shall register the transfer of a Note, whether or not such Note bears the Private Placement Legend, if each of (i) the Holder of such Note and (ii) the proposed transferee (if so required by the Certificate of Transfer) has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate to the Registrar, together, in the case of a transfer to an Accredited Investor, with a letter from the transferee in the form of Exhibit A hereto.

(iii) The Registrar shall register the transfer of a Note to or from a depositary organization for any other institutional trading system designated by the Issuer in a Notice of Issuance or otherwise set forth in a written notice to the Registrar. In connection with any such transfer to such depositary organization for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Registrar in respect thereof. In connection with any such transfer out of such other institutional trading system, the Registrar shall

receive such documents, certifications or other evidence from the transferor or transferee as are specified in such Notice of Issuance or other written notice.

(iv) If so specified in the Notice of Issuance with respect to the Notes, the Registrar shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer in such Notice of Issuance which has agreed in writing to offer, sell and effect transfers of Notes only to a prospective purchaser who such dealer, placement agent or other person has reasonable grounds to believe and does believe is a Qualified Institutional Buyer or an Accredited Investor who will make representations with respect to itself substantially to the same effect as set forth in the Certificate of Transfer. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv) above, the Registrar shall, subject to such additional procedures as the Issuer may establish, register such transfer upon surrender of such Note. Such additional procedures may include, without limitation, (x) the delivery by the transferor or the proposed transferee of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act.

(vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents, the Registrar shall register the transfer and complete, countersign and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.

(vii) The Registrar shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the instructions described here.

(c) Notwithstanding any other provisions of this Indenture, so long as a Global Note remains Outstanding, and is held by the Registrar, as custodian for the Depositary, unless the transferee shall otherwise request in writing to the Registrar, no certificated Note shall be issued or authenticated in connection with the transfer of any certificated Note pursuant to the exemption from registration provided by Rule 144A. Instead, upon acceptance for transfer of any certificated Note, the Registrar shall cancel such certificated Note and shall, in lieu of issuing a new certificated Note in exchange for the certificated Note surrendered for registration of transfer, endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of such certificated Note. All provisions of this Section 2.04 relating to the transfer of Notes (other than those relating to the issuance and authorization of a new Note) shall apply to any transfer resulting in an increase in the principal amount of such Global Note. The Registrar shall notify the Depositary promptly of any increase in the principal amount of any Global Note.

Notwithstanding any other provisions of this Indenture, resales or other transfers of Notes represented by a Global Note made in compliance with Rule 144A or made on or subsequent to the date that is three years after the later of (i) the original issue date of such Note (or any predecessor of such Note) and (ii) the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act, by a beneficial owner that was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer will be conducted according to the rules and procedures of the Depositary applicable to U.S. corporate debt obligations and without notice to, or action by, the Registrar. Upon notice from the beneficial owner (or an agent of the beneficial owner) of Notes represented by a Global Note that such beneficial owner intends to resell or transfer such Notes (x) otherwise than pursuant to Rule 144A

prior to three years after the later of (i) the original issue date of such Notes (or any predecessor of such Notes) and (ii) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act or (y) otherwise than pursuant to Rule 144A if such beneficial owner was at the proposed date of such transfer or during the three months preceding such proposed date of transfer an Affiliate of the Issuer, and upon satisfaction by the transferor and, if applicable, the transferee, of the conditions necessary for the registration of transfer of a Note set out in Section 2.04(b), the Registrar shall and is authorized by the holder of such Global Note, by its acceptance thereof, to endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and the reduction in the principal amount of such Global Note equal to the principal amount of the portion of the Global Note being transferred and shall authenticate and deliver a certificated Note registered in the name of the transferee or its nominee in an equal aggregate principal amount. The Registrar shall notify the Depositary promptly of any decrease in the principal amount of any Global Note.

(d) Except as otherwise provided on the face of the Notes with respect to the payment of interest on Notes transferred between Record Dates and Interest Payment Dates, each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note shall carry all the rights to interest, if any, accrued and unpaid and to accrue which were carried by the whole or such part of such Note.

(e) The Issuer, Trustee or Registrar may decline to exchange or register the transfer of any Note during the period-of 15 days preceding (i) the due date for any payment of principal of, the Make-Whole Amount, if any, or interest, on the Notes or (ii) the date on which Notes are scheduled for redemption.

(f) Transfer, registration and exchange shall be permitted and executed as provided in this Section without any charge other than any stamp or other taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery but subject to such reasonable regulations as the Issuer and the Registrar may prescribe.

(g) Upon the transfer, exchange or replacement of Notes not bearing the legend set forth in the form of Note (the "Private Placement Legend"), the Trustee shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Trustee shall deliver only Notes that bear the Private Placement Legend unless the circumstances contemplated by Section 2.O4(b)(i)(y) above exist.

(h) Any Note or Notes may be exchanged for a Note or Notes in other authorized denominations, in an equal aggregate principal amount. Notes to be exchanged shall be surrendered at an office or agency to be maintained by the Issuer for such purpose as provided in Section 4.02, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Notes presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

(i) The Issuer agrees to make available such information as is required by Rule 144A(d)(iv) as in effect on the original issue date of the Notes. Further, the Notes and related documentation may be amended or supplemented from time to time in accordance with Section 8.01 (i) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of any Note shall be deemed, by the acceptance of

such Note, to have agreed to any such amendment or supplement.

(j) For purposes of determining the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of a Note, the Registrar and the Issuer shall rely on the representations as to "Affiliation with Issuer" set forth on the Certificate or Certificates of Transfer delivered to it from and after the date of issuance of such Note (or any predecessor Note) in connection with transfers of such Note. The Registrar, the Issuer and all Holders of Notes shall be entitled to rely without further investigation on any certification by any transferor on the Certificate of Transfer. Unless a transferor required to provide a Certificate of Transfer shall certify thereon that it is or at some time during which it held such Note was an Affiliate of the Issuer, such transferor shall be deemed to have represented that it is not nor has it been at any time during which it held such Note an Affiliate of the Issuer.

SECTION 2.05. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any Note shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, with the Holder's consent in the case that the Note is called for redemption, pay or authorize the payment of the same (without surrender thereof except in the

case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote, and, in every case of apparent destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, the Make-Whole Amount, if any, and (subject to the provisions for payment of interest set forth in the form of Note) Interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary to the extent permitted by applicable law.

SECTION 2.07. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, or registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall

be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

ARTICLE THREE

SATISFACTION AND DISCHARGE; DEPOSITED MONEYS

SECTION 3.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange herein expressly provided for), and the Trustee, upon Request of the Issuer at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Notes theretofore authenticated and delivered (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.04), have been delivered to the Trustee for cancellation and 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date of delivery of the last such Note for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation (l) have become due and payable, (2) will become due and payable at their Stated Maturity within one year, (3) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, or (4) are deemed paid and discharged pursuant to Section 3.03, as applicable, and in the case of (l), (2) or (3) above, 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date on which the Issuer has deposited or caused to be deposited with the Trustee or the Paying Agent, in

trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal, the Make-Whole Amount, if any, and interest accrued to the date of such deposit or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and any predecessor Trustee under Section 6.06 and, if money shall have been deposited with the Trustee pursuant to subclause (ii) of clause (a) of this Section or if money or obligations shall have been deposited with or received by the Trustee pursuant to Section 3.03, the obligations of the Trustee under Sections 3.02 and 6.06 shall survive.

SECTION 3.02. Application of Trust Money. Subject to Section 4.02, all money deposited with the Trustee pursuant to Section 3.01, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 3.03 or 4.14 and all money received by the Trustee in respect of U.S. Governmental Obligations deposited with the Trustee pursuant to Section 3.03 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through the Paying Agent as the Trustee may determine, to the Holders of the Notes for whose payment such money has been deposited with the Trustee, of all sums due and to become due thereon for principal, the Make-Whole Amount, if any, and interest for whose payment such money has been deposited with or received by the Trustee or to make payments as contemplated by Section 3.03; but such money need not be segregated from other funds except to the extent required by law.

SECTION 3.03. Satisfaction, Discharge and Defeasance of Notes. The Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Notes on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture

shall no longer be in effect (and the Trustee, at the expense of the Issuer, shall, upon receipt of a Request of the Issuer, execute proper instruments acknowledging the same), except as to:

(a) the rights of Holders of Notes to receive, from the trust funds described in subparagraph (d) of this Section 3.03, payment of the principal of and each installment of or interest on the Notes on the Stated Maturity of such principal or installment of principal or interest;

(b) the Issuer's obligations with respect to the Notes under Section 2.04, 2.05 and 4.02; and

(c) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 3.02 and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that, the following conditions shall have been satisfied:

(d) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defease the Notes under this Section 3.03 and deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(e) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(f) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date;

(g) the Issuer has delivered to the Trustee (l) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (2) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (l) or (2), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred;

(h) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble to this Section 3.03 (i) will not cause the Trustee or the trust created pursuant to this Section 3.03 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 3.03, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(i) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 3.03 have been complied with.

ARTICLE FOUR

COVENANTS OF THE ISSUER
AND THE TRUSTEE

SECTION 4.01. Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of, the Make-Whole Amount, if any, and interest on the Notes, in accordance with the terms of the Notes and this Indenture.

Payment of principal of and the Make-Whole Amount, if any, on Notes will be made in accordance with the terms of the Notes against surrender of the Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made, in accordance with the terms of the Notes, to the respective persons in whose name the Notes are registered at the close of business on the Record Date prior to the relevant Interest Payment Date.

The Issuer will on or before 3:00 P.M., the City of New York time, on the day which is one Business Day next preceding the due date of the principal of and the Make-Whole Amount, if any, or interest on any Notes, pay to the Paying Agent in "next day" (New York Clearing House) funds a sum sufficient to pay the principal, the Make-Whole Amount or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Notes.

SECTION 4.02. Maintenance of Office or Agency; Appointment of Paying Agent. So long as any of the Notes remain Outstanding, the Issuer will maintain in the City of New York the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer hereby appoints Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), for the payment of principal of, the Make-Whole Amount, if any, and interest on the Notes on behalf of the Issuer. The Issuer reserves the right at any time, and from time to time, to vary or terminate the appointment of any Paying Agent, transfer agent or Registrar or to appoint any additional or other Paying Agent or agencies or transfer agent or agencies or Registrar.

Whenever the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.02, that it will hold all sums held by it as such agent for the payment of the principal of, the Make-Whole Amount, if any, or interest on the Notes in trust for the benefit of the Holders of the Notes, that it will give the Trustee notice of any failure by the Issuer to make any payment of the principal of, or the Make-Whole Amount, if any, or interest on the Notes when the same shall be due and payable and that, at any time during the continuance of any such default, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held by it in trust.

Anything in this Section 4.02 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this Section 4.02, such sums to be held by the Trustee upon the trust herein contained. Any money deposited with the Trustee or any Paying Agent for the payment of the principal of or the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount or interest has become due and payable shall be paid to the Issuer, and the Holder of such Note shall thereafter look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amounts shall thereupon cease.

SECTION 4.03. Existence of Issuer. The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Issuer shall not be required to preserve the existence of the Issuer or any such right or franchise if the Board of Trustees of the Issuer

Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.07. Compliance with Laws. The Issuer will comply, and, will cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authority, except where the necessity of compliance therewith is contested in good faith or where the failure to comply would not have a material adverse effect upon the Issuer and its Consolidated Subsidiaries, taken as a whole.

SECTION 4.08. Limitations on Debt. The Issuer shall not, at any time, permit:

(a) Consolidated Debt to exceed 50% of Gross Assets, or

(b) Consolidated Secured Debt to exceed 35% of the Gross Assets.

SECTION 4.09. Minimum Net Worth. The Issuer shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars).

SECTION 4.10. Debt Service Coverage. The Issuer shall not, at the end of any fiscal quarter, permit the sum of (i) Cash Flow for the four fiscal quarters then ended plus (ii) Consolidated Interest Expense (but only to the extent such Consolidated Interest Expense shall have been deducted in computing Consolidated Net Income) for such four fiscal quarters to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other lump sum or bullet payments).

SECTION 4.11. Annual Real Property Appraisal. Prior to February 28 of each year, the Issuer will (a) cause the fair market value of the equity of the Issuer and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (b) calculate as of such December 31 the value of Gross Assets, (c) cause the Appraiser to review such calculation of Gross Assets and (d) cause to be filed with the Trustee a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such

December 31 and its opinion on the reasonableness of the Issuer's calculation of the value of Gross Assets as of such December 31 and stating that the appraisal referred to in clause (a) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 4.12. File Statement Annually with the Trustee. Within 120 days after the close of each fiscal year, the Issuer will file with the Trustee an Officers' Certificate, stating that in the course of the performance by the signers of their duties as officers of the Issuer, they would normally obtain knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, that they have made a review with a view to determining whether there is any default under this Indenture, and stating whether or not they have obtained knowledge of any such default, and, if so, specifying each default of which the signers have knowledge and the nature thereof.

At the time such Officers' Certificate is filed, the Issuer will also file with the Trustee a letter or statement of the independent accountants who shall have certified the consolidated financial statements of the Issuer for its preceding fiscal year to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention to cause them to believe that the Issuer failed to comply with the covenants in Sections 4.01, 4.08, 4.09 and 4.10 which failure remains uncured at the date of such letter or statement, or, if they shall have obtained knowledge of any such failure, specifying in such letter or statement the nature thereof.

SECTION 4.13. Further Assurances. From time to time whenever requested by the Trustee, the Issuer will execute and deliver such further instruments and assurances and do such further acts as may be reasonably necessary or proper to carry out more effectually the purposes of this Indenture or to secure the rights and remedies hereunder of the Holders of the Notes.

SECTION 4.14. Defeasance of Certain Obligations. From and after the 91st day after the date the Issuer deposits funds with the Trustee as described in paragraph (1) of this Section 4.14, the Issuer may omit to comply with any term, provision or condition set forth in Sections 4.04, 4.05, 4.07, 4.08 to 4.11, inclusive, and Section 5.01(c) and (d) and (e) and (f) (but only insofar as such paragraphs (e)

and (f) relate to Subsidiaries of the Issuer), inclusive, and Article Nine shall be deemed deleted, provided that the following conditions shall have been satisfied:

(1) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defeasance under this Section 4.14 and deposited or caused to be deposited irrevocably (except as provided in Section 3.03) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(2) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such deposit;

(4) the Issuer has delivered to the Trustee (a) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (b) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (a) or (b), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax pur-

poses as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance of certain obligations had not occurred;

(5) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble of this Section 4.14 (i) will not cause the Trustee or the trust created pursuant to this Section 4.14 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 4.14, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(6) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 4.14 have been complied with.

ARTICLE FIVE

REMEDIES

SECTION 5.01. Events of Default Defined; Acceleration of Maturity; Waiver of Default. The following events or conditions constitute Events of Default hereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order, rule or regulation of any administrative body):

(a) default in the payment of any installment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 10 Business Days; or

(b) default in the payment of principal of, or the Make-Whole Amount, if any, on any of the Notes when due, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture or the Notes (other than a covenant or agreement a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or default in the payment of principal, the Make-Whole Amount, if any, or interest), and continuance of such default or breach for a period of 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) acceleration of, or failure to pay at maturity, Debt (other than Non-Recourse Debt) of the Issuer or any Subsidiary in an aggregate principal amount in excess of $1O,000,000 which acceleration is not rescinded or annulled or which Debt is not discharged, in either case, within 30 days after there shall have been given to the

Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such acceleration or failure to pay and requiring the Issuer to remedy the same; or

(e) the entry of a decree or order for relief in respect of the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) by a court having jurisdiction in the premises in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or the consent by it (or any such Subsidiary) to the entry of an order for relief in an involuntary case under any such law as to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer (or any such Subsidiary) in furtherance of any such action.

If an Event of Default set forth in Section 5.01(a) or (b) occurs and is continuing, then and in every such case (i) the Trustee by a notice in writing to the Issuer may

declare all the Notes to be due and payable immediately or (ii) the Holders of not less than 25% in aggregate principal amount of the Outstanding Notes may by written notice to the Issuer and the Trustee declare the Notes to be due and payable immediately, and upon any such declaration the Notes shall be immediately due and payable at the principal amount thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(c) or (d) occurs and is continuing, then in every such case the Trustee or the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders) and upon such declaration the Notes shall be immediately due and payable at the principal amount plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(e) or (f) occurs, the Notes shall automatically become due and payable at the principal amount thereof plus accrued interest to the date the Notes are paid without any action or declaration upon the part of the Trustee or Noteholders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Notes shall have so become due and payable, before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the expenses of the Trustee, and any and all defaults under this Indenture, other than the non-payment of Notes which shall have become due by such declaration, shall have been remedied, then in every such case the Holders of a majority in aggregate principal amount of the Notes then outstanding (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof), by written notice to the Issuer and the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no waiver and rescission and annulment shall extend to or shall affect any default in the payment of the principal of or interest on any of the Notes or any subsequent default or shall impair any right consequent thereon.

SECTION 5.02. Collection of Debt and Suits for Enforcement by Trustee. The Issuer covenants that if:

(i) in case default is made in the payment of any installment of interest on any Note when such interest becomes due and payable and such default continues for a period of 10 Business Days, or

(ii) default is made in the payment of the principal of and the Make-Whole Amount, if any, on any Note at the Maturity thereof,

then the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the principal amount thereof, plus the Make-Whole Amount, if any, with interest upon the overdue principal and the Make-Whole Amount and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and all amounts payable to the Trustee and any predecessor Trustee under Section 6.06.

If the Issuer fails to pay any amounts required under this Section 5.02 forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

SECTION 5.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or such other obligor, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and any predecessor Trustee (including, in the case of any such proceeding relating to the Issuer, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel) and of the Holders of Notes allowed in such judicial proceeding,

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and

(c) unless prohibited by law or applicable regulations, to vote on behalf of Holders of Notes in any election of a trustee in bankruptcy or other person performing similar functions;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes, to pay, in the case of any such proceeding relating to the Issuer or to the Trustee any amount due to it or any predecessor Trustee under Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of Notes, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to

authorize the Trustee to vote in respect of the claim of any Holder of Notes in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 5.04. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee (to the extent permitted by applicable law) without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes in respect of which judgment has been recovered, subject to the provisions of this Indenture.

SECTION 5.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, the Make-Whole Amount, if any, or interest, upon presentation of the Notes, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee or any predecessor Trustee under Section 6.06;

SECOND: In case the principal of the Outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of or the Make-Whole Amount, if any, on the Outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal the Make-Whole Amount, if any, and interest, with interest on the overdue principal and installments of interest (so

far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal, the Make-Whole Amount, if any, and interest, without preference or priority of principal or the Make-Whole Amount, if any, over interest, or of interest over principal, or the Make-Whole Amount, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, the Make-Whole Amount, if any, and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.06. Limitation on Suits by Noteholders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Events of Default set forth in Sections 5.01(c) or (d);

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority (or 66-2/3% where expressly provided

herein) in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

SECTION 5.07. Unconditional Rights of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of, and the Make-Whole Amount, if any, and interest on such Note on the respective dates such payments are due in accordance with the terms of the Notes and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights and Remedies. If the Trustee or any Holder of Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Notes shall continue as though no such proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Notes, as the case may be.

SECTION 5.11. Control by Holders. Except as otherwise provided herein or in the Notes, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(l) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors and/or Responsible Officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability or would be unduly prejudicial to Holders not joining in such direction.

SECTION 5.12. Waiver of Past Defaults. The Holders of not less than 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder and its consequences, except a default in the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court of competent jurisdiction may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted against the Issuer by the Trustee, by any Holder of Notes, or group of Holders of Notes, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or by any Holder of any Note for the enforcement of the payment of the principal of, the Make-Whole Amount, if any, or interest on such Note on or after the respective dates such payments are due in accordance with the terms of the Notes.

SECTION 5.14. Notice of Default to Holders of Notes. The Trustee shall at the Issuer's expense, within 90 days after any Event of Default becomes known to a Responsible Officer of it, give the Holders of Notes notice thereof, unless such default shall have been cured or waived.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred: the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; this Subsection shall not be construed to limit the effect of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes (or 66-2/3% or 25% in principal amount where expressly provided herein) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 6.02. Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed) and any resolution of the Board of Trustees of the Issuer shall be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or

matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, or bond, debenture or other paper or document, unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of the investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes; provided that the Trustee shall not be relieved of its duty to authenticate Notes as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof.

SECTION 6.04. Trustee and Agents May Hold Notes. The Trustee, the Paying Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes, collections, proceeds, and may otherwise deal with the Issuer and may receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee, Paying Agent or such other agent.

SECTION 6.05. Moneys Held in Trust. Money held by the Trustee or the Paying Agent in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 6.06. Compensation and Indemnification of Trustee And Its Prior Claim. The Issuer covenants and agrees:

(a) to pay to the Trustee from time to time such compensation as shall from time to time be agreed upon in writing by the Trustee and the Issuer or, if there be no agreement, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any predecessor Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except to the extent any such expense, disbursement or advance may be attributable to its negligence or bad faith; and

(c) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or investigating any claim of liability in the premises, except to the extent any such loss, liability or expense may be attributable to negligence or bad faith on its own part.

To ensure the performance of the obligations of the Trustee under this Section, the Trustee shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Notes. The rights of the Trustee

under this Section 6.06 shall survive the satisfaction and discharge of this Indenture.

SECTION 6.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the good faith thereof.

SECTION 6.08. Corporate Trustee Required; Eligibility. The Trustee shall at all times be a corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $75,000,000, subject to supervision or examination by Federal or State authority and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and by mailing notice thereof by first-class mail to Holders of Notes at their last addresses as they shall appear on the Note Register. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the

giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee and to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note who has been a Holder in due course of a Note for at least six months, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer by a Board Resolution may remove the Trustee, or (B) subject to Section 5.13, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, by an Issuer Order, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or by the Holders of Notes or pursuant to Section 6.09(b) and shall have accepted appointment in the manner hereinafter provided in Section 6.10, any Holder of a Note who has been a

Holder in due course of a Note for at least six months may, subject to Section 5.13, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee in the manner set forth in paragraph 8 on the Form of Reverse of Note. The notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

(g) The rights of a Trustee pursuant to Section 6.06 shall survive its resignation or removal and the appointment of successor Trustees hereunder.

SECTION 6.10. Acceptance of Appointment by Successor. Any successor Trustee appointed as provided in Section 6.09 shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment to it of all fees, expenses and other amounts owing to it hereunder, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its claim, if any, provided for in Section 6.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be eligible and qualified under this Article.

SECTION 6.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the

successor of the Trustee hereunder, provided that such corporation shall be otherwise eligible and qualified under Section 6.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at any time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor, by merger, conversion or consolidation or by succeeding to all or substantially all the corporate trust business of the Trustee, to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor shall apply only to its successor or successors by merger, conversion or consolidation.

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 7.01. Issuer May Consolidate, etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey (including by way of lease) all or substantially all of its assets to any Person (other than the sale, transfer or conveyance (including by way of lease) of all or substantially all of the Issuer's assets in a single transaction or a series of transactions to one or more wholly-owned Subsidiaries), unless (i) either (A) the Issuer shall be the continuing entity or (B) the successor entity or the Person which acquires by sale or conveyance all or substantially all the assets of the Issuer (if other than the Issuer) shall (1) expressly assume the due and punctual payment of the principal of, the Make-Whole Amount, if any, and interest on all the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture and the Notes to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such Person, and (2) if such Person is not organized under the laws of the United States of America or any State thereof, agree in such supplemental indenture that any amount to be paid by such Person to Holders of the Notes shall be paid without deduction or withholding for any taxes, levies, imposts or charges whatsoever imposed by or for the account

of the country in which any such Person is organized or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by such country as aforesaid, or any of its political subdivisions or taxing authorities, such Person will pay any such additional amount in respect of principal, Make-Whole Amount, if any, and interest as may be necessary in order that the net amounts paid to the Holders of the Notes or the Trustee, as the case may be, after such deduction or withholding, shall equal the respective amounts of principal, Make-Whole Amount, if any, and interest as specified in the Notes to which such Holders or the Trustee are entitled, and (ii) the Issuer or such successor Person or acquiring Person shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SECTION 7.02. Successor Issuer Substituted. In the case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor entity, such successor entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession, any or all of the Notes issuable hereunder, which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication and any Notes which such successor entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any succes-

sor entity which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

SECTION 7.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Section 6.01 and 6.02, may rely on an Opinion of Counsel and an Officers' Certificate, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, for any of the following purposes:

(a) to evidence the assumption by any successor entity to the Issuer of the covenants of the Issuer herein and in the Notes contained; or

(b) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer; or

(c) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(d) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form); or

(e) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to make any provisions with respect to matters or questions arising under this Indenture, or to make any other changes herein that shall not materially adversely affect the interests of the Holders of the Notes.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Notes at the time Outstanding notwithstanding any of the provisions of Section 8.02.

SECTION 8.02. Supplemental Indentures With Consent of Holders; Waiver of Future Compliance. With the consent of the Holders of 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes, by Act of said Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolutions, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture or to waive future compliance with the Indenture or the provisions of the Notes; provided, however, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby,

(a) change the Stated Maturity of the principal of, or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or any amount payable upon redemption or acceleration thereof, or

(b) change the coin or currency in which any Note or the interest thereon is payable, or

(c) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note, or

(d) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of any Note, or

(e) modify any of the provisions of this Section or Section 5.12, except to increase any of the percentages set forth herein or therein or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby, or

(f) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Notes, or which modifies the rights of Noteholders, with respect to such covenant or provision, shall be deemed not to affect the rights under this Indenture of the Noteholders.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Trustees certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid and other documents, if any, required by Section 8.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall mail a notice thereof to the Holders of then Outstanding Notes by first-class mail to such Holders at their addresses as they shall appear on the Note Register. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trust created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.01 and 6.02) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, obligations or immunities under this Indenture or otherwise.

SECTION 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be and shall be deemed modified in accordance therewith and the respective rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Notes affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all other terms and conditions of any such supplemental indenture shall form a part of this Indenture for all purposes.

SECTION 8.05. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and such Notes shall be authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE NINE

REDEMPTION OF NOTES

SECTION 9.01. Optional Redemption. The Issuer at its option may, at any time, redeem all, or from time to time any part, of the Notes upon payment of the principal amount of the Notes, plus accrued interest to the date of redemption, plus the Make-Whole Amount, if any (the "Redemption Price"). If less than all the Notes are to be redeemed at the option of the Issuer, the Issuer will deliver to the Trustee at least 45 days prior to the Redemption Date (or such shorter period as the Trustee may accept) an Officers' Certificate stating the aggregate principal amount of Notes to be redeemed.

If less than all the Notes are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Notes to be redeemed in whole or in part. Notes may be redeemed in part in multiples equal to the minimum authorized denomination for Notes. Unless the Trustee has been requested to notify Holders of redemption pursuant to the last paragraph of Section 9.02, the Trustee shall promptly (but in no event after the later of (a) the date that is ten days after the date of receipt by the Trustee of the Officers' Certificate referred to in the first paragraph of this Section 9.01 and (b) the date that is five days before the date identified by the Issuer in such Officers' Certificate as the date on which the Issuer intends to give notice of redemption) notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes, in the case of any Note redeemed or to be redeemed only in part, relates to the portion of the principal amount of such Note which has been or is to be redeemed.

SECTION 9.02. Notice of Redemption. Notice of redemption to the Holders of Notes to be redeemed as a whole or in part at the option of the Issuer shall be given by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption (the "Redemption Date") at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the

notice to the Holder of any Note as a whole or in part, shall not affect the validity of the proceedings for the redemption of any other Note.

The notice of redemption to each such Holder shall specify the principal amount of each Note held by such Holder to be redeemed, the date fixed for redemption, the Redemption Price (or the method of calculating thereof in the case of the Make-Whole Amount component, if any, of the Redemption Price), the place or places of payment and that payment will be made upon presentation and surrender of such Notes. In the case of the redemption of Notes that are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Notes at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

SECTION 9.03. Deposit of Redemption Price. Prior to 3:00 p.m., New York City time, on the day which is one Business Day next preceding the Redemption Date, the Issuer shall deposit with the Paying Agent in "next day" (New York Clearing House) funds an amount of money sufficient to pay on the Redemption Date the Redemption Price of all the Notes so called for redemption.

SECTION 9.04. Payment of Notes Called for Redemption. If notice of redemption has been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and on and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Notes shall cease to bear interest.

If the Issuer defaults on the Redemption Date in the payment of the Redemption Price such Notes shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

SECTION 9.05. Mandatory Redemption. The Notes shall be subject to redemption in whole, at any time, at the Redemption Price within five Business Days following any Mandatory Redemption Event in accordance with the provisions of Sections 9.02, 9.03 and 9.04, except that the notice

referred to in Section 9.02 shall be mailed within two Business Days of the Mandatory Redemption Event.

ARTICLE TEN

MEETINGS OF NOTEHOLDERS

SECTION 10.01. Notice; Quorum; Actions Taken.

(a) The Issuer may at any time call a meeting of the Noteholders, such meeting to be held at such time and at such place as the Issuer shall determine, for the purposes provided in Section 8.02 hereof, or for the purpose of taking action with respect to any Event of Default under Article Five hereof. Notice of any meeting of Noteholders, setting forth the time and place of such meeting, in general terms the action proposed to be taken at such meeting and the record date for determining Holders entitled to take action at such meeting, shall be mailed to the registered address of such Holders not less than 20 nor more than 180 days prior to the date fixed for such meeting. To be entitled to vote at any meeting of Noteholders, a person must be (i) a Holder of one or more Notes on such record date or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Notes on such record date. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuer or the Trustee and their respective counsel.

(b) Persons entitled to vote a majority in principal amount of the Notes at the time Outstanding shall constitute a quorum for the purpose of any such meeting. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to order. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, a meeting which has been called by the Issuer or the Trustee shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for a period of not less than 10 additional days as determined by the chairman of the meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph (a) of this Section 10.01. Subject to the foregoing, at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in principal amount of the Notes at the time Outstanding

shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the Outstanding Notes which shall constitute a quorum.

(c) At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution for any purpose provided in Article Eight hereof or for the purpose of taking any action with respect to any Event of Default under Article Five hereof shall be effectively passed and decided if passed and decided by the persons entitled to vote the lesser of (i) a majority in principal amount of Notes then Outstanding and (ii) 75% in principal amount of the Notes represented and voting at the meeting. Any Noteholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purpose of determining a quorum and be deemed to have voted, provided that such Noteholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting). Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Section shall be binding on all the Noteholders whether or not present or represented at the meeting.

(d) The Issuer shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of Persons entitled to vote a majority in principal amount of the Notes represented at the meeting. At any meeting each Noteholder or proxy shall be entitled to one vote for each $250,000 principal amount of Notes as to which he is a Noteholder or proxy; provided, however that no vote shall be cast or counted at any meeting in respect of any Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Noteholder or proxy. Any meeting of Noteholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(e) The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or proxies and on which shall be inscribed an identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes entitled to be voted by them. The

permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the acts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

* * * * *

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By: /s/ Michael L. Johnson

Senior Vice President and Chief Financial Officer

[SEAL]

Attest:

/s/ William J. Lyons
- ---
Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: /s/ Norma Pane

Trust Officer

(SEAL]

Attest:

/s/ Catherine F. Donohue
- ---
Assistant Secretary

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STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On the __th day of August, 1992, before me personally came Michael L. Johnson, to me known, who, being by me duly sworn, did depose and say that he resides at 115 Central Park West, New York, NY 10023; that he is the Senior Vice President and Chief Financial Officer of CORPORATE PROPERTY INVESTORS, one of the parties described in and which executed the above instrument; that he knows the seal of said Trust; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of trustees of said Trust; and that he signed his name thereto pursuant to like authority.

/s/ Edith Graham Jordan

Notary Public

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the __th day of August, 1992, before me personally came Norma Pane, to me known, who, being by me duly sworn, did depose and say that she resides at Brooklyn, NY; that she is a Trust Officer of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, one of the parties described in and which executed the above instrument; that she knows the corporate seal of said banking corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of directors of said banking corporation; and that she signed her name thereto pursuant to like authority.

/s/ Peter V. Murphy

Notary Public

EXHIBIT A

[Name of Trustee]
[address]

Dear Sirs:

In connection with our proposed purchase of $ principal amount of 7 3/4% Notes Due 2004 (the "Notes") of Corporate Property Investors ("CPI"), we confirm that:

1. We have received a copy of the Offering Memorandum dated August __, 1992, relating to the Notes and understand that the Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes within three years of the later of the original issuance of the Notes or the sale thereof by the Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if we are at the proposed date of such transfer or were during the three months preceding such proposed date of transfer an Affiliate of the Issuer, we will do so only (A) to CPI, (B) in accordance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note), (C) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note) or (D) to an institutional investor that is an "accredited investor" within the meaning of Rule 5Ol(a)(l), (2), (3) or (7) under the Securities Act which delivers a certificate in the form hereof to the trustee under the Indenture dated as of August 15, 1992 between CPI and Morgan Guaranty Trust Company of New York, as trustee (the "Indenture Trustee"), and we further agree, in the capacities stated above, to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

In addition, we understand that, upon any proposed resale of any Note within three years of the later of the original issuance of such Note (or any predecessor Note thereof) or the sale of such Note (or any predecessor Note thereof) by CPI or an Affiliate of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act)

or if we are at the proposed date of such transfer or were during the three months preceding such proposed date of transfer an Affiliate of the Issuer, we will be required to furnish to the Indenture Trustee such certification and other information (including, without limitation, an opinion of counsel) as the Indenture Trustee or CPI may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that certificates evidencing Notes purchased by us will bear a legend to the foregoing effect until the third anniversary of the later of the original issuance of the Notes (or any predecessor Notes thereof) or the sale thereof by CPI or an Affiliate of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) and for so long as we are or during the preceding three months have been an Affiliate of the Issuer.

2. We are an institutional investor and an "accredited investor" (within the meaning of Rule 5Ol(a)(l), (2), (3) or (7) under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any account for which we are acting are each able to bear the economic risk of our or its investment.

3. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion and for each of which we are acquiring not less than $250,000 aggregate principal amount of Notes.

4. We have received such information as we deem necessary in order to make our investment decision.

You and CPI are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or

legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Purchaser]

By: _____
Name:
Title:

EXHIBIT 4.11

[CONFORMED COPY]

CORPORATE PROPERTY INVESTORS

Issuer

And

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Trustee

Indenture

Dated as of April 1, 1993

$100,000,000

7.05% Notes Due 2003

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder (or under any Note), and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder (or under any Note) or for the performance hereof (or of any Note).

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THIS INDENTURE, dated as of April 1, 1993 between CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer"), having its principal office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, as Trustee hereunder (hereinafter called the "Trustee"), having its corporate trust office at 60 Wall Street (36th Floor), New York, New York 10260.

RECITALS

WHEREAS, the Issuer has duly authorized the creation of an issue of its 7.05% Notes Due 2003 (the "Notes") of substantially the tenor and amount hereinafter set forth, and to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Notes, that the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE THIRD ANNIVERSARY OF THE LATER OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR NOTE HERETO) OR THE SALE HEREOF (OR ANY PREDECESSOR NOTE HERETO) BY THE ISSUER OR ANY AFFILIATE OF THE ISSUER (COMPUTED IN ACCORDANCE WITH PARAGRAPH (d) OF RULE 144 UNDER THE SECURITIES ACT) OR (Y) BY AN AFFILIATE OF THE ISSUER OR BY ANY HOLDER THAT WAS AN AFFILIATE OF THE ISSUER AT ANY TIME

DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE, OTHER THAN (1) TO THE ISSUER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO ANY EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT WHICH DELIVERS A CERTIFICATE IN THE FORM OF EXHIBIT A TO THE INDENTURE TO THE TRUSTEE UNDER THE INDENTURE DATED AS OF APRIL 1, 1993, BETWEEN THE ISSUER AND MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS TRUSTEE.

CUSIP #220 027AE6

No. ____ $_____

CORPORATE PROPERTY INVESTORS

7.05% NOTES DUE 2003

CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, upon surrender hereof the principal sum of United States Dollars ($) on April 1, 2003 and to pay interest thereon, semiannually in arrears, on each April 1 and October 1 (an "Interest Payment Date") in each year, commencing in 1993, at 7.05% per annum, from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if the date hereof is an Interest Payment Date to which interest has been paid or duly provided for, then from the date hereof or, if no interest has been paid or duly provided for, from April 5, 1993, in each case until the principal hereof is paid or payment thereof is duly provided for. Notwithstanding the foregoing, if the date hereof is after March 15 or September 15 in any year and before the following April 1 or October 1 in such year, this Note shall bear interest from such April 1 or October 1, as applicable, provided that if the Issuer shall default in the payment of interest due on such April 1 or October 1, as applicable, then this Note shall bear interest from the next preceding Interest Payment Date to which inter-

est on the Note has been paid or duly provided for, or if no interest has been paid or duly provided for, from April 5, 1993. The interest so payable on any Interest Payment Date will, subject to the provisions contained in the Indenture (as hereinafter defined), be paid to the Person in whose name this Note is registered at the close of business in the City of New York on the fifteenth calendar day next preceding such Interest Payment Date (hereinafter called the "Record Date"). Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The statements set forth in the legend are an integral part of the terms of this Note and by acceptance hereof each holder of this Note agrees to be subject to and bound by the terms and provisions set forth in such legend.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth on the face hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed by the manual or facsimile signature of a duly authorized officer of the Issuer.

Dated:

CORPORATE PROPERTY INVESTORS

[Seal]

By:

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes described in the within-mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Trustee

By:

Authorized Officer

[FORM OF REVERSE OF NOTE]

CORPORATE PROPERTY INVESTORS

7.05% NOTES DUE 2003

1. This Note is one of a duly authorized issue of Notes of the Issuer designated as its 7.05% Notes Due 2003 (herein called the "Notes"), limited (except as otherwise provided in the Indenture referred to below), in aggregate principal amount to $100,000,000. The Notes are issued and to be issued under the Indenture, dated as of April 1, 1993 (herein called the "Indenture"), between the Issuer and Morgan Guaranty Trust Company of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders (as defined in the Indenture) of the Notes. The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the offices of the paying agent referred to below.

2. The Notes are direct unsecured obligations of the Issuer and rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Notes are issuable in fully registered form without coupons in denominations of $250,000 and integral multiples thereof.

3.(a) The Notes are not entitled to any mandatory sinking fund. The Notes may be redeemed at the Issuer's option, in whole at any time or from time to time in part, upon notice as described below, at a redemption price equal to the sum of (i) the principal amount of the Note, plus interest through the date of redemption, and (ii) the Make-Whole Amount (as defined in the Indenture), if any (the "Redemption Price").

(b) Except as provided in paragraph (c) below, notice of redemption of the Notes, in whole or in part, as the case may be, shall be given in accordance with paragraph 8, at least once not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. Notice having been given, the Notes so called for redemption shall become due and payable on the date fixed for redemption and upon presentation and surrender thereof will

be paid at the Redemption Price at the place or places of payment and in the manner specified herein.

(c) The Notes will be subject to mandatory redemption, as described below, at the Redemption Price upon the occurrence of a Mandatory Redemption Event (as defined in the Indenture). The Issuer will be required to redeem the Notes within five Business Days (as defined in the Indenture) of any Mandatory Redemption Event.

4. Pursuant to the terms of the Indenture, the Issuer has initially appointed Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), as transfer agent for the exchange and transfer of the Notes, and as Registrar. The Issuer shall have the right, at any time and from time to time, to terminate any such appointment and to appoint any substitute or additional paying agents, subject to the terms and conditions set forth in the Indenture.

5.(a) Principal and the Make-Whole Amount, if any, on the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made to the person in whose name such Note is registered at the close of business in the City of New York on the fifteenth calendar day (the "Record Date") next preceding the relevant Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided that if and to the extent the Issuer shall default in the payment of interest due on such payment date, such defaulted interest shall be paid to the persons in whose names the Notes are registered at the close of business on a subsequent Record Date established by notice given by mail by or on behalf of the Issuer to the Holders of Registered Notes not less than 15 days preceding such subsequent Record Date, such Record Date to be not less than ten days preceding the date of payment of such defaulted interest. Payment of such interest will be made (i) by dollar check drawn on a bank in the City of New York sent to the Holder's registered address or (ii) to any Holder of $5,000,000 or more aggregate principal amount of the Notes, upon written instructions to the Paying Agent not later than the relevant Record Date, by wire transfer in immediately available funds to a dollar account maintained by such Holder, as the case may be, with a bank in the United States designated by such Holder (but only if such bank shall have appropriate facilities therefor). Interest payments on this Note shall include interest accrued from and including the

date indicated on the face hereof, or from but excluding the most recent date to which interest has been paid or duly provided for, to but excluding the related Interest Payment Date or date of Maturity as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed.

(b) Should the Issuer at any time default in the payment of any principal of or the Make-Whole Amount, if any, or interest on this Note, the Issuer will pay interest on the amount in default (to the extent permitted by law in the case of interest on interest) at the rate of interest borne by the Notes.

(c) The Issuer covenants that as long as this Note shall be outstanding it shall at all times maintain a paying agency in the Borough of Manhattan, the City of New York for payments with respect to Notes. Notice of any termination or appointment and of any change in the office through which any Paying Agent, transfer agent or Registrar will act will be promptly given once in the manner described in paragraph 8.

6. Except as otherwise provided in the Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all moneys paid by the Issuer to the Trustee or any other Paying Agent for the payment of principal of and the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount, if any, or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

7. The Issuer agrees to provide the Holder hereof and any prospective purchaser hereof designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A(d)(4) under the Securities Act as will enable resales of this Note to be made pursuant to Rule 144A; provided, however, that the Issuer shall not be required to provide more information pursuant to this paragraph 7 than is required by Rule 144A as in effect on the date of the Indenture, but may elect to do so if necessary as a result of subsequent amendments to such Rule. Further, this Note and related documentation may be

amended or supplemented from time to time (x) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedure in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (y) to accommodate the issuance, if any, of this Note in book-entry form and matters related thereto (although no such amendment or supplement may require that this Note, if it is outstanding at the time such amendment or supplement becomes effective, be placed in book-entry form). The Holders of this Note shall be deemed, by the acceptance of this Note, to have agreed to any such amendment or supplement.

8. All notices to the Noteholders will be mailed to Holders of Notes at their registered addresses.

9. (a) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and, upon the request of the Issuer, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note pay or authorize the payment of the same, if the applicant for such payment shall furnish to the Issuer and to the Trustee security or indemnity and, in every case of apparent destruction, loss or theft, satisfactory evidence, in each case as set forth in the preceding sentence. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a

Note or Notes, duly endorsed or accompanied by a duly executed instrument of assignment and transfer, may be exchanged for an equal aggregate principal amount of Notes in different authorized denominations or Notes may be exchanged for a Note or Notes of authorized denominations by surrender of such Note or Notes at the corporate trust office of the Trustee in the City of New York, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note may be transferred in whole or in part (in the amount of U.S. $250,000 and integral multiples thereof) by the Holder or Holders surrendering the Note for registration of transfer at the office of any transfer agent or at the office of the Registrar, duly endorsed or accompanied by a duly executed instrument of assignment and transfer. Upon presentation of this Note for registration of transfer as provided herein, the Registrar shall register the transfer of this Note only if (i) the Registrar shall have received written instructions from the Issuer to effect such transfer, (ii) the Note is presented for registration of transfer at least three years after the later of the issuance of this Note (or any predecessor Note hereto) and the sale hereof (or any predecessor Note hereof) by the Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer or (iii) the Holder hereof shall have properly completed the Certificate of Transfer below or a transfer instrument substantially in the form of such Certificate of Transfer and have delivered such Certificate of Transfer or transfer instrument (together with any transferee certification required as part of the Certificate of Transfer and any letter required by the Issuer or the Trustee to be delivered by the transferee with such certificate of transfer or transfer instrument) to the Trustee.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by mail and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

(e) The Issuer, Trustee or Registrar may decline to accept any request for an exchange or registration of transfer during the period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

(f) Each purchaser of this Note will be deemed to have represented and agreed as follows: (i) it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and it or such account is (x) a "Qualified Institutional Buyer" (as defined in Rule 144A of the Securities Act) and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act; or (y) an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and in the case of each of (x) and (y) it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part hereof, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts to be at all times within its or their control and subject to its or their ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act; (ii) it acknowledges that this Note has not been and will not be registered under the Securities Act and may not be sold except as permitted below; (iii) it agrees that (A) if it should transfer this Note (or any predecessor Note hereto) within three years after the later of the original issuance of the Notes and the sale thereof by the Issuer or an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if it was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer it will do so in compliance with any applicable state securities or "Blue Sky" laws and only (1) to the Issuer, (2) in compliance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), (3) outside the United States in compliance with Regulation S under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), or (4) to an Accredited Investor, but only if, in connection with any transfer a certificate in the form of Exhibit A to the Indenture is delivered by the transferee to the Registrar, and (B) it will give the transferee notice of any restrictions on resale of this Note; (iv) it understands that this Note, unless otherwise agreed by the Issuer and the Holder thereof, will bear the legend on the

face of this Note; (v) it has received the information, if any, requested by it pursuant to Rule 144A under the Securities Act, has had full opportunity to review such information and has received all additional information necessary to verify such information; (vi) it (A) is able to fend for itself in the transactions contemplated by its acquisition of this Note; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in this Note; and (C) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment; and (vii) it understands that the Issuer, the Managers (as defined in the Offering Memorandum relating to the Notes) and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of this Note are no longer accurate, it shall promptly notify the Issuer. If it is acquiring this Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account.

10. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the Holders of 66-2/3% in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such Holders may waive any default under the Indenture and its consequences, except a default in the payment of principal of or the Make-Whole Amount, if any, or interest on any of the Notes. Any such consent or waiver by the Holder of this Note (unless revoked as provided in the Note) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Note which may be issued in exchange or substitution herefor, whether or not any notation thereof is made upon this Note or such other Notes.

11. The Indenture contains provisions permitting the Issuer and the Trustee, with the consent of the Holders of not less than 66-2/3% in aggregate principal amount of the Notes at the time Outstanding (or such lesser amount as may have acted at a Noteholders' meeting pursuant to Article Ten

of the Indenture), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Notes; provided that no such supplemental indenture shall without the consent of each Holder of an Outstanding Note affected thereby (i) change the Stated Maturity of the principal of or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or on any amount payable upon redemption or acceleration thereof, (ii) change the coin or currency in which any Note or interest thereon is payable, (iii) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (iv) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of the Notes, (v) modify any of the provisions of Section 5.12 or 8.02 of the Indenture, except to increase any of the percentages set forth therein or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby or (vi) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders. In addition, this Note and related documentation may be amended or supplemented from time to time (i) to modify the restrictions on, and procedures for, resales and other transfers of this Note to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of this Note shall be deemed, by the acceptance of such Note, to have agreed to any amendment or supplement described in the immediately preceding sentence.

12. The Indenture provides that persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum at a meeting of Holders of Notes. In the absence of such a quorum at a meeting of Holders of Notes called by the Issuer, such meeting shall be adjourned for a period of not less than 10 days and, in the absence of a quorum at any such adjourned

meeting, such adjourned meeting shall be further adjourned for another period of not less than 10 days. At any subsequent reconvening of any meeting of Holders of Notes adjourned for lack of a quorum, persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. Any action which may be taken by a meeting of Holders of Notes requires a vote of the Holders of the lesser of (a) a majority of the aggregate principal amount of the Notes then outstanding or (b) 75% in aggregate principal amount of the Holders of Notes represented and voting at the meeting.

13. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and the Make-Whole Amount, if any, and interest on this Note at the times and rate herein prescribed.

14. The Indenture provides that the Issuer may merge or consolidate with, or sell or convey all or substantially all its assets to, any corporation or other entity and that such corporation or other entity may assume the obligations of the Issuer under the Indenture and the Notes without the consent of the Noteholders provided that certain conditions are met.

15. The Indenture provides that, upon satisfaction of certain terms and conditions as set forth in the Indenture, the Issuer (a) will be discharged from any and all obligations in respect of this Note (except for certain obligations to register the transfer or exchange of Notes, to replace any stolen, lost or mutilated Note, to maintain paying agencies and hold monies in trust) and (b) has the option to omit to comply with certain covenants and certain provisions of the Indenture shall cease to apply, in the case of each of (a) and (b) above, 91 days after the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations (as defined in the Indenture), which through the payment of interest and principal thereof in accordance with their terms will provide money in sufficient amount to pay the principal of and interest on this Note on the Stated Maturity of such payments in accordance with the terms of the Indenture and this Note.

16. The Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Note is registered as the absolute owner thereof for all purposes

and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

17. The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

18. All terms not otherwise defined herein shall have the meanings specified in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- as tenants in common

UNIF GIFT MIN AT -- ..... Custodian .....

Under Uniform Gifts to Minors Act
.....

TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____
_____
_____
(please print or typewrite name and address including zip code of assignee and insert Taxpayer Identification No.)

this Note and all rights hereunder, hereby irrevocably constituting and appointing _____ attorney to transfer this Note on the books of the Issuer, with full power of substitution in the premises.

(The following is not required for sales or other transfers of this Note to or through or with the written approval of the Issuer.)

CERTIFICATE OF TRANSFER

In connection with any transfer of this Note occurring prior to the date which is three years after the later of the issuance of this Note (or any predecessor Note) and the sale hereof by an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or by a Holder that was at the date of such transfer or during the three months preceding such date of

transfer an Affiliate of the Issuer, the undersigned confirms that:

Transferor Certifications

1. Applicable Exemption [check one]

|_| (a) This Note is being transferred by the undersigned to a transferee that is, or that the undersigned reasonably believes to be, a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended) pursuant to and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

|_| (b) This Note is being transferred by the undersigned to a transferee that is an "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended) that has furnished to the Registrar a signed letter containing certain representations and agreements relating to the restrictions on transfers of such Notes (the form of which letter can be obtained from the Registrar) and that the undersigned has been advised by the transferee that it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part thereof, subject to any requirement of law that the disposition of its property being at all times within its control and subject to its ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act of 1933, as amended.

or

|_| (c) This Note is being transferred by the undersigned in an "Offshore Transaction" (as defined in Regulation S under the Securities Act of 1933, as amended) to a transferee that is not, or that the undersigned reasonably believes not to be, a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) pursuant and in

accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder.

2. Affiliation with Issuer [check if applicable]

|_| (a) The undersigned represents and warrants that it is, or at some time during which it held this Note was, an Affiliate of the Issuer.

(b) If 2(a) above is checked and if the undersigned was not an Affiliate of the Issuer at all times during which it held this Note, indicate the most recent date as of which the undersigned was an Affiliate of the Issuer: _____.

(c) If 2(a) above is checked and if the transferee will not pay the full purchase price for the transfer of this Note on or prior to the date of transfer indicate when such purchase price will be paid:_____.

TO BE COMPLETED BY TRANSFEREE
IF 1(a) ABOVE IS CHECKED AND THE TRANSFEROR IS NOT A QUALIFIED INSTITUTIONAL BUYER:

The undersigned represents and warrants that it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information.

Dated: _____ _____

NOTICE: To be executed by an officer.

TO BE COMPLETED BY TRANSFEREE
IF 1(c) ABOVE IS CHECKED:

The undersigned represents and warrants that it is not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended).

Dated: _____ _____

NOTICE: To be executed by an officer.

If none of the boxes under the Applicable Exemption section of the Transferor Certifications is checked or if any of the above representations required to be made by the transferee is not made, the Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof.

THE UNDERSIGNED HEREBY AGREES THAT, UNLESS THE BOX ABOVE UNDER ITEM 2(A) IS CHECKED, THE UNDERSIGNED SHALL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT NOR HAS IT BEEN AT ANY TIME DURING WHICH IT HELD THIS NOTE AN AFFILIATE, AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OF THE ISSUER.

Dated: _____

_____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.01. Definitions.

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section.

(1) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America then in effect; and

(3) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Act" when used with respect to any Holder of a Note has the meaning specified in Section 1.03.

"Affiliate" has the meaning assigned thereto in Rule 144 under the Securities Act and any successor rule thereto.

"Appraisal" means an appraisal referred to in Section 4.11 hereof.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that is a member of the Appraisal Institute selected by the Issuer and acceptable to the Trustee, which acceptance shall be deemed given unless the Trustee reasonably objects to the selection

on the basis of such appraiser's lack of national recognition, independence or qualification as a member of the Appraisal Institute.

"Asset Disposition" means any sale, lease, transfer or other disposition of any asset, directly or indirectly (by merger or otherwise), by the Issuer or any Subsidiary other than (i) any lease of space in Real Property entered into in the ordinary course of business, (ii) any sale, lease, transfer or other disposition of any asset other than Real Property entered into in the ordinary course of business, (iii) any sale, lease, transfer or other disposition of any asset to the Issuer or to any wholly-owned Consolidated Subsidiary of the Issuer, (iv) any transfer of cash or any sale or other disposition of a short-term investment and (v) any grant of a Lien on any property of the Issuer or any Subsidiary.

"Board of Trustees" means the Board of Trustees of the Issuer or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board in connection herewith.

"Board Resolution" when used with reference to the Issuer means a copy of a resolution, certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Trustees and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day which is not a Saturday, Sunday or a legal holiday or a day on which banks in the State of New York are required or authorized to be closed.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period (determined in accordance with generally accepted accounting principles) to the extent deducted in determining Consolidated Net Income for such period.

"Consolidated Debt" means at any date the Debt of the Issuer and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation, (i) any interest accrued or paid during

such period which is capitalized in accordance with generally accepted accounting principles, (ii) the portion of any obligation under capitalized leases allocable to interest expense during such period in accordance with generally accepted accounting principles and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a person other than the Issuer or a wholly-owned Consolidated Subsidiary.

"Consolidated Net Income" means for any period the consolidated income (or loss) before nonrecurring items of the Issuer and its Consolidated Subsidiaries for such period, determined in accordance with generally accepted accounting principles.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding principal amount of Consolidated Debt at such date.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Issuer at such date and (ii) Debt of any Subsidiary at such date. Notwithstanding the foregoing, if the Trustee shall have received a certificate from the Chairman or chief financial officer of the Issuer stating that the amount of Secured Debt of the Issuer or any Subsidiary that is Non-Recourse Debt exceeds the FMV of the assets securing it and setting forth the FMV thereof (together with the basis therefor), then the amount of such excess shall be deemed not to be Debt for purposes of computing Consolidated Secured Debt. As used in the preceding sentence, the term "FMV" with respect to any asset means (i) if such asset is Real Property that was valued in the most recent Appraisal, then the value of such asset as set forth in such Appraisal, (ii) if such asset is Real Property acquired after the valuation date of the most recent Appraisal, then the purchase price thereof and (iii) in all other cases, the fair market value of such asset determined in good faith by the Chairman or chief financial officer of the Issuer.

"Consolidated Subsidiary" means any Subsidiary or other entity (including, without limitation, a partnership), the accounts of which would be consolidated with those of the Issuer in its consolidated financial statements if such statements were prepared as of such date.

"Corporate Trust Office" means the principal corporate trust office of the Trustee at which at any particular

time its corporate trust business shall be administered, which office is, at the date of execution of this Indenture, located at 60 Wall Street (36th Floor), New York, New York 10260.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment of such obligations and (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee; provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b) the Obligor's interest in Real Property to the payment of a mortgage loan or other secured indebtedness which is solely the obligation of any other Person, the amount of indebtedness or other obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the Obligor's interest in such Real Property as determined in accordance with the most recent Appraisal.

"Depositary" means the depositary for the Global Notes initially appointed by the Issuer pursuant to Section 2.01(f), until a successor depositary shall have become such pursuant to such Section and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Event of Default" means any event or condition specified in Section 5.01.

"Global Note" has the meaning specified in Section 2.01(f)

"Gross Assets" means at any date the sum of (i) the consolidated Real Property Value of the Issuer and its Consolidated Subsidiaries, (ii) cash and all other assets of the Issuer and its Consolidated Subsidiaries which, in accordance with generally accepted accounting principles, would at such time be included on a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries (other than Real Property and any asset which is classified as an intangible asset under generally accepted accounting principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all determined as of the valuation date for the most recent Appraisal and (iii) if not included in the assets described in clause (ii), the value of any notes and contract receivables held by the Issuer pursuant to its Employee Share Purchase Plan as indicated in the most recent Appraisal.

"Holder" or "Noteholder" when used with respect to any Note means the Person in whose name the Note is registered in the Note Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest" or "interest" means the interest payable on the Notes.

"Interest Payment Date" has the meaning specified in the form of face of Note.

"Issuer" means the Person named as the "Issuer" in the first paragraph of this instrument until a successor entity shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor entity.

"Lien" means any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind (including any right under any conditional sale or other title retention agreement).

"Make-Whole Amount" means, in connection with any optional or mandatory redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present

value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semiannual basis, such principal and interest at the Reinvestment Rate (determined on the Business Day immediately preceding the date of such redemption or declaration of accelerated payment) from the respective dates on which they would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Note being redeemed or paid.

"Mandatory Redemption Event" means any of:

(a) any Asset Disposition if, after giving effect thereto, the aggregate net proceeds (which includes without limitation, the principal amount of any debt secured by any disposed of Real Property which is released in connection with such Asset Disposition) from all Asset Dispositions made by the Issuer and its Subsidiaries on or after the date of this Indenture exceeds 50% of the sum of (i) $4,011,000,000 (Four Billion Eleven Million Dollars) plus (ii) the excess, if any, of (x) the net cash proceeds of any Subordinated Securities of the Issuer sold by the Issuer after the date of this Indenture over (y) the portion of such proceeds not invested by the Issuer or any Subsidiary in Real Property (for purposes of clause (y), proceeds used to repay Debt incurred to invest in Real Property being deemed to have been invested in Real Property); and

(b) the failure by the Issuer to qualify, at any time, as a "real estate investment trust" under Sections 856-859 of the Internal Revenue Code of 1986, as amended, or any successor provision.

"Maturity" means, when used with respect to any Note, the date on which the principal and the Make-Whole Amount, if any, of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or otherwise.

"Non-Recourse Debt" of any Person means at any time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing,

Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document, evidencing, governing, securing or otherwise relating to such Debt provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) liabilities of the holders of such Debt and their affiliates to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Note" means a registered Note authenticated and delivered under this Indenture.

"Note Register" has the meaning specified in Section 2.04(a).

"Notice of Issuance" means a Request of the Issuer pursuant to Section 2.03.

"Officers' Certificate" means a certificate signed by both the President and any Senior Vice-President or the General Counsel of the Issuer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer, Cravath, Swaine & Moore or other counsel of nationally recognized standing.

"Outstanding" when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment money in the necessary amount has been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Notes; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered or which have been paid pursuant to Section 2.05 of this Indenture unless proof satisfactory to the

Trustee is presented that any such Notes are held by bona fide holders in due course;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder and for purposes of determining Outstanding Notes under Section 5.01, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon and in accordance with the advice of counsel shall be full protection to the Trustee.

"Paying Agent" means any Person appointed by the Issuer pursuant to Section 4.02 to pay the principal of, the Make-Whole Amount, if any, or interest on any Notes on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Private Placement Legend" has the meaning set forth in Section 2.04(g).

"Purchase Agreement" means the Purchase Agreement among the Issuer, J.P. Morgan Securities Inc. and Lazard Freres & Co. dated as of March 26, 1993.

"Qualified Institutional Buyer" has the meaning assigned thereto in Rule 144A.

"Real Property" means land, rights in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in land, or interests therein, including,

without limitation, fee ownership of land or improvements, options, leasehold, joint venture or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or otherwise secured in any way by mortgages, or interests in any of the foregoing instruments.

"Real Property Value" means at any time the fair market value of the equity in all interests in Real Property held at such time by the Issuer and its Consolidated Subsidiaries as set forth in the most recent Appraisal to which shall be added related debt secured by real property, to the extent that such debt has been deducted in determining such fair market value.

"Record Date" means the fifteenth calendar day next preceding an Interest Payment Date.

"Redemption Date" has the meaning set forth in Section 9.02.

"Redemption Price" has the meaning set forth in Section 9.01.

"Registrar" has the meaning set forth in Section 2.04.

"Regulation S" means Regulation S under the Securities Act, and any successor regulation thereto.

"Reinvestment Rate" means .50% (one-half of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the maturity of the principal being prepaid or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Request" and "Order" when used with reference to the Issuer mean, respectively, a written request or order signed in the name of the Issuer by the Chairman of the Board of Trustees or the President or any Senior Vice President, the General Counsel, or the Treasurer of the Issuer, delivered to the Trustee.

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"Secured Debt" means, with respect to any Person, any Debt of such Person that is secured by a Lien on any of its assets.

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

"Stated Maturity" when used with respect to any Note or any installment of interest thereon means the date specified in such Note as the fixed date on which the principal of such Note, the Make-Whole Amount, if any, or such installment of interest is due and payable.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Obligations adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the Issuer.

"Subordinated Securities" of any Person means shares of beneficial interest or stock, or other equity interest, in such Person (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of such Person which shall have been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Notes.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, securities or ownership interests of which having ordinary voting power to elect a majority of such

board or body are at the time of determination directly or indirectly owned by the Issuer and (ii) any general or limited partnership or joint venture of which the Issuer directly or indirectly owns the interest of a general partner or venturer; provided, however, that (A) for purposes of Sections 5.01 and 9.05, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause such partnership or venture to take, or to refrain from taking, the action described in such Sections and (B) for purposes of Article Four, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause compliance by such partnership or venture with the provisions of such Article. For purposes of the preceding sentence, the right to take or refrain from taking any action shall include the right to cause the subject partnership or venture to obtain the necessary funds required for it to take or refrain from taking such action.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed by the United States.

"U.S. Person" has the meaning assigned thereto in Regulation S.

SECTION 1.02. Form of Documents Delivered to Trustee; Compliance Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such

Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture other than a Request pursuant to Section 2.03 for the initial authentication of Notes pursuant to this Indenture, there shall be furnished to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Acts of Holders of Notes.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy, or of the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is shown by the evidence to be included in the Notes the Holders of which have consented to such action may (to the extent permitted by applicable law), by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in this Section 1.03, revoke such consent so far as it concerns such Note. Except as aforesaid, any such action by the Holder of any Note (to the extent permitted by applicable law) shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon each Note or upon any Note issued in exchange or substitution therefor.

SECTION 1.08. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.09. Governing Law. This Indenture and each of the Notes shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.10. Legal Holidays. In any case where the Stated Maturity of any Note or the date on which any installment of interest is due and payable shall be a day which is not a Business Day, then (notwithstanding any other provision of this Indenture or the Notes) payment of interest, the Make-Whole Amount, if any, or principal need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as if made at the Stated Maturity or due date and no interest shall accrue on such payment for the intervening period after such Stated Maturity or due date to such next succeeding Business Day.

SECTION 1.11. Consent to Jurisdiction and Service of Process. The Issuer waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue in any suit, action or proceeding arising out of or relating to this Indenture or any Note brought in any New York State or United States Federal court sitting in the Borough of Manhattan in the City of New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment, provided that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain Outstanding, the Issuer will at all times during which the Issuer does not maintain an office in the Borough of Manhattan, the City of New York have an authorized agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note and will upon the appointment of such agent promptly notify the Trustee in writing of the name and address of such agent. Service of process upon such

agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding.

Nothing in this Section shall affect the right of the Trustee or any Noteholder to serve process in any manner permitted by law or limit the right of the Trustee to bring proceedings against the Issuer in the courts of any jurisdiction or jurisdictions.

SECTION 1.12. Disclaimer of Liability of Shareholders and Others. Corporate Property Investors refers to the Trustees for the time being under an Amended and Restated Declaration of Trust dated as of June 15, 1978, as amended, on file in the office of the Secretary of the Commonwealth of Massachusetts. The Declaration of Trust provides that the obligations of Corporate Property Investors shall not constitute personal obligations of its Trustees, officers, shareholders, employees or agents, and that all persons dealing with Corporate Property Investors shall look solely to the assets of Corporate Property Investors for satisfaction of any liability of Corporate Property Investors, and will not seek recourse against such Trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

ARTICLE TWO

ISSUE, EXECUTION, FORM AND REGISTRATION OF SECURITIES

SECTION 2.01. Form Generally; Title and Terms.

(a) The Notes, including the face of the Notes, the reverse of the Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth above, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by such execution.

The definitive Notes shall be printed, lithographed, engraved or otherwise produced as determined by the officers executing such Notes as evidenced by such execution.

(b) Except for Notes authenticated and delivered in exchange for or in lieu of Notes pursuant to Section 2.04, 2.05 or 8.05, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $100,000,000 principal amount.

The Notes shall be known and designated as the 7.05% Notes Due 2003 of the Issuer. Their Stated Maturity shall be April 1, 2003. The Notes shall bear interest as provided in the form of Note.

(c) The Notes and transfers thereof shall be registered as provided in Section 2.04.

(d) Each Note shall be dated the date of its authentication.

(e) The Notes shall not be entitled to any mandatory sinking fund. The Notes shall be redeemable by the Issuer as provided for in Article Nine.

(f) The Notes may be issued in whole or in part in the form of one or more global notes (the "Global Notes"). The Issuer shall execute and the Trustee shall, in accordance herewith and upon the Order of the Issuer, authenticate and deliver one or more Global Notes that (i) shall represent and shall be denominated in an aggregate principal or face amount of the Outstanding Notes to be represented by such Global Note or Notes, (ii) shall be registered in the name of the Depositary or the nominee of the Depositary, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (iv) shall bear the legend set forth below.

The Issuer initially designates The Depository Trust Company ("DTC") as the depositary for the Global Notes. The Issuer and the Trustee shall enter into a customary letter of representation with DTC, providing for, among other things, a legend restricting transfer of the Global Notes.

The Depositary may be treated by the Issuer as the owner of such Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer from giving effect to any written certification,

proxy or other authorization furnished by or to the Depositary or impair, as between the Depositary and its participants, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The Holder of any Global Note, by its acceptance thereof, and the Trustee agree that such Global Note shall be transferred pursuant to Section 2.04 hereof only in whole and not in part to a nominee of DTC, a successor to DTC or a nominee of such successor which is another clearing agency registered under the Securities Exchange Act of 1934, as amended.

If at any time DTC (or any successor Depositary) notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Note or at any time DTC (or such successor Depositary) shall no longer be eligible under this Section 2.01, the Issuer shall appoint a successor Depositary with respect to the Global Notes and such successor shall enter into a customary letter of representation with the Issuer and the Trustee. If a successor Depositary for the Global Notes is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, or if an Event of Default has occurred and is continuing, the Notes shall thereafter no longer be in the form of the Global Notes and the Issuer shall execute and the Trustee upon receipt of an Order of the Issuer for the authentication and delivery of certificated Notes, will authenticate and deliver certificated Notes in any authorized denominations in an aggregate principal amount of the Global Notes in exchange for the Global Notes, such certificated Notes to be in denominations and registered in the names specified by the Depositary; provided that if such Event of Default is waived pursuant to Section 5.01 or is no longer continuing, such certificated Notes need not be issued and if already issued may, at the Holder's request, be represented again by a Global Note in accordance with this Section 2.01.

SECTION 2.02. Denominations. The Notes are issuable in registered form in denominations of $250,000 and integral multiples thereof.

SECTION 2.03. Execution, Authentication and Delivery of Notes. The Notes shall be executed on behalf of the Issuer by a duly authorized officer of the Issuer. Any such signature may be manual or facsimile.

Notes bearing the manual or facsimile signature of any Person who was, at the actual date of execution thereof,

a duly authorized officer of the Issuer shall bind the Issuer, notwithstanding that such Person has ceased to be a duly authorized officer prior to the authentication and delivery of such Notes. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver to the Trustee for authentication Notes executed by the Issuer and, upon written Request of the Issuer, the Trustee shall authenticate and deliver such Notes as in this Indenture provided and not otherwise.

Except as otherwise provided in Sections 3.03 and 4.14 of this Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all monies paid by the Issuer to the Trustee or other Paying Agent for the payment of principal of and, the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, Make-Whole Amount or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

SECTION 2.04. Registration, Transfer and Exchange.

(a) The Issuer shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 4.02 for such purpose being herein sometimes collectively referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and for transfers of Notes. The Issuer hereby appoints Morgan Guaranty Trust Company of New York as the Registrar. The registration of transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer. Upon surrender for registration of transfer of any Note at an office or agency of the Issuer designated pursuant to Section 4.02 for such purpose, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(b) Notwithstanding the provisions of Section 2.04(a), the following procedures and restrictions with respect to the registration of any transfer of any Note other than a Global Note shall apply:

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if the requested transfer is (x) to the Issuer, or (y) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer and such transfer is at least three years after the later of (A) the issue date of such Note (or any predecessor of such Note) and (B) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(ii) The Registrar shall register the transfer of a Note, whether or not such Note bears the Private Placement Legend, if each of (i) the Holder of such Note and (ii) the proposed transferee (if so required by the Certificate of Transfer) has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate to the Registrar, together, in the case of a transfer to an Accredited Investor, with a letter from the transferee in the form of Exhibit A hereto.

(iii) The Registrar shall register the transfer of a Note to or from a depositary organization for any other institutional trading system designated by the Issuer in a Notice of Issuance or otherwise set forth in a written notice to the Registrar. In connection with any such transfer to such depositary organization for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Registrar in respect thereof. In connection with any such transfer out of such other institutional trading system, the Registrar shall

receive such documents, certifications or other evidence from the transferor or transferee as are specified in such Notice of Issuance or other written notice.

(iv) If so specified in the Notice of Issuance with respect to the Notes, the Registrar shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer in such Notice of Issuance which has agreed in writing to offer, sell and effect transfers of Notes only to a prospective purchaser who such dealer, placement agent or other person has reasonable grounds to believe and does believe is a Qualified Institutional Buyer or an Accredited Investor who will make representations with respect to itself substantially to the same effect as set forth in the Certificate of Transfer. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv) above, the Registrar shall, subject to such additional procedures as the Issuer may establish, register such transfer upon surrender of such Note. Such additional procedures may include, without limitation, (x) the delivery by the transferor or the proposed transferee of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act.

(vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents, the Registrar shall register the transfer and complete, countersign and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.

(vii) The Registrar shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the instructions described here.

(c) Notwithstanding any other provisions of this Indenture, so long as a Global Note remains Outstanding, and is held by the Registrar, as custodian for the Depositary, unless the transferee shall otherwise request in writing to the Registrar, no certificated Note shall be issued or authenticated in connection with the transfer of any certificated Note pursuant to the exemption from registration provided by Rule 144A. Instead, upon acceptance for transfer of any certificated Note, the Registrar shall cancel such certificated Note and shall, in lieu of issuing a new certificated Note in exchange for the certificated Note surrendered for registration of transfer, endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of such certificated Note. All provisions of this Section 2.04 relating to the transfer of Notes (other than those relating to the issuance and authorization of a new Note) shall apply to any transfer resulting in an increase in the principal amount of such Global Note. The Registrar shall notify the Depositary promptly of any increase in the principal amount of any Global Note.

Notwithstanding any other provisions of this Indenture, resales or other transfers of Notes represented by a Global Note made in compliance with Rule 144A or made on or subsequent to the date that is three years after the later of (i) the original issue date of such Note (or any predecessor of such Note) and (ii) the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act, by a beneficial owner that was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer will be conducted according to the rules and procedures of the Depositary applicable to U.S. corporate debt obligations and without notice to, or action by, the Registrar. Upon notice from the beneficial owner (or an agent of the beneficial owner) of Notes represented by a Global Note that such beneficial owner intends to resell or transfer such Notes (x) otherwise than pursuant to Rule 144A

prior to three years after the later of (i) the original issue date of such Notes (or any predecessor of such Notes) and (ii) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act or (y) otherwise than pursuant to Rule 144A if such beneficial owner was at the proposed date of such transfer or during the three months preceding such proposed date of transfer an Affiliate of the Issuer, and upon satisfaction by the transferor and, if applicable, the transferee, of the conditions necessary for the registration of transfer of a Note set out in Section 2.04(b), the Registrar shall and is authorized by the holder of such Global Note, by its acceptance thereof, to endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and the reduction in the principal amount of such Global Note equal to the principal amount of the portion of the Global Note being transferred and shall authenticate and deliver a certificated Note registered in the name of the transferee or its nominee in an equal aggregate principal amount. The Registrar shall notify the Depositary promptly of any decrease in the principal amount of any Global Note.

(d) Except as otherwise provided on the face of the Notes with respect to the payment of interest on Notes transferred between Record Dates and Interest Payment Dates, each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note shall carry all the rights to interest, if any, accrued and unpaid and to accrue which were carried by the whole or such part of such Note.

(e) The Issuer, Trustee or Registrar may decline to exchange or register the transfer of any Note during the period of 15 days preceding (i) the due date for any payment of principal of, the Make-Whole Amount, if any, or interest, on the Notes or (ii) the date on which Notes are scheduled for redemption.

(f) Transfer, registration and exchange shall be permitted and executed as provided in this Section without any charge other than any stamp or other taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery but subject to such reasonable regulations as the Issuer and the Registrar may prescribe.

(g) Upon the transfer, exchange or replacement of Notes not bearing the legend set forth in the form of Note (the "Private Placement Legend"), the Trustee shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Trustee shall deliver only Notes that bear the Private Placement Legend unless the circumstances contemplated by Section 2.04(b)(i)(y) above exist.

(h) Any Note or Notes may be exchanged for a Note or Notes in other authorized denominations, in an equal aggregate principal amount. Notes to be exchanged shall be surrendered at an office or agency to be maintained by the Issuer for such purpose as provided in Section 4.02, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Notes presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

(i) The Issuer agrees to make available such information as is required by Rule 144A(d)(iv) as in effect on the original issue date of the Notes. Further, the Notes and related documentation may be amended or supplemented from time to time in accordance with Section 8.01 (i) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of any Note shall be deemed, by the acceptance of

such Note, to have agreed to any such amendment or supplement.

(j) For purposes of determining the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of a Note, the Registrar and the Issuer shall rely on the representations as to "Affiliation with Issuer" set forth on the Certificate or Certificates of Transfer delivered to it from and after the date of issuance of such Note (or any predecessor Note) in connection with transfers of such Note. The Registrar, the Issuer and all Holders of Notes shall be entitled to rely without further investigation on any certification by any transferor on the Certificate of Transfer. Unless a transferor required to provide a Certificate of Transfer shall certify thereon that it is or at some time during which it held such Note was an Affiliate of the Issuer, such transferor shall be deemed to have represented that it is not nor has it been at any time during which it held such Note an Affiliate of the Issuer.

SECTION 2.05. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any Note shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, with the Holder's consent in the case that the Note is called for redemption, pay or authorize the payment of the same (without surrender thereof except in the

case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote, and, in every case of apparent destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, the Make-Whole Amount, if any, and (subject to the provisions for payment of interest set forth in the form of Note) interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary to the extent permitted by applicable law.

SECTION 2.07. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, or registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall

be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

ARTICLE THREE

SATISFACTION AND DISCHARGE; DEPOSITED MONEYS

SECTION 3.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange herein expressly provided for), and the Trustee, upon Request of the Issuer at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Notes theretofore authenticated and delivered (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.04), have been delivered to the Trustee for cancellation and 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date of delivery of the last such Note for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable, (2) will become due and payable at their Stated Maturity within one year, (3) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, or (4) are deemed paid and discharged pursuant to Section 3.03, as applicable, and in the case of (1), (2) or (3) above, 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date on which the Issuer has deposited or caused to be deposited with the Trustee or the Paying Agent, in

trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal, the Make-Whole Amount, if any, and interest accrued to the date of such deposit or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and any predecessor Trustee under Section 6.06 and, if money shall have been deposited with the Trustee pursuant to sub-clause (ii) of clause (a) of this Section or if money or obligations shall have been deposited with or received by the Trustee pursuant to Section 3.03, the obligations of the Trustee under Sections 3.02 and 6.06 shall survive.

SECTION 3.02. Application of Trust Money. Subject to Section 4.02, all money deposited with the Trustee pursuant to Section 3.01, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 3.03 or 4.14 and all money received by the Trustee in respect of U.S. Governmental Obligations deposited with the Trustee pursuant to Section 3.03 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through the Paying Agent as the Trustee may determine, to the Holders of the Notes for whose payment such money has been deposited with the Trustee, of all sums due and to become due thereon for principal, the Make-Whole Amount, if any, and interest for whose payment such money has been deposited with or received by the Trustee or to make payments as contemplated by Section 3.03; but such money need not be segregated from other funds except to the extent required by law.

SECTION 3.03. Satisfaction, Discharge and Defeasance of Notes. The Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Notes on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture

shall no longer be in effect (and the Trustee, at the expense of the Issuer, shall, upon receipt of a Request of the Issuer, execute proper instruments acknowledging the same), except as to:

(a) the rights of Holders of Notes to receive, from the trust funds described in subparagraph (d) of this Section 3.03, payment of the principal of and each installment of or interest on the Notes on the Stated Maturity of such principal or installment of principal or interest;

(b) the Issuer's obligations with respect to the Notes under Section 2.04, 2.05 and 4.02; and

(c) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 3.02 and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that, the following conditions shall have been satisfied:

(d) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defease the Notes under this Section 3.03 and deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(e) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(f) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date;

(g) the Issuer has delivered to the Trustee (1) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (2) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (1) or (2), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred;

(h) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble to this Section 3.03 (i) will not cause the Trustee or the trust created pursuant to this Section 3.03 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 3.03, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(i) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 3.03 have been complied with.

ARTICLE FOUR

COVENANTS OF THE ISSUER AND THE TRUSTEE

SECTION 4.01. Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of, the Make-Whole Amount, if any, and interest on the Notes, in accordance with the terms of the Notes and this Indenture.

Payment of principal of and the Make-Whole Amount, if any, on Notes will be made in accordance with the terms of the Notes against surrender of the Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made, in accordance with the terms of the Notes, to the respective persons in whose name the Notes are registered at the close of business on the Record Date prior to the relevant Interest Payment Date.

The Issuer will on or before 3:00 P.M., the City of New York time, on the day which is one Business Day next preceding the due date of the principal of and the Make-Whole Amount, if any, or interest on any Notes, pay to the Paying Agent in "next day" (New York Clearing House) funds a sum sufficient to pay the principal, the Make-Whole Amount or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Notes.

SECTION 4.02. Maintenance of Office or Agency; Appointment of Paying Agent. So long as any of the Notes remain Outstanding, the Issuer will maintain in the City of New York the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer hereby appoints Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), for the payment of principal of, the Make-Whole Amount, if any, and interest on the Notes on behalf of the Issuer. The Issuer reserves the right at any time, and from time to time, to vary or terminate the appointment of any Paying Agent, transfer agent or Registrar or to appoint any additional or other Paying Agent or agencies or transfer agent or agencies or Registrar.

Whenever the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.02, that it will hold all sums held by it as such agent for the payment of the principal of, the Make-Whole Amount, if any, or interest on the Notes in trust for the benefit of the Holders of the Notes, that it will give the Trustee notice of any failure by the Issuer to make any payment of the principal of, or the Make-Whole Amount, if any, or interest on the Notes when the same shall be due and payable and that, at any time during the continuance of any such default, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held by it in trust.

Anything in this Section 4.02 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this Section 4.02, such sums to be held by the Trustee upon the trust herein contained. Any money deposited with the Trustee or any Paying Agent for the payment of the principal of or the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount or interest has become due and payable shall be paid to the Issuer, and the Holder of such Note shall thereafter look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amounts shall thereupon cease.

SECTION 4.03. Existence of Issuer. The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Issuer shall not be required to preserve the existence of the Issuer or any such right or franchise if the Board of Trustees of the Issuer

shall determine that the failure to preserve such existence, right or franchise is not disadvantageous in any material respect to the Holders of Notes and in the case of such right or franchise, is no longer desirable in the conduct of the business of the Issuer.

SECTION 4.04. Information. The Issuer will deliver to the Trustee and to each Holder of Notes upon the request of such Holder:

(a) within 90 days after the end of each fiscal year of the Issuer, a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of cash flows, income and shareholders' equity for such fiscal year, in each case prepared in accordance with generally accepted accounting principles, setting forth in each case in comparative form the figures for the previous fiscal year, and a report and opinion thereon of independent public accountants of recognized national standing; and

(b) within 60 days after the end of each of the first three fiscal quarters, unaudited consolidated financial statements of the Issuer and its Consolidated Subsidiaries for the portion of the Issuer's fiscal year then ended, prepared in accordance with generally accepted accounting principles, as provided to the Issuer's shareholders.

SECTION 4.05. Maintenance of Property; Insurance.

(a) The Issuer will keep, and will cause each Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Issuer will maintain, and will cause each Subsidiary to maintain, in full force and effect at all times with financially sound and reputable insurance companies, insurance on all of its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in similar businesses.

SECTION 4.06. Trustee. The Issuer whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.09, a

Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.07. Compliance with Laws. The Issuer will comply, and, will cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authority, except where the necessity of compliance therewith is contested in good faith or where the failure to comply would not have a material adverse effect upon the Issuer and its Consolidated Subsidiaries, taken as a whole.

SECTION 4.08. Limitations on Debt. The Issuer shall not, at any time, permit:

(a) Consolidated Debt to exceed 50% of Gross Assets, or

(b) Consolidated Secured Debt to exceed 35% of the Gross Assets.

SECTION 4.09. Minimum Net Worth. The Issuer shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars)

SECTION 4.10. Debt Service Coverage. The Issuer shall not, at the end of any fiscal quarter, permit the sum of (i) Cash Flow for the four fiscal quarters then ended plus (ii) Consolidated Interest Expense (but only to the extent such Consolidated Interest Expense shall have been deducted in computing Consolidated Net Income) for such four fiscal quarters to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other lump sum or bullet payments).

SECTION 4.11. Annual Real Property Appraisal. Prior to February 28 of each year, the Issuer will (a) cause the fair market value of the equity of the Issuer and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (b) calculate as of such December 31 the value of Gross Assets, (c) cause the Appraiser to review such calculation of Gross Assets and (d) cause to be filed with the Trustee a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such

December 31 and its opinion on the reasonableness of the Issuer's calculation of the value of Gross Assets as of such December 31 and stating that the appraisal referred to in clause (a) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 4.12. File Statement Annually with the Trustee. Within 120 days after the close of each fiscal year, the Issuer will file with the Trustee an Officers' Certificate, stating that in the course of the performance by the signers of their duties as officers of the Issuer, they would normally obtain knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, that they have made a review with a view to determining whether there is any default under this Indenture, and stating whether or not they have obtained knowledge of any such default, and, if so, specifying each default of which the signers have knowledge and the nature thereof.

At the time such Officers' Certificate is filed, the Issuer will also file with the Trustee a letter or statement of the independent accountants who shall have certified the consolidated financial statements of the Issuer for its preceding fiscal year to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention to cause them to believe that the Issuer failed to comply with the covenants in Sections 4.01, 4.08, 4.09 and 4.10 which failure remains uncured at the date of such letter or statement, or, if they shall have obtained knowledge of any such failure, specifying in such letter or statement the nature thereof.

SECTION 4.13. Further Assurances. From time to time whenever requested by the Trustee, the Issuer will execute and deliver such further instruments and assurances and do such further acts as may be reasonably necessary or proper to carry out more effectually the purposes of this Indenture or to secure the rights and remedies hereunder of the Holders of the Notes.

SECTION 4.14. Defeasance of Certain Obligations. From and after the 91st day after the date the Issuer deposits funds with the Trustee as described in paragraph (1) of this Section 4.14, the Issuer may omit to comply with any term, provision or condition set forth in Sections 4.04, 4.05, 4.07, 4.08 to 4.11, inclusive, and Section 5.01(c) and (d) and (e) and (f) (but only insofar as such paragraphs (e)

and (f) relate to Subsidiaries of the Issuer), inclusive, and Article Nine shall be deemed deleted, provided that the following conditions shall have been satisfied:

(1) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defeasance under this Section 4.14 and deposited or caused to be deposited irrevocably (except as provided in Section 3.03) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(2) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such deposit;

(4) the Issuer has delivered to the Trustee (a) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (b) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (a) or (b), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax pur-

poses as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance of certain obligations had not occurred;

(5) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble of this Section 4.14 (i) will not cause the Trustee or the trust created pursuant to this Section 4.14 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 4.14, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(6) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 4.14 have been complied with.

ARTICLE FIVE

REMEDIES

SECTION 5.01. Events of Default Defined; Acceleration of Maturity; Waiver of Default. The following events or conditions constitute Events of Default hereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order, rule or regulation of any administrative body):

(a) default in the payment of any installment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 10 Business Days; or

(b) default in the payment of principal of, or the Make-Whole Amount, if any, on any of the Notes when due, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture or the Notes (other than a covenant or agreement a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or default in the payment of principal, the Make-Whole Amount, if any, or interest), and continuance of such default or breach for a period of 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) acceleration of, or failure to pay at maturity, Debt (other than Non-Recourse Debt) of the Issuer or any Subsidiary in an aggregate principal amount in excess of $10,000,000 which acceleration is not rescinded or annulled or which Debt is not discharged, in either case, within 30 days after there shall have been given to the

Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such acceleration or failure to pay and requiring the Issuer to remedy the same; or

(e) the entry of a decree or order for relief in respect of the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) by a court having jurisdiction in the premises in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or the consent by it (or any such Subsidiary) to the entry of an order for relief in an involuntary case under any such law as to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer (or any such Subsidiary) in furtherance of any such action.

If an Event of Default set forth in Section 5.01(a) or (b) occurs and is continuing, then and in every such case (i) the Trustee by a notice in writing to the Issuer may

declare all the Notes to be due and payable immediately or (ii) the Holders of not less than 25% in aggregate principal amount of the Outstanding Notes may by written notice to the Issuer and the Trustee declare the Notes to be due and payable immediately, and upon any such declaration the Notes shall be immediately due and payable at the principal amount thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(c) or (d) occurs and is continuing, then in every such case the Trustee or the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders) and upon such declaration the Notes shall be immediately due and payable at the principal amount plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(e) or (f) occurs, the Notes shall automatically become due and payable at the principal amount thereof plus accrued interest to the date the Notes are paid without any action or declaration upon the part of the Trustee or Noteholders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Notes shall have so become due and payable, before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the expenses of the Trustee, and any and all defaults under this Indenture, other than the non-payment of Notes which shall have become due by such declaration, shall have been remedied, then in every such case the Holders of a majority in aggregate principal amount of the Notes then outstanding (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof), by written notice to the Issuer and the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no waiver and rescission and annulment shall extend to or shall affect any default in the payment of the principal of or interest on any of the Notes or any subsequent default or shall impair any right consequent thereon.

SECTION 5.02. Collection of Debt and Suits for Enforcement by Trustee. The Issuer covenants that if:

(i) in case default is made in the payment of any installment of interest on any Note when such interest becomes due and payable and such default continues for a period of 10 Business Days, or

(ii) default is made in the payment of the principal of and the Make-Whole Amount, if any, on any Note at the Maturity thereof,

then the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the principal amount thereof, plus the Make-Whole Amount, if any, with interest upon the overdue principal and the Make-Whole Amount and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and all amounts payable to the Trustee and any predecessor Trustee under Section 6.06.

If the Issuer fails to pay any amounts required under this Section 5.02 forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

SECTION 5.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or such other obligor, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and any predecessor Trustee (including, in the case of any such proceeding relating to the Issuer, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel) and of the Holders of Notes allowed in such judicial proceeding,

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and

(c) unless prohibited by law or applicable regulations, to vote on behalf of Holders of Notes in any election of a trustee in bankruptcy or other person performing similar functions;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes, to pay, in the case of any such proceeding relating to the Issuer or to the Trustee any amount due to it or any predecessor Trustee under Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of Notes, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to

authorize the Trustee to vote in respect of the claim of any Holder of Notes in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 5.04. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee (to the extent permitted by applicable law) without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes in respect of which judgment has been recovered, subject to the provisions of this Indenture.

SECTION 5.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, the Make-Whole Amount, if any, or interest, upon presentation of the Notes, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee or any predecessor Trustee under Section 6.06;

SECOND: In case the principal of the Outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of or the Make-Whole Amount, if any, on the Outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal, the Make-Whole Amount, if any, and interest, with interest on the overdue principal and installments of interest (so

far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal, the Make-Whole Amount, if any, and interest, without preference or priority of principal or the Make-Whole Amount, if any, over interest, or of interest over principal, or the Make-Whole Amount, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, the Make-Whole Amount, if any, and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.06. Limitation on Suits by Noteholders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Events of Default set forth in Sections 5.01(c) or (d);

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority (or 66-2/3% where expressly provided

herein) in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

SECTION 5.07. Unconditional Rights of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of, and the Make-Whole Amount, if any, and interest on such Note on the respective dates such payments are due in accordance with the terms of the Notes and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights and Remedies. If the Trustee or any Holder of Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Notes shall continue as though no such proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Notes, as the case may be.

SECTION 5.11. Control by Holders. Except as otherwise provided herein or in the Notes, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors and/or Responsible Officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability or would be unduly prejudicial to Holders not joining in such direction.

SECTION 5.12. Waiver of Past Defaults. The Holders of not less than 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder and its consequences, except a default in the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court of competent jurisdiction may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted against the Issuer by the Trustee, by any Holder of Notes, or group of Holders of Notes, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or by any Holder of any Note for the enforcement of the payment of the principal of, the Make-Whole Amount, if any, or interest on such Note on or after the respective dates such payments are due in accordance with the terms of the Notes.

SECTION 5.14. Notice of Default to Holders of Notes. The Trustee shall at the Issuer's expense, within 90 days after any Event of Default becomes known to a Responsible Officer of it, give the Holders of Notes notice thereof, unless such default shall have been cured or waived.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred: the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; this Subsection shall not be construed to limit the effect of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes (or 66-2/3% or 25% in principal amount where expressly provided herein) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 6.02. Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed) and any resolution of the Board of Trustees of the Issuer shall be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or

matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, or bond, debenture or other paper or document, unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of the investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes; provided that the Trustee shall not be relieved of its duty to authenticate Notes as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof.

SECTION 6.04. Trustee and Agents May Hold Notes. The Trustee, the Paying Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes, collections, proceeds, and may otherwise deal with the Issuer and may receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee, Paying Agent or such other agent.

SECTION 6.05. Moneys Held in Trust. Money held by the Trustee or the Paying Agent in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 6.06. Compensation and Indemnification of Trustee And Its Prior Claim. The Issuer covenants and agrees:

(a) to pay to the Trustee from time to time such compensation as shall from time to time be agreed upon in writing by the Trustee and the Issuer or, if there be no agreement, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any predecessor Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except to the extent any such expense, disbursement or advance may be attributable to its negligence or bad faith; and

(c) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or investigating any claim of liability in the premises, except to the extent any such loss, liability or expense may be attributable to negligence or bad faith on its own part.

To ensure the performance of the obligations of the Trustee under this Section, the Trustee shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Notes. The rights of the Trustee

under this Section 6.06 shall survive the satisfaction and discharge of this Indenture.

SECTION 6.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the good faith thereof.

SECTION 6.08. Corporate Trustee Required; Eligibility. The Trustee shall at all times be a corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $75,000,000, subject to supervision or examination by Federal or State authority and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and by mailing notice thereof by first-class mail to Holders of Notes at their last addresses as they shall appear on the Note Register. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the

giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee and to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note who has been a Holder in due course of a Note for at least six months, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer by a Board Resolution may remove the Trustee, or (B) subject to Section 5.13, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, by an Issuer Order, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or by the Holders of Notes or pursuant to Section 6.09(b) and shall have accepted appointment in the manner hereinafter provided in Section 6.10, any Holder of a Note who has been a

Holder in due course of a Note for at least six months may, subject to Section 5.13, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee in the manner set forth in paragraph 8 on the Form of Reverse of Note. The notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

(g) The rights of a Trustee pursuant to Section 6.06 shall survive its resignation or removal and the appointment of successor Trustees hereunder.

SECTION 6.10. Acceptance of Appointment by Successor. Any successor Trustee appointed as provided in Section 6.09 shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment to it of all fees, expenses and other amounts owing to it hereunder, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its claim, if any, provided for in Section 6.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be eligible and qualified under this Article.

SECTION 6.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the

successor of the Trustee hereunder, provided that such corporation shall be otherwise eligible and qualified under Section 6.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at any time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor, by merger, conversion or consolidation or by succeeding to all or substantially all the corporate trust business of the Trustee, to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor shall apply only to its successor or successors by merger, conversion or consolidation.

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 7.01. Issuer May Consolidate, etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey (including by way of lease) all or substantially all of its assets to any Person (other than the sale, transfer or conveyance (including by way of lease) of all or substantially all of the Issuer's assets in a single transaction or a series of transactions to one or more wholly-owned Subsidiaries), unless (i) either (A) the Issuer shall be the continuing entity or (B) the successor entity or the Person which acquires by sale or conveyance all or substantially all the assets of the Issuer (if other than the Issuer) shall (1) expressly assume the due and punctual payment of the principal of, the Make-Whole Amount, if any, and interest on all the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture and the Notes to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such Person, and (2) if such Person is not organized under the laws of the United States of America or any State thereof, agree in such supplemental indenture that any amount to be paid by such Person to Holders of the Notes shall be paid without deduction or withholding for any taxes, levies, imposts or charges whatsoever imposed by or for the account

of the country in which any such Person is organized or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by such country as aforesaid, or any of its political subdivisions or taxing authorities, such Person will pay any such additional amount in respect of principal, Make-Whole Amount, if any, and interest as may be necessary in order that the net amounts paid to the Holders of the Notes or the Trustee, as the case may be, after such deduction or withholding, shall equal the respective amounts of principal, Make-Whole Amount, if any, and interest as specified in the Notes to which such Holders or the Trustee are entitled, and (ii) the Issuer or such successor Person or acquiring Person shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SECTION 7.02. Successor Issuer Substituted. In the case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor entity, such successor entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession, any or all of the Notes issuable hereunder, which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication and any Notes which such successor entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any succes-

sor entity which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

SECTION 7.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Section 6.01 and 6.02, may rely on an Opinion of Counsel and an Officers' Certificate, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, for any of the following purposes:

(a) to evidence the assumption by any successor entity to the Issuer of the covenants of the Issuer herein and in the Notes contained; or

(b) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer; or

(c) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(d) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form); or

(e) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to make any provisions with respect to matters or questions arising under this Indenture, or to make any other changes herein that shall not materially adversely affect the interests of the Holders of the Notes.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Notes at the time Outstanding notwithstanding any of the provisions of Section 8.02.

SECTION 8.02. Supplemental Indentures With Consent of Holders; Waiver of Future Compliance. With the consent of the Holders of 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes, by Act of said Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolutions, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture or to waive future compliance with the Indenture or the provisions of the Notes; provided, however, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby,

(a) change the Stated Maturity of the principal of, or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or any amount payable upon redemption or acceleration thereof, or

(b) change the coin or currency in which any Note or the interest thereon is payable, or

(c) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note, or

(d) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of any Note, or

(e) modify any of the provisions of this Section or Section 5.12, except to increase any of the percentages set forth herein or therein or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby, or

(f) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Notes, or which modifies the rights of Noteholders, with respect to such covenant or provision, shall be deemed not to affect the rights under this Indenture of the Noteholders.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Trustees certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid and other documents, if any, required by Section 8.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall mail a notice thereof to the Holders of then Outstanding Notes by first-class mail to such Holders at their addresses as they shall appear on the Note Register. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trust created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.01 and 6.02) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, obligations or immunities under this Indenture or otherwise.

SECTION 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be and shall be deemed modified in accordance therewith and the respective rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Notes affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all other terms and conditions of any such supplemental indenture shall form a part of this Indenture for all purposes.

SECTION 8.05. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and such Notes shall be authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE NINE

REDEMPTION OF NOTES

SECTION 9.01. Optional Redemption. The Issuer at its option may, at any time, redeem all, or from time to time any part, of the Notes upon payment of the principal amount of the Notes, plus accrued interest to the date of redemption, plus the Make-Whole Amount, if any (the "Redemption Price"). If less than all the Notes are to be redeemed at the option of the Issuer, the Issuer will deliver to the Trustee at least 45 days prior to the Redemption Date (or such shorter period as the Trustee may accept) an Officers' Certificate stating the aggregate principal amount of Notes to be redeemed.

If less than all the Notes are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Notes to be redeemed in whole or in part. Notes may be redeemed in part in multiples equal to the minimum authorized denomination for Notes. Unless the Trustee has been requested to notify Holders of redemption pursuant to the last paragraph of Section 9.02, the Trustee shall promptly (but in no event after the later of (a) the date that is ten days after the date of receipt by the Trustee of the Officers' Certificate referred to in the first paragraph of this Section 9.01 and (b) the date that is five days before the date identified by the Issuer in such Officers' Certificate as the date on which the Issuer intends to give notice of redemption) notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes, in the case of any Note redeemed or to be redeemed only in part, relates to the portion of the principal amount of such Note which has been or is to be redeemed.

SECTION 9.02. Notice of Redemption. Notice of redemption to the Holders of Notes to be redeemed as a whole or in part at the option of the Issuer shall be given by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption (the "Redemption Date") at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the

notice to the Holder of any Note as a whole or in part, shall not affect the validity of the proceedings for the redemption of any other Note.

The notice of redemption to each such Holder shall specify the principal amount of each Note held by such Holder to be redeemed, the date fixed for redemption, the Redemption Price (or the method of calculating thereof in the case of the Make-Whole Amount component, if any, of the Redemption Price), the place or places of payment and that payment will be made upon presentation and surrender of such Notes. In the case of the redemption of Notes that are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Notes at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

Prior to sending to the Holder of any Note any notice of redemption of such Note at a Redemption Price which may include a Make-Whole Amount in accordance with the foregoing provisions, the Issuer shall compute the Make-Whole Amount, if any, with respect thereto in accordance with the foregoing provisions, and shall have delivered to the Trustee a certificate executed by an officer of the Issuer having responsibility for the calculations of Make-Whole Amounts and setting forth the applicable Make-Whole Amount, if any, and showing in reasonable detail the calculations thereof and the facts upon which such calculations are based.

SECTION 9.03. Deposit of Redemption Price. Prior to 3:00 p.m., New York City time, on the day which is one Business Day next preceding the Redemption Date, the Issuer shall deposit with the Paying Agent in "next day" (New York Clearing House) funds an amount of money sufficient to pay on the Redemption Date the Redemption Price of all the Notes so called for redemption.

SECTION 9.04. Payment of Notes Called for Redemption. If notice of redemption has been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and on and after such date (unless the Issuer shall default in the

payment of the Redemption Price) such Notes shall cease to bear interest.

If the Issuer defaults on the Redemption Date in the payment of the Redemption Price such Notes shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

SECTION 9.05. Mandatory Redemption. The Notes shall be subject to redemption in whole, at any time, at the Redemption Price within five Business Days following any Mandatory Redemption Event in accordance with the provisions of Sections 9.02, 9.03 and 9.04, except that the notice referred to in Section 9.02 shall be mailed within two Business Days of the Mandatory Redemption Event.

ARTICLE TEN

MEETINGS OF NOTEHOLDERS

SECTION 10.01. Notice; Quorum; Actions Taken.

(a) The Issuer may at any time call a meeting of the Noteholders, such meeting to be held at such time and at such place as the Issuer shall determine, for the purposes provided in Section 8.02 hereof, or for the purpose of taking action with respect to any Event of Default under Article Five hereof. Notice of any meeting of Noteholders, setting forth the time and place of such meeting, in general terms the action proposed to be taken at such meeting and the record date for determining Holders entitled to take action at such meeting, shall be mailed to the registered address of such Holders not less than 20 nor more than 180 days prior to the date fixed for such meeting. To be entitled to vote at any meeting of Noteholders, a person must be (i) a Holder of one or more Notes on such record date or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Notes on such record date. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuer or the Trustee and their respective counsel.

(b) Persons entitled to vote a majority in principal amount of the Notes at the time Outstanding shall constitute a quorum for the purpose of any such meeting. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to

order. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, a meeting which has been called by the Issuer or the Trustee shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for a period of not less than 10 additional days as determined by the chairman of the meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph (a) of this Section 10.01. Subject to the foregoing, at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in principal amount of the Notes at the time Outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the Outstanding Notes which shall constitute a quorum.

(c) At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution for any purpose provided in Article Eight hereof or for the purpose of taking any action with respect to any Event of Default under Article Five hereof shall be effectively passed and decided if passed and decided by the persons entitled to vote the lesser of (i) a majority in principal amount of Notes then Outstanding and (ii) 75% in principal amount of the Notes represented and voting at the meeting. Any Noteholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purpose of determining a quorum and be deemed to have voted, provided that such Noteholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting). Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Section shall be binding on all the Noteholders whether or not present or represented at the meeting.

(d) The Issuer shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of Persons entitled to vote a majority in principal amount of the Notes represented at the meeting. At any meeting each Noteholder or proxy shall be entitled to one vote for each $250,000 principal amount of Notes as to which he is a Noteholder or proxy; provided, however that no vote shall be cast or counted at any meeting in respect of any Note challenged as

not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Noteholder or proxy. Any meeting of Noteholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(e) The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or proxies and on which shall be inscribed an identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes entitled to be voted by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the acts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

* * * * *

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By: /s/ Michael L. Johnson

Senior Vice President
and Chief Financial Officer

[SEAL]

Attest:

/s/ William J. Lyons

Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: /s/ Helen G. Chin

Vice President

[SEAL]

Attest:

/s/ Catherine F. Donohue

Assistant Secretary

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STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 5th day of April, 1993, before me personally came Michael L. Johnson, to me known, who, being by me duly sworn, did depose and say that he resides at 115 Central Park West, New York, NY 10023; that he is the Senior Vice President and Chief Financial Officer of CORPORATE PROPERTY INVESTORS, one of the parties described in and which executed the above instrument; that he knows the seal of said Trust; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of trustees of said Trust; and that he signed his name thereto pursuant to like authority.

/s/ Harold Rolfe

Notary Public

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 5th day of April, 1993, before me personally came Helen G. Chin to me known, who, being by me duly sworn, did depose and say that she resides at New York, NY; that she is a Vice President of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, one of the parties described in and which executed the above instrument; that she knows the corporate seal of said banking corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of directors of said banking corporation; and that she signed her name thereto pursuant to like authority.

/s/ Alison M. Levchuck

Notary Public

EXHIBIT A

[Name of Trustee]
[address]

Dear Sirs:

In connection with our proposed purchase of $ principal amount of 7.05% Notes Due 2003 (the "Notes") of Corporate Property Investors ("CPI"), we confirm that:

1. We have received a copy of the Offering Memorandum dated March 26, 1993, relating to the Notes and understand that the Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes within three years of the later of the original issuance of the Notes or the sale thereof by the Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if we are at the proposed date of such transfer or were during the three months preceding such proposed date of transfer an Affiliate of the Issuer, we will do so only (A) to CPI, (B) in accordance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note), (C) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act (as indicated by the box checked by the transferor on the form of assignment on the reverse of the Note) or (D) to an institutional investor that is an "accredited investor" within the meaning of Rule 501(a) (1), (2), (3) or (7) under the Securities Act which delivers a certificate in the form hereof to the trustee under the Indenture dated as of April 1, 1993 between CPI and Morgan Guaranty Trust Company of New York, as trustee (the "Indenture Trustee"), and we further agree, in the capacities stated above, to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

In addition, we understand that, upon any proposed resale of any Note within three years of the later of the original issuance of such Note (or any predecessor Note thereof) or the sale of such Note (or any predecessor Note thereof) by CPI or an Affiliate of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act)

or if we are at the proposed date of such transfer or were during the three months preceding such proposed date of transfer an Affiliate of the Issuer, we will be required to furnish to the Indenture Trustee such certification and other information (including, without limitation, an opinion of counsel) as the Indenture Trustee or CPI may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that certificates evidencing Notes purchased by us will bear a legend to the foregoing effect until the third anniversary of the later of the original issuance of the Notes (or any predecessor Notes thereof) or the sale thereof by CPI or an Affiliate of CPI (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) and for so long as we are or during the preceding three months have been an Affiliate of the Issuer.

2. We are an institutional investor and an "accredited investor" (within the meaning of Rule 501(a) (1), (2), (3) or (7) under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any account for which we are acting are each able to bear the economic risk of our or its investment.

3. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion and for each of which we are acquiring not less than $250,000 aggregate principal amount of Notes.

4. We have received such information as we deem necessary in order to make our investment decision.

You and CPI are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or

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legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Purchaser]

By:

Name:
Title:

Exhibit 4.12

CONFORMED COPY

CORPORATE PROPERTY INVESTORS
Issuer

and

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
Trustee

Indenture

Dated as of September 1, 1993

$75,000,000

7.18% Notes Due 2013

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder (or under any Note), and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder (or under any Note) or for the performance hereof (or of any Note).

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ARTICLE SIX

CONCERNING THE TRUSTEE

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

THIS INDENTURE, dated as of September 1, 1993 between CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer"), having its principal office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, as Trustee hereunder (hereinafter called the "Trustee"), having its corporate trust office at 60 Wall Street (36th Floor), New York, New York 10260.

RECITALS

WHEREAS, the Issuer has duly authorized the creation of an issue of its 7.18% Notes Due 2013 (the "Notes") of substantially the tenor and amount hereinafter set forth, and to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Notes, that the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR TUE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE THIRD ANNIVERSARY OF THE LATER OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR NOTE HERETO) OR THE SALE HEREOF (OR ANY PREDECESSOR NOTE HERETO) BY THE ISSUER OR ANY AFFILIATE OF THE ISSUER (COMPUTED IN ACCORDANCE WITH

PARAGRAPH (d) OF RULE 144 UNDER THE SECURITIES ACT) OR (Y) BY AN AFFILIATE OF THE ISSUER OR BY ANY HOLDER THAT WAS AN AFFILIATE OF THE ISSUER AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE, OTHER THAN (1) TO THE ISSUER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO ANY EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(l), (2), (3) OR (7) UNDER THE SECURITIES ACT WHICH DELIVERS A CERTIFICATE IN THE FORM OF EXHIBIT A TO THE INDENTURE TO THE TRUSTEE UNDER THE INDENTURE DATED AS OF SEPTEMBER 1, 1993, BETWEEN THE ISSUER AND MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS TRUSTEE.

CUSIP #220 027AF3

No. ___ $_____

CORPORATE PROPERTY INVESTORS

7.18% NOTE DUE 2013

CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, upon surrender hereof the principal sum of _____ United States Dollars ($_____) on September 1, 2013 and to pay interest thereon, semiannually in arrears, on each March 1 and September 1 (an "Interest Payment Date") in each year, commencing in 1994, at 7.18% per annum, from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if the date hereof is an Interest Payment Date to which interest has been paid or duly provided for, then from the date hereof or, if no interest has been paid or duly provided for, from September 2, 1993, in each case until the principal hereof is paid or payment thereof is duly provided for. Notwithstanding the foregoing, if the date hereof is after February 15 or August 15 in any year and before the following March 1 or September 1 in such year, this Note shall bear interest from such March 1 or September 1, as applicable, provided that if the

Issuer shall default in the payment of interest due on such March 1 or September 1, as applicable, then this Note shall bear interest from the next preceding Interest Payment Date to which interest on the Note has been paid or duly provided for, or if no interest has been paid or duly provided for, from September 2, 1993. The interest so payable on any Interest Payment Date will, subject to the provisions contained in the Indenture (as hereinafter defined), be paid to the Person in whose name this Note is registered at the close of business in the City of New York on the February 15 or August 15 (in either case, the "Record Date") next preceding the March 1 or September 1, respectively, on which such Interest Payment Date falls. Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The statements set forth in the legend are an integral part of the terms of this Note and by acceptance hereof each holder of this Note agrees to be subject to and bound by the terms and provisions set forth in such legend.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth on the face hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed by the manual or facsimile signature of a duly authorized officer of the Issuer.

Dated:

CORPORATE PROPERTY INVESTORS

[Seal]

By:_____

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes described in the within-mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Trustee

By:_____
Authorized Officer

[FORM OF REVERSE OF NOTE]

CORPORATE PROPERTY INVESTORS

7.18% NOTE DUE 2013

1. This Note is one of a duly authorized issue of Notes of the Issuer designated as its 7.18% Notes Due 2013 (herein called the "Notes"), limited (except as otherwise provided in the Indenture referred to below), in aggregate principal amount to $75,000,000. The Notes are issued and to be issued under the Indenture, dated as of September 1, 1993 (herein called the "Indenture"), between the Issuer and Morgan Guaranty Trust Company of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders (as defined in the Indenture) of the Notes. The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the offices of the paying agent referred to below.

2. The Notes are direct unsecured obligations of the Issuer and rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Notes are issuable in fully registered form without coupons in denominations of $250,000 and integral multiples thereof.

3. (a) The Notes are not entitled to any mandatory sinking fund. The Notes may be redeemed at the Issuer's option, in whole at any time or from time to time in part, upon notice as described below, at a redemption price equal to the sum of (i) the principal amount of the Note, plus interest through the date of redemption, and (ii) the Make-Whole Amount (as defined in the Indenture), if any (the "Redemption Price").

(b) Except as provided in paragraph (c) below, notice of redemption of the Notes, in whole or in part, as the case may be, shall be given in accordance with paragraph 8, at least once not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. Notice having been given, the Notes so called for redemption shall become due and payable on the date fixed for redemption and upon presentation and surrender thereof will be paid at the Redemption Price at the place or places of payment and in the manner specified herein.

(c) The Notes will be subject to mandatory redemption, as described below, at the Redemption Price upon the occurrence of a Mandatory Redemption Event (as defined in the Indenture). The Issuer will be required to redeem the Notes within five Business Days (as defined in the Indenture) of any Mandatory Redemption Event.

4. Pursuant to the terms of the Indenture, the Issuer has initially appointed Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), as transfer agent for the exchange and transfer of the Notes, and as Registrar. The Issuer shall have the right, at any time and from time to time, to terminate any such appointment and to appoint any substitute or additional paying agents, subject to the terms and conditions set forth in the Indenture.

5. (a) Principal and the Make-Whole Amount, if any, on the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made to the person in whose name such Note is registered at the close of business in the City of New York on the

Record Date next preceding the relevant Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided that if and to the extent the Issuer shall default in the payment of interest due on such payment date, such defaulted interest shall be paid to the persons in whose names the Notes are registered at the close of business on a subsequent Record Date established by notice given by mail by or on behalf of the Issuer to the Holders of Registered Notes not less than 15 days preceding such subsequent Record Date, such Record Date to be not less than ten days preceding the date of payment of such defaulted interest. Payment of such interest will be made (i) by dollar check drawn on a bank in the City of New York sent to the Holder's registered address or (ii) to any Holder of $5,000,000 or more aggregate principal amount of the Notes, upon written instructions to the Paying Agent not later than the relevant Record Date, by wire transfer in immediately available funds to a dollar account maintained by such Holder, as the case may be, with a bank in the United States designated by such Holder (but only if such bank shall have appropriate facilities therefor). Interest payments on this Note shall include interest accrued from and including the date indicated on the face hereof, or from but excluding the most recent date to which interest has been paid or duly provided for, to but excluding the related Interest Payment Date or date of Maturity as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed.

(b) Should the Issuer at any time default in the payment of any principal of or the Make-Whole Amount, if any, or interest on this Note, the Issuer will pay interest on the amount in default (to the extent permitted by law in the case of interest on interest) at the rate of interest borne by the Notes.

(c) The Issuer covenants that as long as this Note shall be outstanding it shall at all times maintain a paying agency in the Borough of Manhattan, the City of New York for payments with respect to Notes. Notice of any termination or appointment and of any change in the office through which any Paying Agent, transfer agent or Registrar will act will be promptly given once in the manner described in paragraph 8.

6. Except as otherwise provided in the Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all moneys paid by the Issuer to the Trustee or any other Paying Agent for the payment of principal of and the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount, if any, or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

7. The Issuer agrees to provide the Holder hereof and any prospective purchaser hereof designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A (d) (4) under the Securities Act as will enable resales of this Note to be made pursuant to Rule 144A; provided, however, that the Issuer shall not be required to provide more information pursuant to this paragraph 7 than is required by Rule 144A as in effect on the date of the Indenture, but may elect to do so if necessary as a result of subsequent amendments to such Rule. Further, this Note and related documentation may be amended or supplemented from time to time (x) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedure in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (y) to accommodate the issuance, if any, of this Note in book-entry form and matters related thereto (although no such amendment or supplement may require that this Note, if it is outstanding at the time such amendment or supplement becomes effective, be placed in book-entry form). The Holders of this Note shall be deemed, by the acceptance of this Note, to have agreed to any such amendment or supplement.

8. All notices to the Noteholders will be mailed to Holders of Notes at their registered addresses.

9. (a) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and, upon the request of the Issuer, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced

Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note pay or authorize the payment of the same, if the applicant for such payment shall furnish to the Issuer and to the Trustee security or indemnity and, in every case of apparent destruction, loss or theft, satisfactory evidence, in each case as set forth in the preceding sentence. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note or Notes, duly endorsed or accompanied by a duly executed instrument of assignment and transfer, may be exchanged for an equal aggregate principal amount of Notes in different authorized denominations or Notes may be exchanged for a Note or Notes of authorized denominations by surrender of such Note or Notes at the corporate trust office of the Trustee in the City of New York, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note may be transferred in whole or in part (in the amount of U.S. $250,000 and integral multiples thereof) by the Holder or Holders surrendering the Note for registration of transfer at the office of any transfer agent or at the office of the Registrar, duly endorsed or accompanied by a duly executed instrument of assignment and transfer. Upon presentation of this Note for registration of transfer as provided herein, the Registrar shall register the transfer of this Note only if (i) the Registrar shall have received written instructions from the Issuer to effect such transfer, (ii) the Note is presented for registration of transfer at least three years after the later of the issuance of this Note (or any predecessor Note hereto) and the sale hereof (or any predecessor Note hereof) by the

Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer or (iii) the Holder hereof shall have properly completed the Certificate of Transfer below or a transfer instrument substantially in the form of such Certificate of Transfer and have delivered such Certificate of Transfer or transfer instrument (together with any transferee certification required as part of the Certificate of Transfer and any letter required by the Issuer or the Trustee to be delivered by the transferee with such certificate of transfer or transfer instrument) to the Trustee.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by mail and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

(e) The Issuer, Trustee or Registrar may decline to accept any request for an exchange or registration of transfer during the period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

(f) Each purchaser of this Note will be deemed to have represented and agreed as follows: (i) it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and it or such account is (x) a "Qualified Institutional Buyer" (as defined in Rule 144A of the Securities Act) and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act; or (y) an "accredited investor" within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act and in the case of each of (x) and (y) it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part hereof, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts to be at all times within its or their control and subject to its or their ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the

Securities Act; (ii) it acknowledges that this Note has not been and will not be registered under the Securities Act and may not be sold except as permitted below; (iii) it agrees that (A) if it should transfer this Note (or any predecessor Note hereto) within three years after the later of the original issuance of the Notes and the sale thereof by the Issuer or an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if it was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer it will do so in compliance with any applicable state securities or "Blue Sky" laws and only (1) to the Issuer, (2) in compliance with Rule 144A under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), (3) outside the United States in compliance with Regulation S under the Securities Act (as indicated by the box checked by the transferor on the Certificate of Transfer), or (4) to an Accredited Investor, but only if, in connection with any transfer a certificate in the form of Exhibit A to the Indenture is delivered by the transferee to the Registrar, and (B) it will give the transferee notice of any restrictions on resale of this Note; (iv) it understands that this Note, unless otherwise agreed by the Issuer and the Holder thereof, will bear the legend on the face of this Note; (v) it has received the information, if any, requested by it pursuant to Rule 144A under the Securities Act, has had full opportunity to review such information and has received all additional information necessary to verify such information; (vi) it (A) is able to fend for itself in the transactions contemplated by its acquisition of this Note; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in this Note; and (C) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment; and (vii) it understands that the Issuer, the Managers (as defined in the Offering Memorandum relating to the Notes) and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of this Note are no longer accurate, it shall promptly notify the Issuer. If it is acquiring this Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account.

10. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the Holders of 66-2/3% in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such Holders may waive any default under the Indenture and its consequences, except a default in the payment of principal of or the Make-Whole Amount, if any, or interest on any of the Notes. Any such consent or waiver by the Holder of this Note (unless revoked as provided in the Note) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Note which may be issued in exchange or substitution herefor, whether or not any notation thereof is made upon this Note or such other Notes.

11. The Indenture contains provisions permitting the Issuer and the Trustee, with the consent of the Holders of not less than 66-2/3% in aggregate principal amount of the Notes at the time Outstanding (or such lesser amount as may have acted at a Noteholders' meeting pursuant to Article Ten of the Indenture), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Notes; Provided that no such supplemental indenture shall without the consent of each Holder of an Outstanding Note affected thereby (i) change the Stated Maturity of the principal of or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or on any amount payable upon redemption or acceleration thereof, (ii) change the coin or currency in which any Note or interest thereon is payable, (iii) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (iv) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of the Notes, (v) modify any of the provisions of Section 5.12 or 8.02 of the Indenture, except to increase any of the percentages set forth therein or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby or (vi) reduce the quorum requirements or the percentage of votes required for the adoption of any

action at a meeting of Noteholders. In addition, this Note and related documentation may be amended or supplemented from time to time (i) to modify the restrictions on, and procedures for, resales and other transfers of this Note to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of this Note shall be deemed, by the acceptance of such Note, to have agreed to any amendment or supplement described in the immediately preceding sentence.

12. The Indenture provides that persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum at a meeting of Holders of Notes. In the absence of such a quorum at a meeting of Holders of Notes called by the Issuer, such meeting shall be adjourned for a period of not less than 10 days and, in the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for another period of not less than 10 days. At any subsequent reconvening of any meeting of Holders of Notes adjourned for lack of a quorum, persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. Any action which may be taken by a meeting of Holders of Notes requires a vote of the Holders of the lesser of (a) a majority of the aggregate principal amount of the Notes then outstanding or (b) 75% in aggregate principal amount of the Holders of Notes represented and voting at the meeting.

13. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and the Make-Whole Amount, if any, and interest on this Note at the times and rate herein prescribed.

14. The Indenture provides that the Issuer may merge or consolidate with, or sell or convey all or substantially all its assets to, any corporation or other entity and that such corporation or other entity may assume the obligations of the Issuer under the Indenture and the Notes without the consent of the Noteholders provided that certain conditions are met.

15. The Indenture provides that, upon satisfaction of certain terms and conditions as set forth in the Indenture, the Issuer (a) will be discharged from any and all obligations in respect of this Note (except for certain obligations to register the transfer or exchange of Notes, to replace any stolen, lost or mutilated Note, to maintain paying agencies and hold monies in trust) and (b) has the option to omit to comply with certain covenants and certain provisions of the Indenture shall cease to apply, in the case of each of (a) and (b) above, 91 days after the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations (as defined in the Indenture), which through the payment of interest and principal thereof in accordance with their terms will provide money in sufficient amount to pay the principal of and interest on this Note on the Stated Maturity of such payments in accordance with the terms of the Indenture and this Note.

16. The Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Note is registered as the absolute owner thereof for all purposes and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

17. The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

18. All terms not otherwise defined herein shall have the meanings specified in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM--as tenants in common

UNIF GIFT MIN AT--..... Custodian.....

Under Uniform Gifts to Minors Act

.....

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

_____

_____

_____

(please print or typewrite name and address including zip code of assignee and insert Taxpayer Identification No.)

this Note and all rights hereunder, hereby irrevocably constituting and appointing _____ attorney to transfer this Note on the books of the Issuer, with full power of substitution in the premises.

(The following is not required for sales or other transfers of this Note to or through or with the written approval of the Issuer.)

CERTIFICATE OF TRANSFER

In connection with any transfer of this Note occurring prior to the date which is three years after the later of the issuance of this Note (or any predecessor Note) and the sale hereof by an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or by a Holder that was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer, the undersigned confirms that:

Transferor Certifications

1. Applicable Exemption [check one]

[ ] (a) This Note is being transferred by the undersigned to a transferee that is, or that the undersigned reasonably believes to be, a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended)

pursuant to and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) This Note is being transferred by the undersigned to a transferee that is an "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended) that has furnished to the Registrar a signed letter containing certain representations and agreements relating to the restrictions on transfers of such Notes (the form of which letter can be obtained from the Registrar) and that the undersigned has been advised by the transferee that it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part thereof, subject to any requirement of law that the disposition of its property being at all times within its control and subject to its ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act of 1933, as amended.

or

[ ] (c) This Note is being transferred by the undersigned in an "Offshore Transaction" (as defined in Regulation S under the Securities Act of 1933, as amended) to a transferee that is not, or that the undersigned reasonably believes not to be, a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) pursuant and in accordance with the exemption from registration under the Securities Act of

1933, as amended, provided by Regulation S thereunder.

2. Affiliation with Issuer (check if applicable]

[ ] (a) The undersigned represents and warrants that it is, or at some time during which it held this Note was, an Affiliate of the Issuer.

(b) If 2(a) above is checked and if the undersigned was not an Affiliate of the Issuer at all times during which it held this Note, indicate the most recent date as of which the undersigned was an Affiliate of the Issuer: _____.

(c) If 2(a) above is checked and if the transferee will not pay the full purchase price for the transfer of this Note on or prior to the date of transfer indicate when such purchase price will be paid: _____.

TO BE COMPLETED BY TRANSFEREE

IF 1(a) ABOVE IS CHECKED AND THE TRANSFEROR IS NOT A QUALIFIED INSTITUTIONAL BUYER:

The undersigned represents and warrants that it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information.

Dated: _____ _____

NOTICE: To be executed by an officer.

TO BE COMPLETED BY TRANSFEREE

IF 1(c) ABOVE IS CHECKED:

The undersigned represents and warrants that it is not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended).

Dated: _____ _____

NOTICE: To be executed by an officer.

If none of the boxes under the Applicable Exemption section of the Transferor Certifications is checked or if any of the above representations required to be made by the transferee is not made, the Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof.

THE UNDERSIGNED HEREBY AGREES THAT, UNLESS THE BOX ABOVE UNDER ITEM 2(A) IS CHECKED, THE UNDERSIGNED SHALL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT NOR HAS IT BEEN AT ANY TIME DURING WHICH IT HELD THIS NOTE AN AFFILIATE, AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OF THE ISSUER.

Dated: _____ _____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of this Note in every particular without alteration or enlargement or any change whatsoever.

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.01. Definitions.

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section.

(1) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America then in effect; and

(3) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Act" when used with respect to any Holder of a Note has the meaning specified in Section 1.03.

"Affiliate" has the meaning assigned thereto in Rule 144 under the Securities Act and any successor rule thereto.

"Appraisal" means an appraisal referred to in Section 4.11 hereof.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that is a member of the Appraisal Institute selected by the Issuer and acceptable to the Trustee, which acceptance shall be deemed given unless the Trustee reasonably objects to the selection on the basis of such appraiser's lack of national

recognition, independence or qualification as a member of the Appraisal Institute.

"Asset Disposition" means any sale, lease, transfer or other disposition of any asset, directly or indirectly (by merger or otherwise), by the Issuer or any Subsidiary other than (i) any lease of space in Real Property entered into in the ordinary course of business, (ii) any sale, lease, transfer or other disposition of any asset other than Real Property entered into in the ordinary course of business, (iii) any sale, lease, transfer or other disposition of any asset to the Issuer or to any wholly-owned Consolidated Subsidiary of the Issuer, (iv) any transfer of cash or any sale or other disposition of a short-term investment and (v) any grant of a Lien on any property of the Issuer or any Subsidiary.

"Board of Trustees" means the Board of Trustees of the Issuer or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board in connection herewith.

"Board Resolution" when used with reference to the Issuer means a copy of a resolution, certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Trustees and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day which is not a Saturday, Sunday or a legal holiday or a day on which banks in the State of New York are required or authorized to be closed.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period (determined in accordance with generally accepted accounting principles) to the extent deducted in determining Consolidated Net Income for such period.

"Consolidated Debt" means at any date the Debt of the Issuer and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation, (i) any interest accrued or paid during such period which is capitalized in accordance with

generally accepted accounting principles, (ii) the portion of any obligation under capitalized leases allocable to interest expense during such period in accordance with generally accepted accounting principles and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a person other than the Issuer or a wholly-owned Consolidated Subsidiary.

"Consolidated Net Income" means for any period the consolidated income (or loss) before nonrecurring items of the Issuer and its Consolidated Subsidiaries for such period, determined in accordance with generally accepted accounting principles.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding principal amount of Consolidated Debt at such date.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Issuer at such date and (ii) Debt of any Subsidiary at such date. Notwithstanding the foregoing, if the Trustee shall have received a certificate from the Chairman or chief financial officer of the Issuer stating that the amount of Secured Debt of the Issuer or any Subsidiary that is Non-Recourse Debt exceeds the FMV of the assets securing it and setting forth the FMV thereof (together with the basis therefor), then the amount of such excess shall be deemed not to be Debt for purposes of computing Consolidated Secured Debt. As used in the preceding sentence, the term "FMV" with respect to any asset means (i) if such asset is Real Property that was valued in the most recent Appraisal, then the value of such asset as set forth in such Appraisal, (ii) if such asset is Real Property acquired after the valuation date of the most recent Appraisal, then the purchase price thereof and (iii) in all other cases, the fair market value of such asset determined in good faith by the Chairman or chief financial officer of the Issuer.

"Consolidated Subsidiary" means any Subsidiary or other entity (including, without limitation, a partnership), the accounts of which would be consolidated with those of the Issuer in its consolidated financial statements if such statements were prepared as of such date.

"Corporate Trust Office" means the principal corporate trust office of the Trustee at which at any particular time its corporate trust business skill be administered, which office is, at the date of execution of

this Indenture, located at 60 Wall Street (36th Floor), New York, New York 10260.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment of such obligations and (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee; provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b) the Obligor's interest in Real Property to the payment of a mortgage loan or other secured indebtedness which is solely the obligation of any other Person, the amount of indebtedness or other obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the Obligor's interest in such Real Property as determined in accordance with the most recent Appraisal.

"Depositary" means the depositary for the Global Notes initially appointed by the Issuer pursuant to Section 2.01(f), until a successor depositary shall have become such pursuant to such Section and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Event of Default" means any event or condition specified in Section 5.01.

"Global Note" has the meaning specified in Section 2.01(f).

"Gross Assets" means at any date the sum of (i) the consolidated Real Property Value of the Issuer and its Consolidated Subsidiaries, (ii) cash and all other assets of the Issuer and its Consolidated Subsidiaries which, in accordance with generally accepted accounting principles, would at such time be included on a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries (other than Real Property and any asset which is classified as an intangible asset under generally accepted accounting principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all determined as of the valuation date for the most recent Appraisal and (iii) if not included in the assets described in clause (ii), the value of any notes and contract receivables held by the Issuer pursuant to its Employee Share Purchase Plan as indicated in the most recent Appraisal.

"Holder" or "Noteholder" when used with respect to any Note means the Person in whose name the Note is registered in the Note Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest" or "interest" means the interest payable on the Notes.

"Interest Payment Date" has the meaning specified in the form of face of Note.

"Issuer" means the Person named as the "Issuer" in the first paragraph of this instrument until a successor entity shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor entity.

"Lien" means any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind (including any right under any conditional sale or other title retention agreement).

"Make-Whole Amount" means, in connection with any optional or mandatory redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to

the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semiannual basis, such principal and interest at the Reinvestment Rate (determined on the Business Day immediately preceding the date of such redemption or declaration of accelerated payment) from the respective dates on which they would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Note being redeemed or paid.

"Mandatory Redemption Event" means any of:

(a) any Asset Disposition if, after giving effect thereto, the aggregate net proceeds (which includes without limitation, the principal amount of any debt secured by any disposed of Real Property which is released in connection with such Asset Disposition) from all Asset Dispositions made by the Issuer and its Subsidiaries on or after the date of this Indenture exceeds 50% of the sum of (i) $4,011,000,000 (Four Billion Eleven Million Dollars) plus (ii) the excess, if any, of (x) the net cash proceeds of any Subordinated Securities of the Issuer sold by the Issuer after the date of this Indenture over (y) the portion of such proceeds not invested by the Issuer or any Subsidiary in Real Property (for purposes of clause (y), proceeds used to repay Debt incurred to invest in Real Property being deemed to have been invested in Real Property); and

(b) the failure by the Issuer to qualify, at any time, as a "real estate investment trust" under Sections 856-859 of the Internal Revenue Code of 1986, as amended, or any successor provision.

"Maturity" means, when used with respect to any Note, the date on which the principal and the Make-Whole Amount, if any, of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or otherwise.

"Non-Recourse Debt" of any Person means at any time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing, Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document, evidencing, governing, securing or otherwise

relating to such Debt provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) liabilities of the holders of such Debt and their affiliates to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Note" means a registered Note authenticated and delivered under this Indenture.

"Note Register" has the meaning specified in Section 2.04(a).

"Notice of Issuance" means a Request of the Issuer pursuant to Section 2.03.

"Officers' Certificate" means a certificate signed by both the President and any Senior Vice-President or the General Counsel of the Issuer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer, Cravath, Swaine & Moore or other counsel of nationally recognized standing.

"Outstanding" when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment money in the necessary amount has been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Notes; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered or which have been paid pursuant to Section 2.05 of this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by bona fide holders in due course;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder and for purposes of determining Outstanding Notes under Section 5.01, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon and in accordance with the advice of counsel shall be full protection to the Trustee.

"Paying Agent" means any Person appointed by the Issuer pursuant to Section 4.02 to pay the principal of, the Make-Whole Amount, if any, or interest on any Notes on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Private Placement Legend" has the meaning set in Section 2.04(g).

"Purchase Agreement" means the Purchase Agreement among the Issuer, Lazard Freres & Co. and J.P. Morgan Securities Inc. dated as of August 19, 1993.

"Qualified Institutional Buyer" has the meaning assigned thereto in Rule 144A.

"Real Property" means land, rights in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in land; or interests therein, including, without limitation, fee ownership of land or improvements, options, leasehold, joint venture or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or

otherwise secured in any way by mortgages, or interests in any of the foregoing instruments.

"Real Property Value" means at any time the fair market value of the equity in all interests in Real Property held at such time by the Issuer and its Consolidated Subsidiaries as set forth in the most recent Appraisal to which shall be added related debt secured by real property, to the extent that such debt has been deducted in determining such fair market value.

"Record Date" has the meaning specified in the form of face of Note.

"Redemption Date" has the meaning set forth in Section 9.02.

"Redemption Price" has the meaning set forth in Section 9.01.

"Registrar" has the meaning set forth in Section 2.04.

"Regulation S" means Regulation S under the Securities Act, and any successor regulation thereto.

"Reinvestment Rate" means .50% (one-half of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the maturity of the principal being prepaid or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Request" and "Order" when used with reference to the Issuer mean, respectively, a written request or order signed in the name of the Issuer by the Chairman of the Board of Trustees or the President or any Senior Vice President, the General Counsel, or the Treasurer of the Issuer, delivered to the Trustee.

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"Secured Debt" means, with respect to any Person, any Debt of such Person that is secured by a Lien on any of its assets.

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

"Stated Maturity" when used with respect to any Note or any installment of interest thereon means the date specified in such Note as the fixed date on which the principal of such Note, the Make-Whole Amount, if any, or such installment of interest is due and payable.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Obligations adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the Issuer.

"Subordinated Securities" of any Person means shares of beneficial interest or stock, or other equity interest, in such Person (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of such Person which shall have been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Notes.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, securities or ownership interests of which having ordinary voting power to elect a majority of such board or body are at the time of determination directly or indirectly owned by the Issuer and (ii) any general or limited partnership or joint venture of which the Issuer directly or indirectly owns the interest of a general partner or venturer; provided, however, that (A) for purposes of Sections 5.01 and 9.05, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and

agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause such partnership or venture to take, or to refrain from taking, the action described in such Sections and (B) for purposes of Article Four, such partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such partnership or venture, the Issuer directly or indirectly shall have the right to cause compliance by such partnership or venture with the provisions of such Article. For purposes of the preceding sentence, the right to take or refrain from taking any action shall include the right to cause the subject partnership or venture to obtain the necessary funds required for it to take or refrain from taking such action.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed by the United States.

"U.S. Person" has the meaning assigned thereto in Regulation S.

SECTION 1.02. Form of Documents Delivered to Trustee; Compliance Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by,

counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture other than a Request pursuant to Section 2.03 for the initial authentication of Notes pursuant to this Indenture, there shall be furnished to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Acts of Holders of Notes.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action

shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy, or of the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is shown by the evidence to be included in the Notes the Holders of which have consented to such action may (to the extent permitted by applicable law), by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in this Section 1.03, revoke such consent so far as it concerns such Note. Except as aforesaid, any such action by the Holder of any Note (to the extent permitted by applicable law) shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange or substitution thereof or irrespective of whether or not any notation in regard thereto is made upon each Note or upon any Note issued in exchange or substitution therefor.

SECTION 1.04. Notices, etc., to Trustee or Issuer. Except as provided in Section 5.01, any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Notes or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder of Notes or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office to the attention of Corporate Trust Administration, or

(2) the Issuer by the Trustee or by any Holder of Notes shall be sufficient for every purpose hereunder if in writing, and delivered by hand, mailed, first-class postage prepaid, or telexed or telecopied and confirmed by mail, first-class postage prepaid, addressed to the Issuer at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Secretary, or at any other address previously furnished in writing to the Trustee by the Issuer.

All notices, elections, requests and demands required or permitted under this Indenture shall be in the English language.

SECTION 1.05. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.06. Successors and Assigns. All covenants and agreements in this Indenture by the Issuer or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.07. Separability Clause. In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.08. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.09. Governing Law. This Indenture and each of the Notes shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.10. Legal Holidays. In any case where the Stated Maturity of any Note or the date on which any installment of interest is due and payable shall be a day which is not a Business Day, then (notwithstanding any other provision of this Indenture or the Notes) payment of interest, the Make-Whole Amount, if any, or principal need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as

if made at the Stated Maturity or due date and no interest shall accrue on such payment for the intervening period after such Stated Maturity or due date to such next succeeding Business Day.

SECTION 1.11. Consent to Jurisdiction and Service of Process. The Issuer waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue in any suit, action or proceeding arising out of or relating to this Indenture or any Note brought in any New York State or United States Federal court sitting in the Borough of Manhattan in the City of New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment, provided that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain Outstanding, the Issuer will at all times during which the Issuer does not maintain an office in the Borough of Manhattan, the City of New York have an authorized agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note and will upon the appointment of such agent promptly notify the Trustee in writing of the name and address of such agent. Service of process upon such agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding.

Nothing in this Section shall affect the right of the Trustee or any Noteholder to serve process in any manner permitted by law or limit the right of the Trustee to bring proceedings against the Issuer in the courts of any jurisdiction or jurisdictions.

SECTION 1.12. Disclaimer of Liability of Shareholders and Others. Corporate Property Investors refers to the Trustees for the time being under an Amended and Restated Declaration of Trust dated as of June 15, 1978, as amended, on file in the office of the Secretary of the Commonwealth of Massachusetts. The Declaration of Trust

provides that the obligations of Corporate Property Investors shall not constitute personal obligations of its Trustees, officers, shareholders, employees or agents, and that all persons dealing with Corporate Property Investors shall look solely to the assets of Corporate Property Investors for satisfaction of any liability of Corporate Property Investors, and will not seek recourse against such Trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

ARTICLE TWO

ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

SECTION 2.01. Form Generally; Title and Terms.

(a) The Notes, including the face of the Notes, the reverse of the Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth above, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by such execution.

The definitive Notes shall be printed, lithographed, engraved or otherwise produced as determined by the officers executing such Notes as evidenced by such execution.

(b) Except for Notes authenticated and delivered in exchange for or in lieu of Notes pursuant to Section 2.04, 2.05 or 8.05, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $75,000,000 principal amount.

The Notes shall be known and designated as the 7.18% Notes Due 2013 of the Issuer. Their Stated Maturity shall be September 1, 2013. The Notes shall bear interest as provided in the form of Note.

(c) The Notes and transfers thereof shall be registered as provided in Section 2.04.

(d) Each Note shall be dated the date of its authentication.

(e) The Notes shall not be entitled to any mandatory sinking fund. The Notes shall be redeemable by the Issuer as provided for in Article Nine.

(f) The Notes may be issued in whole or in part in the form of one or more global notes (the "Global Notes"). The Issuer shall execute and the Trustee shall, in accordance herewith and upon the Order of the Issuer, authenticate and deliver one or more Global Notes that (i) shall represent and shall be denominated in an aggregate principal or face amount of the Outstanding Notes to be represented by such Global Note or Notes, (ii) shall be registered in the name of the Depositary or the nominee of the Depositary, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (iv) shall bear the legend set forth below.

The Issuer initially designates The Depository Trust Company ("DTC") as the depositary for the Global Notes. The Issuer and the Trustee shall enter into a customary letter of representation with DTC, providing for, among other things, a legend restricting transfer of the Global Notes.

The Depositary may be treated by the Issuer as the owner of such Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer from giving effect to any written certification, proxy or other authorization furnished by or to the Depositary or impair, as between the Depositary and its participants, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The Holder of any Global Note, by its acceptance thereof, and the Trustee agree that such Global Note shall be transferred pursuant to Section 2.04 hereof only in whole and not in part to a nominee of DTC, a successor to DTC or a nominee of such successor which is another clearing agency registered under the Securities Exchange Act of 1934, as amended.

If at any time DTC (or any successor Depositary) notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Note or at any time DTC (or such successor Depositary) shall no longer be eligible under this Section 2.01, the Issuer shall appoint a successor Depositary with respect to the Global Notes and

such successor shall enter into a customary letter of representation with the Issuer and the Trustee. If a successor Depositary for the Global Notes is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, or if an Event of Default has occurred and is continuing, the Notes shall thereafter no longer be in the form of the Global Notes and the Issuer shall execute and the Trustee upon receipt of an Order of the Issuer for the authentication and delivery of certificated Notes, will authenticate and deliver certificated Notes in any authorized denominations in an aggregate principal amount of the Global Notes in exchange for the Global Notes, such certificated Notes to be in denominations and registered in the names specified by the Depositary; provided that if such Event of Default is waived pursuant to Section 5.01 or is no longer continuing, such certificated Notes need not be issued and if already issued may, at the Holder's request, be represented again by a Global Note in accordance with this Section 2.01.

SECTION 2.02. Denominations. The Notes are issuable in registered form in denominations of $250,000 and integral multiples thereof.

SECTION 2.03. Execution. Authentication and Delivery of Notes. The Notes shall be executed on behalf of the Issuer by a duly authorized officer of the Issuer. Any such signature may be manual or facsimile.

Notes bearing the manual or facsimile signature of any Person who was, at the actual date of execution thereof, a duly authorized officer of the Issuer shall bind the Issuer, notwithstanding that such Person has ceased to be a duly authorized officer prior to the authentication and delivery of such Notes. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver to the Trustee for authentication Notes executed by the Issuer and, upon written Request of the Issuer, the Trustee shall authenticate and deliver such Notes as in this Indenture provided and not otherwise.

Except as otherwise provided in Sections 3.03 and 4.14 of this Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all monies paid by the Issuer to the Trustee or other Paying Agent for the payment of principal of and, the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, Make-Whole Amount or interest shall have become due and payable shall

be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

SECTION 2.04. Registration, Transfer and Exchange.

(a) The Issuer shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 4.02 for such purpose being herein sometimes collectively referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and for transfers of Notes. The Issuer hereby appoints Morgan Guaranty Trust Company of New York as the Registrar. The registration of transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer. Upon surrender for registration of transfer of any Note at an office or agency of the Issuer designated pursuant to Section 4.02 for such purpose, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(b) Notwithstanding the provisions of Section 2.04(a), the following procedures and restrictions with respect to the registration of any transfer of any Note other than a Global Note shall apply:

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if the requested transfer is (x) to the Issuer, or (y) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer and such transfer is at least three years after the later of (A) the issue date of such Note (or any predecessor of such Note) and (B) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(ii) The Registrar shall register the transfer of a Note, whether or not such Note bears the Private Placement Legend, if each of (i) the Holder of such Note and (ii) the proposed transferee (if so required by the Certificate of Transfer) has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate to the Registrar, together, in the case of a transfer to an Accredited Investor, with a letter from the transferee in the form of Exhibit A hereto.

(iii) The Registrar shall register the transfer of a Note to or from a depositary organization for any other institutional trading system designated by the Issuer in a Notice of Issuance or otherwise set forth in a written notice to the Registrar. In connection with any such transfer to such depositary organization for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Registrar in respect thereof. In connection with any such transfer out of such other institutional trading system, the Registrar shall receive such documents, certifications or other evidence from the transferor or transferee as are specified in such Notice of Issuance or other written notice.

(iv) If so specified in the Notice of Issuance with respect to the Notes, the Registrar shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer in such Notice of Issuance which has agreed in writing to offer, sell and effect transfers of Notes only to a prospective purchaser who such dealer, placement agent or other person has reasonable grounds to believe and does believe is a Qualified Institutional Buyer or an Accredited Investor who will make representations with respect to itself substantially to the same effect as set forth in the Certificate of Transfer. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv) above, the Registrar shall, subject to such additional procedures as the Issuer may establish, register such transfer upon surrender of such Note. Such additional procedures may include, without limitation, (x) the delivery by the transferor or the proposed transferee

of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act.

(vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents, the Registrar shall register the transfer and complete, countersign and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.

(vii) The Registrar shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the instructions described here.

(c) Notwithstanding any other provisions of this Indenture, so long as a Global Note remains Outstanding, and is held by the Registrar, as custodian for the Depositary, unless the transferee shall otherwise request in writing to the Registrar, no certificated Note shall be issued or authenticated in connection with the transfer of any certificated Note pursuant to the exemption from registration provided by Rule 144A. Instead, upon acceptance for transfer of any certificated Note, the Registrar shall cancel such certificated Note and shall, in lieu of issuing a new certificated Note in exchange for the certificated Note surrendered for registration of transfer, endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of such certificated Note. All provisions of this Section 2.04 relating to the transfer of Notes (other than those relating to the issuance and authorization of a new Note) shall apply to any transfer resulting in an increase in the principal amount of such Global Note. The Registrar shall notify the Depositary promptly of any increase in the principal amount of any Global Note.

Notwithstanding any other provisions of this Indenture, resales or other transfers of Notes represented by a Global Note made in compliance with Rule 144A or made

on or subsequent to the date that is three years after the later of (i) the original issue date of such Note (or any predecessor of such Note) and (ii) the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act, by a beneficial owner that was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer will be conducted according to the rules and procedures of the Depositary applicable to U.S. corporate debt obligations and without notice to, or action by, the Registrar. Upon notice from the beneficial owner (or an agent of the beneficial owner) of Notes represented by a Global Note that such beneficial owner intends to resell or transfer such Notes (x) otherwise than pursuant to Rule 144A prior to three years after the later of (i) the original issue date of such Notes (or any predecessor of such Notes) and (ii) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act or (y) otherwise than pursuant to Rule 144A if such beneficial owner was at the proposed date of such transfer or during the three months preceding such proposed date of transfer an Affiliate of the Issuer, and upon satisfaction by the transferor and, if applicable, the transferee, of the conditions necessary for the registration of transfer of a Note set out in Section 2.04(b), the Registrar shall and is authorized by the holder of such Global Note, by its acceptance thereof, to endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and the reduction in the principal amount of such Global Note equal to the principal amount of the portion of the Global Note being transferred and shall authenticate and deliver a certificated Note registered in the name of the transferee or its nominee in an equal aggregate principal amount. The Registrar shall notify the Depositary promptly of any decrease in the principal amount of any Global Note.

(d) Except as otherwise provided on the face of the Notes with respect to the payment of interest on Notes transferred between Record Dates and Interest Payment Dates, each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note shall carry all the rights to interest, if any, accrued and

unpaid and to accrue which were carried by the whole or such part of such Note.

(e) The Issuer, Trustee or Registrar may decline to exchange or register the transfer of any Note during the period of 15 days preceding (i) the due date for any payment of principal of, the Make-Whole Amount, if any, or interest, on the Notes or (ii) the date on which Notes are scheduled for redemption.

(f) Transfer, registration and exchange shall be permitted and executed as provided in this Section without any charge other than any stamp or other taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery but subject to such reasonable regulations as the Issuer and the Registrar may prescribe.

(g) Upon the transfer, exchange or replacement of Notes not bearing the legend set forth in the form of Note (the "Private Placement Legend"), the Trustee shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Trustee shall deliver only Notes that bear the Private Placement Legend unless the circumstances contemplated by Section 2.04(b) (i) (y) above exist.

(h) Any Note or Notes may be exchanged for a Note or Notes in other authorized denominations, in an equal aggregate principal amount. Notes to be exchanged shall be surrendered at an office or agency to be maintained by the Issuer for such purpose as provided in Section 4.02, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Notes presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in, form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this

Indenture, as the Notes surrendered upon such transfer or exchange.

(i) The Issuer agrees to make available such information as is required by Rule 144A(d) (iv) as in effect on the original issue date of the Notes. Further, the Notes and related documentation may be amended or supplemented from time to time in accordance with Section 8.01 (i) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of any Note shall be deemed, by the acceptance of such Note, to have agreed to any such amendment or supplement.

(j) For purposes of determining the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of a Note, the Registrar and the Issuer shall rely on the representations as to "Affiliation with Issuer" set forth on the Certificate or Certificates of Transfer delivered to it from and after the date of issuance of such Note (or any predecessor Note) in connection with transfers of such Note. The Registrar, the Issuer and all Holders of Notes shall be entitled to rely without further investigation on any certification by any transferor on the Certificate of Transfer. Unless a transferor required to provide a Certificate of Transfer shall certify thereon that it is or at some time during which it held such Note was an Affiliate of the Issuer, such transferor shall be deemed to have represented that it is not nor has it been at any time during which it held such Note an Affiliate of the Issuer.

SECTION 2.05. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any Note shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent

of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, with the Holder's consent in the case that the Note is called for redemption, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote, and, in every case of apparent destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, the Make-Whole Amount, if any, and (subject to the provisions for payment of interest set forth in the form of Note) interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary to the extent permitted by applicable law.

SECTION 2.07. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, or registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

ARTICLE THREE

SATISFACTION AND DISCHARGE; DEPOSITED MONEYS

SECTION 3.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange herein expressly provided for), and the Trustee, upon Request of the Issuer at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Notes theretofore authenticated and delivered (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.04), have been delivered to the Trustee for cancellation and 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date of delivery of the last such Note for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable, (2) will become due and payable at their Stated Maturity within one year, (3) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, or (4) are deemed paid and discharged pursuant to Section 3.03, as applicable, and in the case of (1), (2) or (3) above, 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date on which the Issuer has deposited or caused to be deposited with the Trustee or the Paying Agent, in trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal, the Make-Whole Amount, if any, and interest accrued to the date of such deposit or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and any predecessor Trustee under Section 6.06 and, if money shall have been deposited with the Trustee pursuant to subclause (ii) of clause (a) of this Section or if money or obligations shall have been deposited with or received by the Trustee pursuant to Section 3.03, the obligations of the Trustee under Sections 3.02 and 6.06 shall survive.

SECTION 3.02. Application of Trust Money. Subject to Section 4.02, all money deposited with the Trustee pursuant to Section 3.01, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 3.03 or 4.14 and all money received by the Trustee in respect of U.S. Governmental Obligations deposited with the Trustee pursuant to Section 3.03 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through the Paying Agent as the Trustee may determine, to the Holders of the Notes for whose payment such money has been deposited with the Trustee, of all sums due and to become due thereon for principal, the Make-Whole Amount, if any, and interest for whose payment such money has been deposited with or received by the Trustee or to make payments as contemplated by Section 3.03; but such money need not be segregated from other funds except to the extent required by law.

SECTION 3.03. Satisfaction, Discharge and Defeasance of Notes. The Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Notes on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture shall no longer be in effect (and the Trustee, at the expense of the Issuer, shall, upon receipt of a Request of the Issuer, execute proper instruments acknowledging the same), except as to:

(a) the rights of Holders of Notes to receive, from the trust funds described in subparagraph (d) of this Section 3.03, payment of the principal of and each

installment of or interest on the Notes on the Stated Maturity of such principal or installment of principal or interest;

(b) the Issuer's obligations with respect to the Notes under Section 2.04, 2.05 and 4.02; and

(c) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 3.02 and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that, the following conditions shall have been satisfied:

(d) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defease the Notes under this Section 3.03 and deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(e) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(f) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date;

(g) the Issuer has delivered to the Trustee (1) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (2) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (1) or (2), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred;

(h) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble to this Section 3.03 (i) will not cause the Trustee or the trust created pursuant to this Section 3.03 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 3.03, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547 (b) of the United States Bankruptcy Code; and

(i) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 3.03 have been complied with.

ARTICLE FOUR

COVENANTS OF THE ISSUER AND THE TRUSTEE

SECTION 4.01. Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of, the Make-Whole Amount, if any, and interest on the Notes, in accordance with the terms of the Notes and this Indenture.

Payment of principal of and the Make-Whole Amount, if any, on Notes will be made in accordance with the terms of the Notes against surrender of the Notes at the Corporate

Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made, in accordance with the terms of the Notes, to the respective persons in whose name the Notes are registered at the close of business on the Record Date prior to the relevant Interest Payment Date.

The Issuer will on or before 3:00 P.M., the City of New York time, on the day which is one Business Day next preceding the due date of the principal of and the Make-Whole Amount, if any, or interest on any Notes, pay to the Paying Agent in "next day" (New York Clearing House) funds a sum sufficient to pay the principal, the Make-Whole Amount or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Notes.

SECTION 4.02. Maintenance of Office or Agency; Appointment of Paying Agent. So long as any of the Notes remain Outstanding, the Issuer will maintain in the City of New York the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer hereby appoints Morgan Guaranty Trust Company of New York as paying agent (the "Paying Agent"), for the payment of principal of, the Make-Whole Amount, if any, and interest on the Notes on behalf of the Issuer. The Issuer reserves the right at any time, and from time to time, to vary or terminate the appointment of any Paying Agent, transfer agent or Registrar or to appoint any additional or other Paying Agent or agencies or transfer agent or agencies or Registrar.

Whenever the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.02, that it will hold all sums

held by it as such agent for the payment of the principal of, the Make-Whole Amount, if any, or interest on the Notes in trust for the benefit of the Holders of the Notes, that it will give the Trustee notice of any failure by the Issuer to make any payment of the principal of, or the Make-Whole Amount, if any, or interest on the Notes when the same shall be due and payable and that, at any time during the continuance of any such default, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held by it in trust.

Anything in this Section 4.02 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this Section 4.02, such sums to be held by the Trustee upon the trust herein contained. Any money deposited with the Trustee or any Paying Agent for the payment of the principal of or the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount or interest has become due and payable shall be paid to the Issuer, and the Holder of such Note shall thereafter look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amounts shall thereupon cease.

SECTION 4.03. Existence of Issuer. The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Issuer shall not be required to preserve the existence of the Issuer or any such right or franchise if the Board of Trustees of the Issuer shall determine that the failure to preserve such existence, right or franchise is not disadvantageous in any material respect to the Holders of Notes and in the case of such right or franchise, is no longer desirable in the conduct of the business of the Issuer.

SECTION 4.04. Information. The Issuer will deliver to the Trustee and to each Holder of Notes upon the request of such Holder:

(a) within 90 days after the end of each fiscal year of the Issuer, a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of cash flows, income and shareholders' equity for such fiscal year, in each case prepared in

accordance with generally accepted accounting principles, setting forth in each case in comparative form the figures for the previous fiscal year, and a report and opinion thereon of independent public accountants of recognized national standing; and

(b) within 60 days after the end of each of the first three fiscal quarters, unaudited consolidated financial statements of the Issuer and its Consolidated Subsidiaries for the portion of the Issuer's fiscal year then ended, prepared in accordance with generally accepted accounting principles, as provided to the Issuer's shareholders.

SECTION 4.05. Maintenance of Property; Insurance.

(a) The Issuer will keep, and will cause each Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Issuer will maintain, and will cause each Subsidiary to maintain, in full force and effect at all times with financially sound and reputable insurance companies, insurance on all of its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in similar businesses.

SECTION 4.06. Trustee. The Issuer whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.07. Compliance with Laws. The Issuer will comply, and, will cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authority, except where the necessity of compliance therewith is contested in good faith or where the failure to comply would not have a material adverse effect upon the Issuer and its Consolidated Subsidiaries, taken as a whole.

SECTION 4.08. Limitations on Debt. The Issuer shall not, at any time, permit:

(a) Consolidated Debt to exceed 50% of Gross Assets, or

(b) Consolidated Secured Debt to exceed 35% of the Gross Assets.

SECTION 4.09. Minimum Net Worth. The Issuer shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars).

SECTION 4.10. Debt Service Coverage. The Issuer shall not, at the end of any fiscal quarter, permit the sum of (i) Cash Flow for the four fiscal quarters then ended plus (ii) Consolidated Interest Expense (but only to the extent such Consolidated Interest Expense shall have been deducted in computing Consolidated Net Income) for such four fiscal quarters to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other lump sum or bullet payments).

SECTION 4.11. Annual Real Property Appraisal. Prior to February 28 of each year, the Issuer will (a) cause the fair market value of the equity of the Issuer and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (b) calculate as of such December 31 the value of Gross Assets, (c) cause the Appraiser to review such calculation of Gross Assets and (d) cause to be filed with the Trustee a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such December 31 and its opinion on the reasonableness of the Issuer's calculation of the value of Gross Assets as of such December 31 and stating that the appraisal referred to in clause (a) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 4.12. File Statement Annually with the Trustee. Within 120 days after the close of each fiscal year, the Issuer will file with the Trustee an Officers' Certificate, stating that in the course of the performance by the signers of their duties as officers of the Issuer, they would normally obtain knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, that they have made a review with a view to determining whether there is any default under this Indenture, and stating whether or not they have obtained knowledge of any such

default, and, if so, specifying each default of which the signers have knowledge and the nature thereof.

At the time such Officers' Certificate is filed, the Issuer will also file with the Trustee a letter or statement of the independent accountants who shall have certified the consolidated financial statements of the Issuer for its preceding fiscal year to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention to cause them to believe that the Issuer failed to comply with the covenants in Sections 4.01, 4.08, 4.09 and 4.10 which failure remains uncured at the date of such letter or statement, or, if they shall have obtained knowledge of any such failure, specifying in such letter or statement the nature thereof.

SECTION 4.13. Further Assurances. From time to time whenever requested by the Trustee, the Issuer will execute and deliver such further instruments and assurances and do such further acts as may be reasonably necessary or proper to carry out more effectually the purposes of this Indenture or to secure the rights and remedies hereunder of the Holders of the Notes.

SECTION 4.14. Defeasance of Certain Obligations. From and after the 91st day after the date the Issuer deposits funds with the Trustee as described in paragraph (1) of this Section 4.14, the Issuer may omit to comply with any term, provision or condition set forth in Sections 4.04, 4.05, 4.07, 4.08 to 4.11, inclusive, and Section 5.01(c) and (d) and (e) and (f) (but only insofar as such paragraphs (e) and (f) relate to Subsidiaries of the Issuer), inclusive, and Article Nine shall be deemed deleted, provided that the following conditions shall have been satisfied:

(1) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defeasance under this Section 4.14 and deposited or caused to be deposited irrevocably (except as provided in Section 3.03) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later

than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(2) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such deposit;

(4) the Issuer has delivered to the Trustee (a) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (b) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (a) or (b), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance of certain obligations had not occurred;

(5) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble of this Section 4.14 (i) will not cause the Trustee or the trust created pursuant to this Section 4.14 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 4.14, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(6) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each

stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 4.14 have been complied with.

ARTICLE FIVE

REMEDIES

SECTION 5.01. Events of Default Defined; Acceleration of Maturity; Waiver of Default. The following events or conditions constitute Events of Default hereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order, rule or regulation of any administrative body):

(a) default in the payment of any installment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 10 Business Days; or

(b) default in the payment of principal of, or the Make-Whole Amount, if any, on any of the Notes when due, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture or the Notes (other than a covenant or agreement a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or default in the payment of principal, the Make-Whole Amount, if any, or interest), and continuance of such default or breach for a period of 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) acceleration of, or failure to pay at maturity, Debt (other than Non-Recourse Debt) of the Issuer or any Subsidiary in an aggregate principal amount in excess of $10,000,000 which acceleration is not rescinded or annulled or which Debt is not

discharged, in either case, within 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such acceleration or failure to pay and requiring the Issuer to remedy the same; or

(e) the entry of a decree or order for relief in respect of the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) by a court having jurisdiction in the premises in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or the consent by it (or any such Subsidiary) to the entry of an order for relief in an involuntary case under any such law as to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer (or any such Subsidiary) in furtherance of any such action.

If an Event of Default set forth in Section 5.01(a) or (b) occurs and is continuing, then and in every such case (i) the Trustee by a notice in writing to the Issuer may declare all the Notes to be due and payable immediately or (ii) the Holders of not less than 25% in

aggregate principal amount of the Outstanding Notes may by written notice to the Issuer and the Trustee declare the Notes to be due and payable immediately, and upon any such declaration the Notes shall be immediately due and payable at the principal amount thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(c) or (d) occurs and is continuing, then in every such case the Trustee or the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders) and upon such declaration the Notes shall be immediately due and payable at the principal amount plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(e) or (f) occurs, the Notes shall automatically become due and payable at the principal amount thereof plus accrued interest to the date the Notes are paid without any action or declaration upon the part of the Trustee or Noteholders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Notes shall have so become due and payable, before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the expenses of the Trustee, and any and all defaults under this Indenture, other than the non-payment of Notes which shall have become due by such declaration, shall have been remedied, then in every such case the Holders of a majority in aggregate principal amount of the Notes then outstanding (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof), by written notice to the Issuer and the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no waiver and rescission and annulment shall extend to or shall affect any default in the payment of the principal of or interest on any of the Notes or any subsequent default or shall impair any right consequent thereon.

SECTION 5.02. Collection of Debt and Suits for Enforcement by Trustee. The Issuer covenants that if:

(i) in case default is made in the payment of any installment of interest on any Note when such interest

becomes due and payable and such default continues for a period of 10 Business Days, or

(ii) default is made in the payment of the principal of and the Make-Whole Amount, if any, on any Note at the Maturity thereof,

then the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the principal amount thereof, plus the Make-Whole Amount, if any, with interest upon the overdue principal and the Make-Whole Amount and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and all amounts payable to the Trustee and any predecessor Trustee under Section 6.06.

If the Issuer fails to pay any amounts required under this Section 5.02 forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

SECTION 5.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or such other obligor, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled

and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and any predecessor Trustee (including, in the case of any such proceeding relating to the Issuer, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel) and of the Holders of Notes allowed in such judicial proceeding,

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and

(c) unless prohibited by law or applicable regulations, to vote on behalf of Holders of Notes in any election of a trustee in bankruptcy or other person performing similar functions;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes, to pay, in the case of any such proceeding relating to the Issuer or to the Trustee any amount due to it or any predecessor Trustee under Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of Notes, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of Notes in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 5.04. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee (to the extent permitted by applicable law) without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such

proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes in respect of which judgment has been recovered, subject to the provisions of this Indenture.

SECTION 5.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, the Make-Whole Amount, if any, or interest, upon presentation of the Notes, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee or any predecessor Trustee under Section 6.06;

SECOND: In case the principal of the Outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of or the Make-Whole Amount, if any, on the Outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal, the Make-Whole Amount, if any, and interest, with interest on the overdue principal and installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal, the Make-Whole Amount, if any, and interest, without preference or priority of principal or the Make-Whole Amount, if any, over interest, or of interest over principal, or the Make-Whole Amount, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, the Make-Whole Amount, if any, and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.06. Limitation on Suits by Noteholders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Events of Default set forth in Sections 5.01(c) or (d);

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority (or 66-2/3% where expressly provided herein) in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

SECTION 5.07. Unconditional Rights of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of, and the Make-Whole Amount, if any, and interest on such Note on the respective

dates such payments are due in accordance with the terms of the Notes and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights and Remedies. If the Trustee or any Holder of Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Notes shall continue as though no such proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Notes, as the case may be.

SECTION 5.11. Control by Holders. Except as otherwise provided herein or in the Notes, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors and/or Responsible Officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability or would be unduly prejudicial to Holders not joining in such direction.

SECTION 5.12. Waiver of Past Defaults. The Holders of not less than 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder and its consequences, except a default in the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court of competent jurisdiction may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted against the Issuer by the Trustee, by any Holder of Notes, or group of Holders of Notes, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or by any Holder of any Note for the enforcement of the payment of the principal of, the

Make-Whole Amount, if any, or interest on such Note on or after the respective dates such payments are due in accordance with the terms of the Notes.

SECTION 5.14. Notice of Default to Holders of Notes. The Trustee shall at the Issuer's expense, within 90 days after any Event of Default becomes known to a Responsible Officer of it, give the Holders of Notes notice thereof, unless such default shall have been cured or waived.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred: the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; this Subsection shall not be construed to limit the effect of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes (or 66-2/3% or 25% in principal amount where expressly provided herein) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 6.02. Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed) and any resolution of the Board of Trustees of the Issuer shall be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder

in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, or bond, debenture or other paper or document, unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of the investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes; provided that the Trustee shall not be relieved of its duty to authenticate Notes as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof.

SECTION 6.04. Trustee and Agents May Hold Notes. The Trustee, the Paying Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes, collections, proceeds, and may otherwise deal with the Issuer and may receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee, Paying Agent or such other agent.

SECTION 6.05. Moneys Held in Trust. Money held by the Trustee or the Paying Agent in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 6.06. Compensation and Indemnification of Trustee And Its Prior Claim. The Issuer covenants and agrees:

(a) to pay to the Trustee from time to time such compensation as shall from time to time be agreed upon in writing by the Trustee and the Issuer or, if there be no agreement, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any predecessor Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except to the extent any such expense, disbursement or advance may be attributable to its negligence or bad faith; and

(c) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or investigating any claim of liability in the premises, except to the extent any such loss, liability or expense may be attributable to negligence or bad faith on its own part.

To ensure the performance of the obligations of the Trustee under this Section, the Trustee shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Notes. The rights of the Trustee under this Section 6.06 shall survive the satisfaction and discharge of this Indenture.

SECTION 6.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the good faith thereof.

SECTION 6.08. Corporate Trustee Required; Eligibility. The Trustee shall at all times be a corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $75,000,000, subject to supervision or examination by Federal or State authority and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be

deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and by mailing notice thereof by first-class mail to Holders of Notes at their last addresses as they shall appear on the Note Register. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee end to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note who has been a Holder in due course of a Note for at least six months, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer by a Board Resolution may remove the Trustee, or (B) subject to Section 5.13, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, by an Issuer Order, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or by the Holders of Notes or pursuant to Section 6.09(b) and shall have accepted appointment in the manner hereinafter provided in Section 6.10, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, subject to Section 5.13, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee in the manner set forth in paragraph 8 on the Form of Reverse of Note. The notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

(g) The rights of a Trustee pursuant to Section 6.06 shall survive its resignation or removal and the appointment of successor Trustees hereunder.

SECTION 6.10. Acceptance of Appointment by Successor. Any successor Trustee appointed as provided in Section 6.09 shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment to it of all fees, expenses and other amounts owing to it hereunder, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its claim, if any,

provided for in Section 6.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be eligible and qualified under this Article.

SECTION 6.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise eligible and qualified under Section 6.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at any time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor, by merger, conversion or consolidation or by succeeding to all or substantially all the corporate trust business of the Trustee, to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor shall apply only to its successor or successors by merger, conversion or consolidation.

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 7.01. Issuer May Consolidate, etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey (including by way of lease) all or substantially all of its assets to any Person (other than the sale, transfer or conveyance (including by way of lease) of all or substantially all of the Issuer's assets in a single transaction or a series of transactions to one or more wholly-owned Subsidiaries), unless (i) either (A) the Issuer shall be the continuing entity or (B) the successor entity or the Person which acquires by sale or conveyance all or substantially all the assets of the Issuer (if other than the Issuer) shall (1) expressly assume the due and punctual payment of the principal of, the Make-Whole Amount, if any, and interest on all the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture and the Notes to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such Person, and (2) if such Person is not organized under the laws of the United States of America or any State thereof, agree in such supplemental indenture that any amount to be paid by such Person to Holders of the Notes shall be paid without deduction or withholding for any taxes, levies, imposts or charges whatsoever imposed by or for the account of the country in which any such Person is organized or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by such country as aforesaid, or any of its political subdivisions or taxing authorities, such Person will pay any such additional amount in respect of principal, Make-Whole Amount, if any, and interest as may be necessary in order that the net amounts paid to the Holders of the Notes or the Trustee, as the case may be, after such deduction or withholding, shall equal the respective amounts of principal, Make-Whole Amount, if any, and interest as specified in the Notes to which such Holders or the Trustee are entitled, and (ii) the Issuer or such successor Person or acquiring Person shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SECTION 7.02. Successor Issuer Substituted. In the case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor entity, such successor entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession, any or all of the Notes issuable hereunder, which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication and any Notes which such successor entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any successor entity which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

SECTION 7.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Section 6.01 and 6.02, may rely on an Opinion of Counsel and an Officers' Certificate, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, for any of the following purposes:

(a) to evidence the assumption by any successor entity to the Issuer of the covenants of the Issuer herein and in the Notes contained; or

(b) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer; or

(c) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(d) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form); or

(e) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to make any provisions with respect to matters or questions arising under this Indenture, or to make any other changes herein that shall not materially adversely affect the interests of the Holders of the Notes.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter

into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Notes at the time Outstanding notwithstanding any of the provisions of Section 8.02.

SECTION 8.02. Supplemental Indentures With Consent of Holders; Waiver of Future Compliance. With the consent of the Holders of 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes, by Act of said Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolutions, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture or to waive future compliance with the Indenture or the provisions of the Notes; provided, however, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby,

(a) change the Stated Maturity of the principal of, or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or any amount payable upon redemption or acceleration thereof, or

(b) change the coin or currency in which any Note or the interest thereon is payable, or

(c) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note, or

(d) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of any Note, or

(e) modify any of the provisions of this Section or Section 5.12, except to increase any of the percentages set forth herein or therein or to provide

that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby, or

(f) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Notes, or which modifies the rights of Noteholders, with respect to such covenant or provision, shall be deemed not to affect the rights under this Indenture of the Noteholders.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Trustees certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid and other documents, if any, required by Section 8.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall mail a notice thereof to the Holders of then Outstanding Notes by first-class mail to such Holders at their addresses as they shall appear on the Note Register. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trust

created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.01 and 6.02) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, obligations or immunities under this Indenture or otherwise.

SECTION 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be and shall be deemed modified in accordance therewith and the respective rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Notes affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all other terms and conditions of any such supplemental indenture shall form a part of this Indenture for all purposes.

SECTION 8.05. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and such Notes shall be authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE NINE

REDEMPTION OF NOTES

SECTION 9.01. Optional Redemption. The Issuer at its option may, at any time, redeem all, or from time to time any part, of the Notes upon payment of the principal amount of the Notes, plus accrued interest to the date of redemption, plus the Make-Whole Amount, if any (the "Redemption Price"). If less than all the Notes are to be redeemed at the option of the Issuer, the Issuer will deliver to the Trustee at least 45 days prior to the Redemption Date (or such shorter period as the Trustee may

accept) an Officers' Certificate stating the aggregate principal amount of Notes to be redeemed.

If less than all the Notes are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Notes to be redeemed in whole or in part. Notes may be redeemed in part in multiples equal to the minimum authorized denomination for Notes. Unless the Trustee has been requested to notify Holders of redemption pursuant to the last paragraph of Section 9.02, the Trustee shall promptly (but in no event after the later of (a) the date that is ten days after the date of receipt by the Trustee of the Officers' Certificate referred to in the first paragraph of this Section 9.01 and (b) the date that is five days before the date identified by the Issuer in such Officers' Certificate as the date on which the Issuer intends to give notice of redemption) notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes, in the case of any Note redeemed or to be redeemed only in part, relates to the portion of the principal amount of such Note which has been or is to be redeemed.

SECTION 9.02. Notice of Redemption. Notice of redemption to the Holders of Notes to be redeemed as a whole or in part at the option of the Issuer shall be given by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption (the "Redemption Date") at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice to the Holder of any Note as a whole or in part, shall not affect the validity of the proceedings for the redemption of any other Note.

The notice of redemption to each such Holder shall specify the principal amount of each Note held by such Holder to be redeemed, the date fixed for redemption, the Redemption Price (or the method of calculating thereof in the case of the Make-Whole Amount component, if any, of the Redemption Price), the place or places of payment and that payment will be made upon presentation and surrender of such Notes. In the case of the redemption of Notes that are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be

redeemed and shall state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Notes at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

Prior to sending to the Holder of any Note any notice of redemption of such Note at a Redemption Price which may include a Make-Whole Amount in accordance with the foregoing provisions, the Issuer shall compute the Make-Whole Amount, if any, with respect thereto in accordance with the foregoing provisions, and shall have delivered to the Trustee a certificate executed by an officer of the Issuer having responsibility for the calculations of Make-Whole Amounts and setting forth the applicable Make-Whole Amount, if any, and showing in reasonable detail the calculations thereof and the facts upon which such calculations are based.

SECTION 9.03. Deposit of Redemption Price. Prior to 3:00 p.m., New York City time, on the day which is one Business Day next preceding the Redemption Date, the Issuer shall deposit with the Paying Agent in "next day" (New York Clearing House) funds an amount of money sufficient to pay on the Redemption Date the Redemption Price of all the Notes so called for redemption.

SECTION 9.04. Payment of Notes Called for Redemption. If notice of redemption has been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and on and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Notes shall cease to bear interest.

If the Issuer defaults on the Redemption Date in the payment of the Redemption Price such Notes shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

SECTION 9.05. Mandatory Redemption. The Notes shall be subject to redemption in whole, at any time, at the Redemption Price within five Business Days following any Mandatory Redemption Event in accordance with the provisions of Sections 9.02, 9.03 and 9.04, except that the notice

referred to in Section 9.02 shall be mailed within two Business Days of the Mandatory Redemption Event.

ARTICLE TEN

MEETINGS OF NOTEHOLDERS

SECTION 10.01. Notice; Quorum; Actions Taken.

(a) The Issuer may at any time call a meeting of the Noteholders, such meeting to be held at such time and at such place as the Issuer shall determine, for the purposes provided in Section 8.02 hereof, or for the purpose of taking action with respect to any Event of Default under Article Five hereof. Notice of any meeting of Noteholders, setting forth the time and place of such meeting, in general terms the action proposed to be taken at such meeting and the record date for determining Holders entitled to take action at such meeting, shall be mailed to the registered address of such Holders not less than 20 nor more than 180 days prior to the date fixed for such meeting. To be entitled to vote at any meeting of Noteholders, a person must be (i) a Holder of one or more Notes on such record date or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Notes on such record date. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuer or the Trustee and their respective counsel.

(b) Persons entitled to vote a majority in principal amount of the Notes at the time Outstanding shall constitute a quorum for the purpose of any such meeting. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to order. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, a meeting which has been called by the Issuer or the Trustee shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for a period of not less than 10 additional days as determined by the chairman of the meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph (a) of this Section 10.01. Subject to the foregoing, at the reconvening of any meeting further adjourned for lack of a quorum, the persons

entitled to vote 25% in principal amount of the Notes at the time Outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the Outstanding Notes which shall constitute a quorum.

(c) At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution for any purpose provided in Article Eight hereof or for the purpose of taking any action with respect to any Event of Default under Article Five hereof shall be effectively passed and decided if passed and decided by the persons entitled to vote the lesser of (i) a majority in principal amount of Notes then Outstanding and (ii) 75% in principal amount of the Notes represented and voting at the meeting. Any Noteholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purpose of determining a quorum and be deemed to have voted, provided that such Noteholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting). Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Section shall be binding on all the Noteholders whether or not present or represented at the meeting.

(d) The Issuer shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of Persons entitled to vote a majority in principal amount of the Notes represented at the meeting. At any meeting each Noteholder or proxy shall be entitled to one vote for each $250,000 principal amount of Notes as to which he is a Noteholder or proxy; provided, however that no vote shall be cast or counted at any meeting in respect of any Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Noteholder or proxy. Any meeting of Noteholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

s (e) The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or proxies and on which shall be inscribed an identifying number or numbers or to which shall be attached a list of

identifying numbers of the Notes entitled to be voted by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the acts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

* * * * *

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed; and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By: /s/ Harold E. Rolfe

Title:

[SEAL]

Attest:

/s/ William J. Lyons
- ---
Title: Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: /s/ Catherine F. Donaghue

Title: Trust Officer

[SEAL]

Attest:

- ---
Title: Assistant Secretary

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 2nd day of September, 1993, before me personally came Harold E. Rolfe, to me known, who, being by me duly sworn, did depose and say that he resides at New York, NY; that he is the Vice President and General Counsel of CORPORATE PROPERTY INVESTORS, one of the parties described in and which executed the above instrument; that he knows the seal of said Trust; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of trustees of said Trust; and that he signed his name thereto pursuant to like authority.

/s/ Barbara Briamonte

Notary Public

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 2nd day of September, 1993, before me personally came Catherine F. Donohue to me known, who, being by me duly sworn, did depose and say that she resides at Bronxville, NY; that she is a Trust Officer of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, one of the parties described in and which executed the above instrument; that she knows the corporate seal of said banking corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of directors of said banking corporation; and that she signed her name thereto pursuant to like authority.

/s/ Alison H. Levchuck

Notary Public

Exhibit 4.13

CORPORATE PROPERTY INVESTORS
Issuer

and

CHEMICAL BANK
Trustee

Indenture

Dated as of March 15, 1996

$250,000,000

7 7/8% Notes Due 2016

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust Created thereby, nor any of their personal assets, shall be liable hereunder (or under any Note), and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder (or under any Note) or for the performance hereof (or of any Note). The foregoing limitation of liability is in addition to, and not exclusive of, any limitation of liability applicable to such Persons by operation of law. Each Holder by accepting a Note waives and releases all such liability. Such waiver and release are part of the consideration for the issue of the Notes.

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MEETINGS OF NOTEHOLDERS

THIS INDENTURE, dated as of March 15, 1996 between CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer"), having its principal office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, New York 10017, and Chemical Bank, a corporation organized and existing under the laws of the State of New York, as Trustee hereunder (hereinafter called the "Trustee"), having its corporate trust office at 450 West 33rd Street, New York, New York 10001.

RECITALS

WHEREAS, the Issuer has duly authorized the creation of an issue of its 7 7/8% Notes Due 2016 (the "Notes") of substantially the tenor and amount hereinafter set forth, and to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof; it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Notes, that the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

[Global Note Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR 0THER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON

IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Private Placement Legend]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE THIRD ANNIVERSARY OF THE LATER OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR NOTE HERETO) OR THE SALE HEREOF (OR ANY PREDECESSOR NOTE HERETO) BY THE ISSUER OR ANY AFFILIATE OF THE ISSUER (COMPUTED IN ACCORDANCE WITH PARAGRAPH (d) OF RULE 144 UNDER THE SECURITIES ACT) OR (Y) BY AN AFFILIATE OF THE ISSUER OR BY ANY HOLDER THAT WAS AN AFFILIATE OF THE ISSUER AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE, OTHER THAN (1) TO THE ISSUER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) OUTSIDE THE UNITED STATES PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT WHICH DELIVERS A CERTIFICATE IN THE FORM OF EXHIBIT A TO THE INDENTURE TO THE INDENTURE TRUSTEE UNDER THE INDENTURE DATED AS OF MARCH 15, 1996, BETWEEN THE ISSUER AND CHEMICAL BANK, AS INDENTURE TRUSTEE. THE HOLDER MUST, PRIOR TO ANY TRANSFER PURSUANT TO CLAUSE (3) OR (4) ABOVE, FURNISH TO THE INDENTURE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

CUSIP #220027AG1

No. ____ $_____

CORPORATE PROPERTY INVESTORS

7 7/8% NOTE DUE 2016

CORPORATE PROPERTY INVESTORS, an unincorporated business trust organized and existing under the laws of the Commonwealth of Massachusetts (hereinafter called the "Issuer", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, upon surrender hereof the principal sum of _____ United States Dollars ($_____) on March 15, 2016 and to pay interest thereon, semiannually in arrears, on each March 15 and September 15 (an "Interest Payment Date") in each year, commencing with September 15, 1996, at 7 7/8% per annum, from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if the date hereof is an Interest Payment Date to which interest has been paid or duly provided for, then from the date hereof or, if no interest has been paid or duly provided for, from March 25, 1996, in each case until the principal hereof is paid or payment thereof is duly provided for. Notwithstanding the foregoing, if the date hereof is after March 1 or September 1 in any year and before the following March 15 or September 15 in such year, this Note shall bear interest from such March 15 or September 15, as applicable, provided that if the Issuer shall default in the payment of interest due on such March 15 or September 15, as applicable, then this Note shall bear interest from the next preceding Interest Payment Date to which interest on the Note has been paid or duly provided for, or if no interest has been paid or duly provided for, from March 25, 1996. The interest so payable on any Interest Payment Date will, subject to the provisions contained in the Indenture (as hereinafter defined), be paid to the Person in whose name this Note is registered at the close of business in the city of New York on the March 1 or September 1 (in either case, the "Record Date") next preceding the September 15 or March 15, respectively, on which such Interest Payment Date falls. Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The statements set forth in the legend are an integral part of the terms of this Note and by acceptance hereof each holder of this Note agrees to be Subject to and bound by the terms and provisions set forth in such legend.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth on the face hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed by the manual or facsimile signature of a duly authorized officer of the Issuer.

Dated:

CORPORATE PROPERTY INVESTORS

[Seal]

By:

DISCLAIMER OF LIABILITY OF SHAREHOLDERS AND OTHERS

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof. The foregoing limitation of liability is in addition to, and not exclusive of, any limitation of liability applicable to such persons by operation of law. Each Holder by accepting a Note waives and releases all such liability. Such waiver and release are part of the consideration for the issue of the Notes.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes described in the within-mentioned Indenture.

CHEMICAL BANK, as Trustee

By:

Authorized Officer

[FORM OF REVERSE OF NOTE]

CORPORATE PROPERTY INVESTORS

7 7/8% NOTE DUE 2016

1. This Note is one of a duly authorized issue of Notes of the Issuer designated as its 7 7/8% Notes Due 2016 (herein called the "Notes"), limited (except as otherwise provided in the Indenture referred to below), in aggregate principal amount to $250,000,000. The Notes are issued and to be issued under the Indenture, dated as of March 15, 1996 (herein called the "Indenture"), between the Issuer and Chemical Bank, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders (as defined in the Indenture) of the Notes. The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the offices of the paying agent referred to below.

2. The Notes are direct unsecured obligations of the Issuer and rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Notes are issuable in fully registered form without coupons in denominations of $250,000 and integral multiples thereof.

3. (a) The Notes are not entitled to any mandatory sinking fund. The Notes may be redeemed at the Issuer's option, in whole at any time or from time to time in part, upon notice as described below, at a redemption price equal to the sum of (i) the principal amount of the Note, plus interest through the date of redemption, and (ii) the Make-Whole Amount (as defined in the Indenture), if any (the "Redemption Price").

(b) Notice of redemption of the Notes, in whole or in part, as the case may be, shall be given in accordance with paragraph 8, at least once not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. Notice having been given, the Notes so called for redemption shall become due and payable on the date fixed for redemption and upon presentation and surrender thereof will be paid at the Redemption Price at the place or places of payment and in the manner specified herein.

4. Pursuant to the terms of the Indenture, the Issuer has initially appointed Chemical Bank as paying agent (the "Paying Agent"), as transfer agent for the exchange and transfer of the Notes, and as Registrar. The Issuer shall have the right, at any time and from time to time, to terminate any such appointment and to appoint any substitute or additional paying agents, subject to the terms and conditions set forth in the Indenture.

5. (a) Principal and the Make-Whole Amount, if any, on the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made to the person in whose name such Note is registered at the close of business in the City of New York on the Record Date next preceding the relevant Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided that if and to the extent the Issuer shall default in the payment of interest due on such payment date, such defaulted interest shall be paid to the persons in whose names the Notes are registered at the close of business on a subsequent Record Date established by notice given by mail by or on behalf of the Issuer to the Holders of the Notes not less than 15 days preceding such subsequent Record Date, such Record Date to be not less than ten days preceding the date of payment of such defaulted interest. Payment of such interest will be made (i) by dollar check drawn on a bank in the City of New York sent to the Holder's registered address or (ii) to any Holder of $5,000,000 or more aggregate principal amount of the Notes, upon written instructions to the Paying Agent not later than the relevant Record Date, by wire transfer in immediately available funds to a dollar account maintained by such Holder, as the case may be, with a bank in the United States designated by such Holder (but only if such bank shall have appropriate facilities therefor). Interest payments on this Note shall include interest accrued from and including the date indicated on the face hereof, or from but excluding the most recent date to which interest has been paid or duly provided for, to but excluding the related Interest Payment Date or date of Maturity as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed.

(b) Should the Issuer at any time default in the payment of any principal of or the Make-Whole Amount, if any, or interest on this Note, the Issuer will pay interest on the amount in default (to the extent permitted by law in

the case of interest on interest) at the rate of interest borne by the Notes.

(c) The Issuer covenants that as long as this Note shall be outstanding it shall at all times maintain a paying agency in the Borough of Manhattan, the City of New York for payments with respect to Notes. Notice of any termination or appointment and of any change in the office through which any Paying Agent, transfer agent or Registrar will act will be promptly given once in the manner described in paragraph 8.

6. Except as otherwise provided in the Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all moneys paid by the Issuer to the Trustee or any other Paying Agent for the payment of principal of and the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount, if any, or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

7. The Issuer agrees to provide the Holder hereof and any prospective purchaser hereof designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A (d)(4) under the Securities Act as will enable resales of this Note to be made pursuant to Rule 144A; provided, however, that the Issuer shall not be required to provide more information Pursuant to this paragraph 7 than is required by Rule 144A as in effect on the date of the Indenture, but may elect to do so if necessary as a result of subsequent amendments to such Rule. Further, this Note and related documentation may be amended or supplemented from time to time (x) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedure in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (y) to accommodate the issuance, if any, of this Note in book-entry form and matters related thereto (although no such amendment or supplement may require that this Note, if it is outstanding at the time such amendment or supplement becomes effective, be placed in book-entry form). The Holders of this Note Shall be deemed, by the acceptance of this Note, to have agreed to any such amendment or supplement.

8. All notices to the Noteholders will be mailed to Holders of Notes at their registered addresses.

9. (a) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and, upon the request of the Issuer, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note pay or authorize the payment of the same, if the applicant for such payment shall furnish to the Issuer and to the Trustee security or indemnity and, in every case of apparent destruction, loss or theft, satisfactory evidence, in each case as set forth in the preceding sentence. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note or Notes, duly endorsed or accompanied by a duly executed instrument of assignment and transfer, may be exchanged for an equal aggregate principal amount of Notes in different authorized denominations or Notes may be exchanged for a Note or Notes of authorized denominations by surrender of such Note or Notes at the Corporate Trust Office of the Trustee in the City of New York, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to paragraph 9(e), a Note may be transferred in whole or in part (in the amount of U.S. $250,000 and integral multiples thereof) by the Holder or Holders surrendering the Note for registration of transfer at the office of any transfer agent or at the office of the Registrar, duly endorsed or accompanied by a duly executed instrument of assignment and transfer. Upon presentation of this Note for registration of transfer as

provided herein, the Registrar shall register the transfer of this Note only if (i) the Registrar shall have received written instructions from the Issuer to effect such transfer, (ii) the Note is presented for registration of transfer at least three years after the later of the issuance of this Note (or any predecessor Note hereto) and the sale hereof (or any predecessor Note hereof) by the Issuer or an affiliate (within the meaning of Rule 144 under the Securities Act or any successor rule thereto, hereinafter referred to as an "Affiliate") of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer or (iii) the Holder hereof shall have properly completed the Certificate of Transfer below or a transfer instrument substantially in the form of such Certificate of Transfer and have delivered such Certificate of Transfer or transfer instrument (together with any transferee certification required as part of the Certificate of Transfer and any letter required by the Issuer or the Trustee to be delivered by the transferee with such certificate of transfer or transfer instrument) to the Trustee.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by mail and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

(e) The Issuer, Trustee or Registrar may decline to accept any request for an exchange or registration of transfer during the period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

(f) Each purchaser of this Note will be deemed to have represented and agreed as follows: (i) it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and it or such account is (x) a "Qualified Institutional Buyer" (as defined in Rule 144A of the Securities Act) and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act; or (y) an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and in the case of each of (x) and (y) it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part hereof, subject to any requirement of

law that the disposition of its property or the property of such investor account or accounts to be at all times within its or their control and subject to its or their ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act; (ii) it acknowledges that this Note has not been and will not be registered under the Securities Act and may not be sold except as permitted below; (iii) it agrees that (A) if it should transfer this Note (or any predecessor Note hereto) within three years after the later of the original issuance of the Notes and the sale thereof by the Issuer or an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or if it was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer it will do so in compliance with any applicable state securities or "Blue Sky" laws and only (1) to the Issuer, (2) to Qualified Institutional Buyers in compliance with Rule 144A under the Securities Act, (3) outside the United States pursuant to an exemption from registration in accordance with Regulation S under the Securities Act, or (4) to an Accredited Investor, but only if, in connection with any transfer a certificate in the form of Exhibit A to the Indenture is delivered by the transferee to the Registrar, and (B) it will give the transferee notice of any restrictions on resale of this Note; prior to any proposed transfer pursuant to clause (3) or (4) above, the purchaser may be required to furnish to the Trustee and the Issuer such certifications, legal opinions or other information as either of them may reasonably require to confirm that the proposed transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; (iv) it understands that this Note, unless otherwise agreed by the Issuer and the Holder thereof, will bear the legend on the face of this Note; (v) it has received the information, if any, requested by it pursuant to Rule 144A under the Securities Act, has had full opportunity to review such information and has received all additional information necessary to verify such information; and (vi) it understands that the Issuer, the Managers (as defined in the Offering Memorandum relating to the Notes) and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of this Note are no longer accurate, it shall promptly notify the Issuer. If it is acquiring this Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account.

10. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the Holders of 66-2/3% in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such Holders may waive any default under the Indenture and its consequences, except a default in the payment of principal of or the Make-Whole Amount, if any, or interest on any of the Notes. Any such consent or waiver by the Holder of this Note (unless revoked as provided in the Note) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Note which may be issued in exchange or substitution herefor, whether or not any notation thereof is made upon this Note or such other Notes.

11. The Indenture contains provisions permitting the Issuer and the Trustee, with the consent of the Holders of not less than 66-2/3% in aggregate principal amount of the Notes at the time Outstanding (or such lesser amount as may have acted at a Noteholders' meeting pursuant to Article Ten of the Indenture), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Notes; provided that no such supplemental indenture shall without the consent of each Holder of an Outstanding Note affected thereby (i) change the Stated Maturity of the principal of or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or on any amount payable upon redemption or acceleration thereof, (ii) change the coin or currency in which any Note or interest thereon is payable, (iii) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (iv) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of the Notes, (v) modify any of the provisions of Section 5.12 or 8.02 of the Indenture, except to increase any of the percentages set forth therein or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby or (vi) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders. In addition, this Note and related documentation may be amended or supplemented

from time to time (i) to modify the restrictions on, and procedures for, resales and other transfers of this Note to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of this Note shall be deemed, by the acceptance of such Note, to have agreed to any amendment or supplement described in the immediately preceding sentence.

12. The Indenture provides that persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum at a meeting of Holders of Notes. In the absence of such a quorum at a meeting of Holders of Notes called by the Issuer, such meeting shall be adjourned for a period of not less than 10 days and, in the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for another period of not less than 10 days. At any subsequent reconvening of any meeting of Holders of Notes adjourned for lack of a quorum, persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. Any action which may be taken by a meeting of Holders of Notes requires a vote of the Holders of the lesser of (a) a majority of the aggregate principal amount of the Notes then outstanding or (b) 75% in aggregate principal amount of the Holders of Notes represented and voting at the meeting.

13. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and the Make-Whole Amount, if any, and interest on this Note at the times and rate herein prescribed.

14. The Indenture provides that the Issuer may merge or consolidate with, or sell or convey all or substantially all its assets to, any corporation or other entity and that such corporation or other entity may assume the obligations of the Issuer under the Indenture and the Notes without the consent of the Noteholders provided that certain conditions are met.

15. The Indenture provides that, upon satisfaction of certain terms and conditions as set forth in the Indenture, the Issuer (a) will be discharged from any

and all obligations in respect of this Note (except for certain obligations to register the transfer or exchange of Notes, to replace any stolen, lost or mutilated Note, to maintain paying agencies and hold monies in trust) and (b) has the option to omit to comply with certain covenants and certain provisions of the Indenture shall cease to apply, in the case of each of (a) and (b) above, 91 days after the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations (as defined in the Indenture), which through the payment of interest and principal thereof in accordance with their terms will provide money in sufficient amount to pay the principal of and interest on this Note on the Stated Maturity of such payments in accordance with the terms of the Indenture and this Note.

16. The Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Note is registered as the absolute owner thereof for all purposes and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

17. The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

18. All terms not otherwise defined herein shall have the meanings specified in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM--as tenants in common

UNIF GIFT MIN AT--.....Custodian.....

Under Uniform Gifts to Minors Act

.....

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

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(please print or typewrite name and address including zip code of assignee and insert Taxpayer Identification No.)

this Note and all rights hereunder, hereby irrevocably constituting and appointing _____ attorney to transfer this Note on the books of the Issuer, with full power of substitution in the premises.

(The following is not required for sales or other transfers of this Note to or through or with the written approval of the Issuer.)

CERTIFICATE OF TRANSFER

In connection with any transfer of this Note occurring prior to the date which is three years after the later of the issuance of this Note (or any predecessor Note) and the sale hereof by an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) or by a Holder that was at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer, the undersigned confirms that:

Transferor Certifications

1. Applicable Exemption [check one]

[_] (a) This Note is being transferred by the undersigned to a transferee that is, or that the undersigned reasonably believes to be, a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended) pursuant to and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[_] (b) This Note is being transferred by the undersigned to a transferee that is an "accredited investor" (within the meaning of Rule 501(a)(l), (2), (3) or (7) under the Securities Act of 1933, as amended) that has furnished to the Registrar a signed letter containing certain representations and agreements relating to the restrictions on transfers of such Notes (the form of which letter can be obtained from the Registrar) and that the undersigned has been advised by the transferee that it is acquiring this Note for investment and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the Securities Act) or fractionalization thereof or with any intention of reselling this Note or any part thereof, subject to any requirement of law that the disposition of its property being at all times within its control and subject to its ability to resell this Note pursuant to Rule 144A, Regulation S or other exemption from registration available under the Securities Act of 1933, as amended.

or

[_] (c) This Note is being transferred by the undersigned in an "Offshore Transaction" (as defined in Regulation S under the Securities Act of 1933, as amended) to a transferee that is not, or that the undersigned reasonably believes not to be, a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) pursuant and in accordance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder.

2. Affiliation with Issuer [check if applicable]

[_] (a) The undersigned represents and warrants that it is, or at some time during which it held this Note was, an Affiliate of the Issuer.

(b) If 2(a) above is checked and if the undersigned was not an Affiliate of the Issuer at all times during which it held this Note, indicate the most recent date as of which the undersigned was an Affiliate of the Issuer:
_____.

(c) If 2(a) above is checked and if the transferee will not pay the full purchase price for the transfer of this Note on or prior to the date of transfer indicate when such purchase price will be paid: _____.

TO BE COMPLETED BY TRANSFEREE

IF 1(a) ABOVE IS CHECKED AND THE TRANSFEROR IS NOT A QUALIFIED INSTITUTIONAL BUYER:

The undersigned represents and warrants that it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information.

Dated:_____ _____
NOTICE: To be executed by an officer.

TO BE COMPLETED BY TRANSFEREE

IF 1(c) ABOVE IS CHECKED:

The undersigned represents and warrants that it is not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended).

Dated:_____ _____
NOTICE: To be executed by an officer.

If none of the boxes under the Applicable Exemption section of the Transferor Certifications is checked or if any of the above representations required to be made by the transferee is not made, the Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof.

THE UNDERSIGNED HEREBY AGREES THAT, UNLESS THE BOX ABOVE UNDER ITEM 2(A) IS CHECKED, THE UNDERSIGNED SHALL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT NOR HAS IT BEEN AT ANY TIME DURING WHICH IT HELD THIS NOTE AN AFFILIATE, AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OF THE ISSUER.

Dated:_____ _____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of this

(Schedule for Global Notes Only]

Note in every particular, without alteration or enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN GLOBAL NOTE

The following exchanges of a part of this Global Note have been made:

Date of Exchange	Amount of decrease in Principal amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note After such Exchange	Signature of Authorized Officer of Trustee or Note Custodian

24

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ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.01. Definitions.

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section.

(1) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Accounting Principles; and

(3) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accounting Principles" means generally accepted accounting principles as in effect from time to time, provided that when determining the Issuer's consolidated assets, liabilities, revenues and expenses, the Issuer shall include only its proportional share of the assets, liabilities, revenues and expenses of any controlled entity that is not wholly owned.

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Act" when used with respect to any Holder of a Note has the meaning specified in Section 1.03.

"Affiliate" has the meaning assigned thereto in Rule 144 under the Securities Act and any successor rule thereto.

"Appraisal" means an appraisal referred to in Section 4.11 hereof.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that

is a member of the Appraisal Institute selected by the Issuer and acceptable to the Trustee, which acceptance shall be deemed given unless the Trustee reasonably objects to the selection on the basis of such appraiser's lack of national recognition, independence or qualification as a member of the Appraisal Institute.

"Board of Trustees" means the Board of Trustees of the Issuer or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board in connection herewith.

"Board Resolution" when used with reference to the Issuer means a copy of a resolution, certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Trustees and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day which is not a Saturday, Sunday or a legal holiday or a day on which banks are required or authorized to be closed in the State of New York.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period (determined in accordance with Accounting Principles) to the extent deducted in determining Consolidated Net Income for such period.

"Consolidated Debt" means as at any date the Debt of the Issuer and its Consolidated Subsidiaries, determined on a consolidated basis in accordance with Accounting Principles.

"Consolidated Interest Expense" means for any period consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation but without duplication, (i) any interest accrued or paid during such period which is capitalized, (ii) the portion of any obligation under capitalized leases allocable to interest expense during such period and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a person other than the Issuer or a wholly-owned Consolidated Subsidiary, in each case determined in accordance with Accounting Principles.

"Consolidated Net Income" means for any period the consolidated income (or loss) before nonrecurring items of the Issuer and its Consolidated Subsidiaries for such period, determined in accordance with Accounting Principles.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding principal amount of Consolidated Debt (excluding Excludable Non-Recourse and Subsidiary Debt) at such date.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Issuer at such date and (ii) Debt of any Subsidiary at such date.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity (including, without limitation, a partnership or limited liability company), the accounts of which would be consolidated with those of the Issuer in its consolidated financial statements in accordance with Accounting Principles if such statements were prepared as of such date.

"Corporate Trust Office" means the principal corporate trust office of the Trustee at which at any particular time its corporate trust business shall be administered, which office is, at the date of execution of this Indenture, located at 450 West 33rd Street, New York, New York 10001, Attention: Corporate Trustee Administration Department.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment of such obligations and (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with Accounting Principles, it is required to be capitalized on a balance sheet of the lessee; provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b)

the Obligor's interest in Real Property to the payment of a mortgage loan or other secured indebtedness which is solely the obligation of any other Person, the amount of indebtedness or other obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the Obligor's interest in such Real Property as determined in accordance with the most recent Appraisal.

"Depositary" means the depositary for the Global Notes initially appointed by the Issuer pursuant to Section 2.01(f), until a successor depositary shall have become such pursuant to such Section and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Event of Default" means any event or condition specified in Section 5.01.

"Excludable Non-Recourse and Subsidiary Debt" means as of any determination date that portion of Consolidated Debt that is attributable to the following (as set forth in a certificate from the Chairman or chief financial officer delivered to the Trustee): (i) that portion of any Non-Recourse Debt of the Issuer or any Subsidiary that is in excess of the FMV of the assets securing such Debt and (ii) that portion of any Subsidiary's Debt which is not otherwise recourse to the Issuer in excess of the FMV of such Subsidiary's assets. Such officer's certificate shall set forth the FMV of the relevant assets (together with the basis therefor). For purposes of this definition, the term "FMV" with respect to any asset means (a) if such asset is Real Property that was valued in the most recent Appraisal, then the value of such asset as set forth in such appraisal, (b) if such asset is Real Property acquired after the valuation date of the most recent Appraisal, then the purchase price thereof and (c) in all other cases, the fair market value as determined in good faith by the Chairman or chief financial officer of the Issuer.

"Global Note" has the meaning specified in Section 2.01(f).

"Gross Assets" means at any date (without duplication) the sum of (i) the consolidated Real Property Value of the Issuer and its Consolidated Subsidiaries, (ii) cash and all other assets of the Issuer and its Consolidated Subsidiaries which, in accordance with Accounting Principles, would at such time be included on a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries (other than Real Property and any asset which

is classified as an intangible asset under Accounting Principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all determined as of the valuation date for the most recent Appraisal and (iii) if not included in the assets described in clause (ii), the value of any notes and contract receivables held by the Issuer pursuant to its Employee Share Purchase Plan as indicated in the most recent Appraisal.

"Holder" or "Noteholder" when used with respect to any Note means the Person in whose name the Note is registered in the Note Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest" or "interest" means the interest payable on the Notes.

"Interest Payment Date" has the meaning specified in the form of face of Note.

"Issuer" means the Person named as the "Issuer" in the first paragraph of this instrument until a successor entity shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor entity.

"Lien" means any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind (including any right under any conditional sale or other title retention agreement).

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semiannual basis, such principal and interest at the Reinvestment Rate (determined on the Business Day immediately preceding the date of such redemption or declaration of accelerated payment) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment

had not been made, over (ii) the aggregate principal amount of the Notes being redeemed or paid.

"Maturity" means, when used with respect to any Note, the date on which the principal and the Make-Whole Amount, if any, of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or otherwise.

"Non-Recourse Debt" of any Person means at any time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing, Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document evidencing, governing, securing or otherwise relating to such Debt provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) liabilities of the holders of such Debt and their affiliates to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Note" means a registered Note authenticated and delivered under this Indenture.

"Note Register" has the meaning specified in Section 2.04(a).

"Notice of Issuance" means a Request of the Issuer pursuant to Section 2.03.

"Officers' Certificate" means a certificate signed by both the President and any Senior Vice-President or the General Counsel of the Issuer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer, Cravath, Swaine & Moore or other counsel of nationally recognized standing.

"Outstanding" when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment money in the necessary amount has been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Notes; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered or which have been paid pursuant to Section 2.05 of this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by bona fide holders in due course;

Provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder and for purposes of determining Outstanding Notes under Section 5.01, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon and in accordance with the advice of counsel shall be full protection to the Trustee.

"Paying Agent" means any Person appointed by the Issuer pursuant to Section 4.02 to pay the principal of, the Make-Whole Amount, if any, or interest on any Notes on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Private Placement Legend" has the meaning set forth in Section 2.04(g).

"Purchase Agreement" means the Purchase Agreement among the Issuer, J.P. Morgan Securities Inc. and Lazard Freres & Co. LLC dated as of March 20, 1996.

"Qualified Institutional Buyer" has the meaning assigned thereto in Rule 144A.

"Real Property" means land, right in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in land, or interests therein, including, without limitation, fee ownership of land or improvements, options, leasehold, joint venture, limited liability company or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or otherwise secured in any way by mortgages, or interests in any of the foregoing instruments.

"Real Property Value" means at any time the fair market value of the equity in all interests in Real Property held at such time by the Issuer and its Consolidated Subsidiaries as set forth in the most recent Appraisal to which shall be added related debt secured by real property, to the extent that such debt has been deducted in determining such fair market value.

"Record Date" has the meaning specified in the form of face of Note.

"Redemption Date" has the meaning set forth in Section 9.02.

"Redemption Price" has the meaning set forth in Section 9.01.

"Registrar" has the meaning set forth in Section 2.04.

"Regulation S" means Regulation S under the Securities Act, and any successor regulation thereto.

"Reinvestment Rate" means .50% (one-half of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the period remaining until the Stated Maturity of the Notes. If no maturity exactly corresponds to such period, yields for the two published maturities most closely corresponding to such period shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most

recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Request" and "Order" when used with reference to the Issuer mean, respectively, a written request or order signed in the name of the Issuer by the Chairman of the Board of Trustees or the President or any Senior Vice President, the General Counsel, or the Treasurer of the Issuer, delivered to the Trustee.

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"Secured Debt" means, with respect to any Person, any Debt of such Person that is secured by a Lien on any of its assets.

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

"Stated Maturity" when used with respect to any Note or any installment of interest thereon means the date specified in such Note as the fixed date on which the principal of such Note, the Make-Whole Amount, if any, or such installment of interest is due and payable.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Obligations adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the Issuer.

"Subordinated Securities" of any Person means shares of beneficial interest or stock, or other equity interest, in such Person (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of such Person which shall have been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Notes.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, securities or ownership interests of which having ordinary voting power to elect a majority of such

board or body are at the time of determination directly or indirectly owned by the Issuer, (ii) any limited liability company, general or limited partnership or joint venture of which the Issuer directly or indirectly owns the interest of a manager, general partner or joint venture and (iii) any other legal entity in which the Issuer owns a majority of voting equity interests; provided, however, that (A) for purposes of Section 5.01, such limited liability company, partnership, venture or entity shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such limited liability company, partnership, venture or entity, the Issuer directly or indirectly shall have the right to cause such limited liability company, partnership, venture or entity to take, or to refrain from taking, the action described in such Section and (B) for purposes of Article Four, such limited liability company, partnership, venture or entity shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such limited liability company, partnership, venture or entity, the Issuer directly or indirectly shall have the right to cause compliance by such limited liability company, partnership, venture or entity with the provisions of such Article. For purposes of the proviso to the preceding sentence, the Issuer shall not be deemed to have the right to cause the subject limited liability company, partnership, venture or entity to take or refrain from taking any action or to comply with any covenant unless the Issuer has the right to cause the subject limited liability company, partnership, venture or entity to obtain the necessary funds required for it to take or refrain from taking such action or to comply with such covenants.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed by the United States.

"U.S. Person" has the meaning assigned thereto in Regulation S.

SECTION 1.02. Form of Documents Delivered to Trustee; Compliance Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture other than a Request pursuant to Section 2.03 for the initial authentication of Notes pursuant to this Indenture, there shall be furnished to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this

Indenture shall include a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Acts of Holders of Notes.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy, or of the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is shown by the evidence to be included in the Notes the Holders of which have consented to such action may (to the extent permitted by applicable law), by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in this Section 1.03, revoke such consent so far as it concerns such Note. Except as aforesaid, any such action by the Holder of any Note (to the extent permitted by applicable law) shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon each Note or upon any Note issued in exchange or substitution therefor.

SECTION 1.04. Notices, etc., to Trustee or Issuer. Except as provided in Section 5.01, any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Notes or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder of Notes or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office to the attention of Corporate Trustee Administration Department, or

(2) the Issuer by the Trustee or by any Holder of Notes shall be sufficient for every purpose hereunder if in writing, and delivered by hand, mailed, first-class postage prepaid, or telexed or telecopied and confirmed by mail, first-class postage prepaid, addressed to the Issuer at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Secretary, or at any other address previously furnished in writing to the Trustee by the Issuer.

All notices, elections, requests and demands required or permitted under this Indenture shall be in the English language.

SECTION 1.05. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.06. Successors and Assigns. All covenants and agreements in this Indenture by the Issuer or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.07. Separability Clause. In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.08. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.09. Governing Law. This Indenture and each of the Notes shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.10. Legal Holidays. In any case where the Stated Maturity of any Note or the date on which any installment of interest is due and payable shall be a day which is not a Business Day, then (notwithstanding any other provision of this Indenture or the Notes) payment of interest, the Make-Whole Amount, if any, or principal need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as if made at the Stated Maturity or due date and no interest shall accrue on such payment for the intervening period after such Stated Maturity or due date to such next succeeding Business Day.

SECTION 1.11. Consent to Jurisdiction and Service of Process. The Issuer waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue in any suit, action or proceeding arising out of or relating to this Indenture or any Note brought in any New York State or United States Federal court sitting in the Borough of Manhattan in the City of New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment, provided that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain Outstanding, the Issuer will at all times during which the Issuer does not maintain an office in the Borough of Manhattan, the City of New York have an authorized agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note and will upon the appointment of such agent promptly notify the Trustee in writing of the name and address of such agent. Service of process upon such agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding.

Nothing in this Section shall affect the right of the Trustee or any Noteholder to serve process in any manner

permitted by law or limit the right of the Trustee to bring proceedings against the Issuer in the courts of any jurisdiction or jurisdictions.

SECTION 1.12. Disclaimer of Liability of Shareholders and Others. Corporate Property Investors refers to the Trustees for the time being under a Second Amended and Restated Declaration of Trust dated as of March 16, 1995, as amended, on file in the office of the Secretary of the Commonwealth of Massachusetts. The Declaration of Trust provides that the obligations of Corporate Property Investors shall not constitute personal obligations of its Trustees, officers, shareholders, employees or agents, and that all persons dealing with Corporate Property Investors shall look solely to the assets of Corporate Property Investors for satisfaction of any liability of Corporate Property Investors, and will not seek recourse against such Trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction. The foregoing limitation of liability is in addition to, and not exclusive of, any limitation of liability applicable to such persons by operation of law. Each Holder by accepting a Note waives and releases all such liability. Such waiver and release are part of the consideration for the issue of the Notes.

ARTICLE TWO

ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

SECTION 2.01. Form Generally; Title and Terms.

(a) The Notes, including the face of the Notes, the reverse of the Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth above, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by such execution.

The definitive Notes shall be printed, lithographed, engraved or otherwise produced as determined by the officers executing such Notes as evidenced by such execution.

(b) Except for Notes authenticated and delivered in exchange for or in lieu of Notes pursuant to Section 2.04, 2.05 or 8.05, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $250,000,000 principal amount.

The Notes shall be known and designated as the 7 7/8% Notes Due 2016 of the Issuer. Their Stated Maturity shall be March 15, 2016. The Notes shall bear interest as provided in the form of Note.

(c) The Notes and transfers thereof shall be registered as provided in Section 2.04.

(d) Each Note shall be dated the date of its authentication.

(e) The Notes shall not be entitled to any mandatory sinking fund. The Notes shall be redeemable by the Issuer as provided for in Article Nine.

(f) The Notes may be issued in whole or in part in the form of one or more global notes (the "Global Notes"). The Issuer shall execute and the Trustee shall, in accordance herewith and upon the Order of the Issuer, authenticate and deliver one or more Global Notes that (i) shall represent and shall be denominated in an aggregate principal or face amount of the Outstanding Notes to be represented by such Global Note or Notes, (ii) shall be registered in the name of the Depositary or the nominee of the Depositary, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (iv) shall bear the legend set forth below.

The Issuer initially designates The Depository Trust Company ("DTC") as the depositary for the Global Notes. The Issuer and the Trustee shall enter into a customary letter of representation with DTC, providing for, among other things, a legend restricting transfer of the Global Notes.

The Depositary nay be treated by the Issuer as the owner of such Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer from giving effect to any written certification, proxy or other authorization furnished by or to the Depositary or impair, as between the Depositary and its participants, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The Holder of any Global Note, by its acceptance thereof, and the Trustee agree that such Global Note shall

be transferred pursuant to Section 2.04 hereof only in whole and not in part to a nominee of DTC, a successor to DTC or a nominee of such successor which is another clearing agency registered under the Securities Exchange Act of 1934, as amended.

If at any time DTC (or any successor Depositary) notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Note or at any time DTC (or such successor Depositary) shall no longer be eligible under this Section 2.01, the Issuer shall appoint a successor Depositary with respect to the Global Notes and such successor shall enter into a customary letter of representation with the Issuer and the Trustee. If a successor Depositary for the Global Notes is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, or if an Event of Default has occurred and is continuing, the Notes shall thereafter no longer be in the form of the Global Notes and the Issuer shall execute and the Trustee upon receipt of an Order of the Issuer for the authentication and delivery of certificated Notes, will authenticate and deliver, certificated Notes in any authorized denominations in an aggregate principal amount of the Global Notes in exchange for the Global Notes, such certificated Notes to be in denominations and registered in the names specified by the Depositary; provided that if such Event of Default is waived pursuant to Section 5.01 or is no longer continuing, such certificated Notes need not be issued and if already issued may, at the Holder's request, be represented again by a Global Note in accordance with this Section 2.01.

SECTION 2.02. Denominations. The Notes are issuable in registered form in denominations of $250,000 and integral multiples thereof.

SECTION 2.03. Execution. Authentication and Delivery of Notes. The Notes shall be executed on behalf of the Issuer by a duly authorized officer of the Issuer. Any such signature may be manual or facsimile.

Notes bearing the manual or facsimile signature of any Person who was, at the actual date of execution thereof, a duly authorized officer of the Issuer shall bind the Issuer, notwithstanding that such Person has ceased to be a duly authorized officer prior to the authentication and delivery of such Notes. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver to the Trustee for authentication Notes executed by the Issuer and, upon written Request of the Issuer, the Trustee shall authenticate and deliver such Notes as in this Indenture provided and not otherwise.

Except as otherwise provided in Sections 3.03 and 4.14 of this Indenture with respect to amounts deposited by the Issuer with the Trustee to effect a defeasance of the Notes or certain covenants and provisions in the Indenture, all monies paid by the Issuer to the Trustee or other Paying Agent for the payment of principal of and, the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, Make-Whole Amount or interest shall have become due and payable shall be repaid to the Issuer and, to the extent permitted by law, the Holder of such Note thereafter shall look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amount shall thereupon cease.

SECTION 2.04. Registration, Transfer and Exchange.

(a) The Issuer shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 4.02 for such purpose being herein sometimes collectively referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and for transfers of Notes. The Issuer hereby appoints Chemical Bank as the Registrar. The registration of transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer. Upon surrender for registration of transfer of any Note at an office or agency of the Issuer designated pursuant to Section 4.02 for such purpose, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(b) Notwithstanding the provisions of Section 2.04(a), the following procedures and restrictions with respect to the registration of any transfer of any Note other than a Global Note shall apply:

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if the requested transfer is (x) to the Issuer, or (y) by a Holder that certifies that it was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer and such transfer is at least three years after the later of (A) the issue date of such Note (or any predecessor of such Note) and (B) the last date on which the Issuer or any Affiliate of the

Issuer was the beneficial owner of such Note (or any predecessor Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(ii) The Registrar shall register the transfer of a Note, whether or not such Note bears the Private Placement Legend, if each of (i) the Holder of such Note and (ii) the proposed transferee (if so required by the Certificate of Transfer) has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate to the Registrar, together, in the case of a transfer to an Accredited Investor, with a letter from the transferee in the form of Exhibit A hereto.

(iii) The Registrar shall register the transfer of a Note to or from a depositary organization for any other institutional trading system designated by the Issuer in a Notice of Issuance or otherwise set forth in a written notice to the Registrar. In connection with any such transfer to such depositary organization for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Registrar in respect thereof. In connection with any such transfer out of such other institutional trading system, the Registrar shall receive such documents, certifications or other evidence from the transferor or transferee as are specified in such Notice of Issuance or other written notice.

(iv) If so specified in the Notice of Issuance with respect to the Notes, the Registrar shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer in such Notice of Issuance which has agreed in writing to offer, sell and effect transfers of Notes only to a prospective purchaser who such dealer, placement agent or other person has reasonable grounds to believe and does believe is a Qualified Institutional Buyer or an Accredited Investor who will make representations with respect to itself substantially to the same effect as set forth in the Certificate of Transfer. No further documents, certifications or other evidence need be supplied in respect of any such transfer.

(v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv)

above, the Registrar shall, subject to such additional procedures as the Issuer may establish, register such transfer upon surrender of such Note. Such additional procedures may include, without limitation, (x) the delivery by the transferor or the proposed transferee of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act.

(vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents, the Registrar shall register the transfer and complete, countersign and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.

(vii) The Registrar shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the, instructions described here.

(c) Notwithstanding any other provisions of this Indenture, so long as a Global Note remains Outstanding, and is held by the Registrar, as custodian for the Depositary, unless the transferee shall otherwise request in writing to the Registrar, no certificated Note shall be issued or authenticated in connection with the transfer of any certificated Note pursuant to the exemption from registration provided by Rule 144A. Instead, upon acceptance for transfer of any certificated Note, the Registrar shall cancel such certificated Note and shall, in lieu of issuing a new certificated Note in exchange for the certificated Note surrendered for registration of transfer, endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of such certificated Note. All provisions of this Section 2.04 relating to the transfer of Notes (other than those relating to the issuance and authorization of a new Note) shall apply to any transfer resulting in an increase in the principal amount of such Global Note. The Registrar shall notify the Depositary promptly of any increase in the principal amount of any Global Note.

Notwithstanding any other provisions of this Indenture, resales or other transfers of Notes represented by a Global Note made in compliance with Rule 144A or made on or subsequent to the date that is three years after the later of (i) the original issue date of such Note (or any predecessor of such Note) and (ii) the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act, by a beneficial owner that was not at the date of such transfer or during the three months preceding such date of transfer an Affiliate of the Issuer will be conducted according to the rules and procedures of the Depositary applicable to U.S. corporate debt obligations and without notice to, or action by, the Registrar. Upon notice from the beneficial owner (or an agent of the beneficial owner) of Notes represented by a Global Note that such beneficial owner intends to resell or transfer such Notes (x) otherwise than pursuant to Rule 144A prior to three years after the later of (i) the original issue date of such Note (or any predecessor of such Notes) and (ii) the last date on which the Issuer or any Affiliate of the Issuer was the beneficial owner of such Note (or any predecessor of such Note), determined as set forth in Section 2.04(j) hereof and computed in accordance with paragraph (d) of Rule 144 under the Securities Act or (y) otherwise than pursuant to Rule 144A if such beneficial owner was at the proposed date of such transfer or during the three months preceding such proposed date of transfer an Affiliate of the Issuer, and upon satisfaction by the transferor and, if applicable, the transferee, of the conditions necessary for the registration of transfer of a Note set out in Section 2.04(b), the Registrar shall and is authorized by the holder of such Global Note, by its acceptance thereof, to endorse on the schedule affixed to such Global Note (or on a continuation of such schedule affixed to such Global Note and made a part thereof), an appropriate notation evidencing the date and the reduction in the principal amount of such Global Note equal to the principal amount of the portion of the Global Note being transferred and shall authenticate and deliver a certificated Note registered in the name of the transferee or its nominee in an equal aggregate principal amount. The Registrar shall notify the Depositary promptly of any decrease in the principal amount of any Global Note.

(d) Except as otherwise provided on the face of the Notes with respect to the payment of interest on Notes transferred between Record Dates and Interest Payment Dates, each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note

shall carry all the rights to interest, if any, accrued and unpaid and to accrue which were carried by the whole or such part of such Note.

(e) The Issuer, Trustee or Registrar may decline to exchange or register the transfer of any Note during the period of 15 days preceding (i) the due date for any payment of principal of, the Make-Whole Amount, if any, or interest, on the Notes or (ii) the date on which Notes are scheduled for redemption.

(f) Transfer, registration and exchange shall be permitted and executed as provided in this Section without any charge other than any stamp or other taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery but subject to such reasonable regulations as the Issuer and the Registrar may prescribe.

(g) Upon the transfer, exchange or replacement of Notes not bearing the private placement legend set forth in the form of Note (the "Private Placement Legend"), the Trustee shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Trustee shall deliver only Notes that bear the Private Placement Legend unless the circumstances contemplated by Section 2.04(b)(i)(y) above exist.

(h) Any Note or Notes may be exchanged for a Note or Notes in other authorized denominations, in an equal aggregate principal amount. Notes to be exchanged shall be surrendered at an office or agency to be maintained by the Issuer for such purpose as provided in Section 4.02, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Notes presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

(i) The Issuer agrees to make available such information as is required by Rule 144A(d)(iv) as in effect on the original issue date of the Notes. Further, the Notes and related documentation may be amended or supplemented from time to time in accordance with Section 8.01 (i) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally and (ii) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note outstanding at the time such amendment or supplement becomes effective be placed in book-entry form). Each Holder of any Note shall be deemed, by the acceptance of such Note, to have agreed to any such amendment or supplement.

(j) For purposes of determining the last day on which the Issuer or any Affiliate of the Issuer was the beneficial owner of a Note, the Registrar and the Issuer shall rely on the representations as to "Affiliation with Issuer" set forth on the Certificate or Certificates of Transfer delivered to it from and after the date of issuance of such Note (or any predecessor Note) in connection with transfers of such Note. The Registrar, the Issuer and all Holders of Notes shall be entitled to rely without further investigation on any certification by any transferor on the Certificate of Transfer. Unless a transferor required to provide a Certificate of Transfer shall certify thereon that it is or at some time during which it held such Note was an Affiliate of the Issuer, such transferor shall be deemed to have represented that it is not nor has it been at any time during which it held such Note an Affiliate of the Issuer.

SECTION 2.05. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any Note shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the

apparent destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, with the Holder's consent in the case that the Note is called for redemption, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote. and, in every case of apparent destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, the Make-Whole Amount, if any, and (subject to the provisions for payment of interest set forth in the form of Note) interest on such Note and for all other

purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary to the extent permitted by applicable law.

SECTION 2.07. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, or registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

ARTICLE THREE

SATISFACTION AND DISCHARGE; DEPOSITED MONEYS

SECTION 3.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange herein expressly provided for), and the Trustee, upon Request of the Issuer at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Notes theretofore authenticated and delivered (other thou Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.04), have been delivered to the Trustee for cancellation and 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date of delivery of the last such Note for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable, (2) will become due and payable at their Stated Maturity within one year, (3) are to be called for redemption within one year under

arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, or (4) are deemed paid and discharged pursuant to Section 3.03, as applicable, and in the case of (1), (2) or (3) above, 91 days (during which no event referred to in Section 5.01(e) or (f) with respect to the Issuer shall have occurred) have run from the date on which the Issuer has deposited or caused to be deposited with the Trustee or the Paying Agent, in trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal, the Make-Whole Amount, if any, and interest accrued to the date of such deposit or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and any predecessor Trustee under Section 6.06 and, if money shall have, been deposited with the Trustee pursuant to subclause (ii) of clause (a) of this Section or if money or obligations shall have been deposited with or received by the Trustee pursuant to Section 3.03, the obligations of the Trustee under Sections 3.02 and 6.06 shall survive.

SECTION 3.02. Application of Trust Money. Subject to Section 4.02, all money deposited with the Trustee pursuant to Section 3.01, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 3.03 or 4.14 and all money received by the Trustee in respect of U.S. Governmental Obligations deposited with the Trustee pursuant to Section 3.03 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through the Paying Agent as the Trustee may determine, to the Holders of the Notes for whose payment such money has been deposited with the Trustee, of all sums due and to become due thereon for principal, the Make-Whole Amount, if any, and interest for whose payment such money has been deposited with or received by the Trustee or to

make payments as contemplated by Section 3.03; but such money need not be segregated from other funds except to the extent required by law.

SECTION 3.03. Satisfaction, Discharge and Defeasance of Notes. The Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Notes on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture shall no longer be in effect (and the Trustee, at the expense of the Issuer, shall, upon receipt of a Request of the Issuer, execute proper instruments acknowledging the same), except as to:

(a) the rights of Holders of Notes to receive, from the trust funds described in subparagraph (d) of this Section 3.03, payment of the principal of and each installment of or interest on the Notes on the Stated Maturity of such principal or installment of principal or interest;

(b) the Issuer's obligations with respect to the Notes under Section 2.04, 2.05 and 4.02; and

(c) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 3.02 and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that, the following conditions shall have been satisfied:

(d) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defease the Notes under this Section 3.03 and deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in writing delivered to the Trustee, to pay and discharge each installment of

principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(e) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(f) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date;

(g) the Issuer has delivered to the Trustee (1) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (2) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (1) or (2), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and, in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred;

(h) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble to this Section 3.03 (i) will not cause the Trustee or the trust created pursuant to this Section 3.03 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 3.03, constitute a preferential transfer (with respect to "non-insider" transferees) under Section 547(b) of the United States Bankruptcy Code; and

(i) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 3.03 have been complied with.

ARTICLE FOUR

COVENANTS OF THE ISSUER
AND THE TRUSTEE

SECTION 4.01. Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of, the Make-Whole Amount, if any, and interest on the Notes, in accordance with the terms of the Notes and this Indenture.

Payment of principal of and the Make-Whole Amount, if any, on Notes will be made in accordance with the terms of the Notes against surrender of the Notes at the Corporate Trust Office of the Paying Agent in the City of New York. Payment of interest on the Notes will be made, in accordance with the terms of the Notes, to the respective persons in whose name the Notes are registered at the close of business on the Record Date prior to the relevant Interest Payment Date.

The Issuer will on or before 3:00 P.M., the City of New York time, on the day which is one Business Day next preceding the due date of the principal of and the Make-Whole Amount, if any, or interest on any Notes, pay to the Paying Agent in "next day" (New York Clearing House) funds a sum sufficient to pay the principal, the Make-Whole Amount or interest, so becoming due, such sum to be held in trust for the benefit of the Holders of such Notes.

SECTION 4.02. Maintenance of Office or Agency; Appointment of Paying Agent. So long as any of the Notes remain Outstanding, the Issuer will maintain in the City of New York the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer hereby appoints Chemical Bank as Paying Agent (the "Paying Agent"), for the payment of principal of,

the Make-Whole Amount, if any, and interest on the Notes on behalf of the Issuer. The Issuer reserves the right at any time, and from time to time, to vary or terminate the appointment of any Paying Agent, transfer agent or Registrar or to appoint any additional or other Paying Agent or agencies or transfer agent or agencies or Registrar.

Whenever the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.02, that it will hold all sums held by it as such agent for the payment of the principal of, the Make-Whole Amount, if any, or interest on the Notes in trust for the benefit of the Holders of the Notes, that it will give the Trustee notice of any failure by the Issuer to make any payment of the principal of, or the Make-Whole Amount, if any, or interest on the Notes when the same shall be due and payable and that, at any time during the continuance of any such default, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held by it in trust.

Anything in this Section 4.02 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this Section 4.02, such sums to be held by the Trustee upon the trust herein contained. Any money deposited with the Trustee or any Paying Agent for the payment of the principal of or the Make-Whole Amount, if any, or interest on any Note and remaining unclaimed for two years after such principal, the Make-Whole Amount or interest has become due and payable shall be paid to the Issuer, and the Holder of such Note shall thereafter look only to the Issuer for payment thereof and all liability, if any, of the Trustee or any Paying Agent with respect to such deposited amounts shall thereupon cease.

SECTION 4.03. Existence of Issuer. The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Issuer shall not be required to preserve the existence of the Issuer or any such right or franchise if the Board of Trustees of the Issuer shall determine that the failure to preserve such existence, right or franchise is not disadvantageous in any material respect to the Holders of Notes and in the case of such right or franchise, is no longer desirable in the conduct of the business of the Issuer.

SECTION 4.04. Information. The Issuer will deliver to the Trustee and to each Holder of Notes upon the request of such Holder:

(a) within 90 days after the end of each fiscal year of the Issuer, a consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of cash flows, income and shareholders' equity for such fiscal year, in each case prepared in accordance with generally accepted accounting principles, setting forth in each case in comparative form the figures for the previous fiscal year, and a report and opinion thereon of independent public accountants of recognized national standing; and

(b) within 60 days after the end of each of the first three fiscal quarters, unaudited consolidated financial statements of the Issuer and its Consolidated Subsidiaries for the portion of the Issuer's fiscal year then ended, prepared in accordance with generally accepted accounting principles, as provided to the Issuer's shareholders.

SECTION 4.05. Maintenance of Property; Insurance.

(a) The Issuer will keep, and will cause each Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Issuer wi11 maintain, and will cause each Subsidiary to maintain, in full force and effect at all times with financially sound and reputable insurance companies, insurance on all of its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in similar businesses.

SECTION 4.06. Trustee. The Issuer whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.07. Compliance with Laws. The Issuer will comply, and, will cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authority, except where the necessity of compliance therewith is contested in good faith or where the failure to

comply would not have a material adverse effect upon the Issuer and its Consolidated Subsidiaries, taken as a whole.

SECTION 4.08. Limitations on Debt. The Issuer shall not, at any time, permit:

(a) Consolidated Debt (excluding Excludable Non-Recourse and Subsidiary Debt) to exceed 50% of Gross Assets, or

(b) Consolidated Secured Debt (excluding Excludable Non-Recourse and Subsidiary Debt) to exceed 35% of Gross Assets.

SECTION 4.09. Minimum Net Worth. The Issuer shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars).

SECTION 4.10. Debt Service Coverage. The Issuer shall not permit Cash Flow plus Consolidated Interest Expense (but only to the extent such Consolidated Interest Expense shall have been deducted in computing Consolidated Net Income) calculated at the end of any fiscal quarter, for the four fiscal quarters then ended to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other nonperiodic payments, including lump sum or bullet payments).

SECTION 4.11. Annual Real Property Appraisal. Prior to February 28 of each year, the Issuer will (a) cause the fair market value of the equity of the Issuer and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (b) calculate as of such December 31 the value of Gross Assets, (c) cause the Appraiser to review such calculation of Gross Assets and (d) cause to be filed with the Trustee a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such December 31 and its opinion on the reasonableness of the Issuer's calculation of the value of Gross Assets as of such December 31 and stating that the appraisal referred to in clause (a) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 4.12. File Statement Annually with the Trustee. Within 120 days after the close of each fiscal

year, the Issuer will file with the Trustee an Officers' Certificate, stating that in the course of the performance by the signers of their duties as officers of the Issuer, they would normally obtain knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, that they have made a review with a view to determining whether there is any default under this Indenture, and stating whether or not they have obtained knowledge of any such default, and, if so, specifying each default of which the signers have knowledge and the nature thereof.

At the time such Officers' Certificate is filed, the Issuer will also file with the Trustee a letter or statement of the independent accountants who shall have certified the consolidated financial statements of the Issuer for its preceding fiscal year to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention to cause them to believe that the Issuer failed to comply with the covenants in Sections 4.01, 4.08, 4.09 and 4.10 which failure remains uncured at the date of such letter or statement, or, if they shall have obtained knowledge of any such failure, specifying in such letter or statement the nature thereof.

SECTION 4.13. Further Assurances. From time to time whenever requested by the Trustee, the Issuer will execute and deliver such further instruments and assurances and do such further acts as may be reasonably necessary or proper to carry out more effectually the purposes of this Indenture or to secure the rights and remedies hereunder of the Holders of the Notes.

SECTION 4.14. Defeasance of Certain Obligations. From and after the 91st day after the date the Issuer deposits funds with the Trustee as described in paragraph (1) of this Section 4.14, the Issuer may omit to comply with any term, provision or condition set forth in Sections 4.04, 4.05, 4.07, 4.08 to 4.11, inclusive, and Section 5.01(c) and (d) and (e) and (f) (but only insofar as such paragraphs (e) and (f) relate to Subsidiaries of the Issuer), inclusive, and Article Nine shall be deemed deleted, provided that the following conditions shall have been satisfied:

(1) the Issuer shall have given the Trustee written notice that it intends to exercise its right to defeasance under this Section 4.14 and deposited or caused to be deposited irrevocably (except as provided in Section 3.03) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the

Notes, cash in U.S. dollars (or such other money or currencies as shall then be legal tender in the United States) and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants in writing delivered to the Trustee, to pay and discharge each installment of principal of and any interest on the Notes on the dates such installments of interest or principal are due;

(2) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such deposit;

(4) the Issuer has delivered to the Trustee (a) an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel or (b) there has been published by (or the Issuer has received from) the Internal Revenue Service a ruling, in the case of either (a) or (b), to the effect that Holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance of certain obligations had not occurred;

(5) the Issuer has delivered to the Trustee an opinion of counsel from Cravath, Swaine & Moore or other nationally recognized counsel to the effect that such deposit and the effects of such deposit set forth in the preamble of this Section 4.14 (i) will not cause the Trustee or the trust created pursuant to this Section 4.14 to constitute an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and (ii) will not, following the expiration of the 91-day period referred to in the preamble to this Section 4.14, constitute a preferential transfer (with respect to "non-insider"

transferees) under Section 547(b) of the United States Bankruptcy Code; and

(6) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 4.14 have been complied with.

ARTICLE FIVE

REMEDIES

SECTION 5.01. Events of Default Defined; Acceleration of Maturity; Waiver of Default. The following events or conditions constitute Events of Default hereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order, rule or regulation of any administrative body):

(a) default in the payment of any installment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 10 Business Days; or

(b) default in the payment of principal of, or the Make-Whole Amount, if any, on, any of the Notes when due, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture or the Notes (other than a covenant or agreement a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or default in the payment of principal, the Make-Whole Amount, if any, or interest), and continuance of such default or breach for a period of 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) acceleration of, or failure to pay at maturity, Debt (other than Non-Recourse Debt) of the

Issuer or any Subsidiary in an aggregate principal amount in excess of $10,000,000 which acceleration is not rescinded or annulled or which Debt is not discharged, in either case, within 30 days after there shall have been given to the Issuer by the Trustee, by registered or certified mail, or to the Issuer and the Trustee, by registered or certified mail, by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes, a written notice specifying such acceleration or failure to pay and requiring the Issuer to remedy the same; or

(e) the entry of a decree or order for relief in respect of the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) by a court having jurisdiction in the premises in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer (or any Subsidiary that has outstanding Debt (other than Non-Recourse Debt) with an aggregate principal amount in excess of $10,000,000) of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or any other applicable United States Federal or State bankruptcy, insolvency or other similar law, or the consent by it (or any such Subsidiary) to the entry of an order for relief in an involuntary case under any such law as to the appointment of a receiver, liquidator, assignee, custodian, trustee, seqestrator (or other similar official) of the Issuer (or any such Subsidiary) or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer (or any such Subsidiary) in furtherance of any such action.

If an Event of Default set forth in Section 5.01(a) or (b) occurs and is continuing, then and in every such case (i) the Trustee by a notice in writing to the

Issuer may declare all the Notes to be due and payable immediately or (ii) the Holders of not less than 25% in aggregate principal amount of the Outstanding Notes may by written notice to the Issuer and the Trustee declare the Notes to be due and payable immediately, and upon any such declaration the Notes shall be immediately due and payable at the principal amount thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(c) or (d) occurs and is continuing, then in every such case the Trustee or the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders) and upon such declaration the Notes shall be immediately due and payable at the principal amount plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount, if any. If an Event of Default set forth in Section 5.01(e) or (f) occurs, the Notes shall automatically become due and payable at the principal amount thereof plus accrued interest to the date the Notes are paid without any action or declaration upon the part of the Trustee or Noteholders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Notes shall have so become due and payable, before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the expenses of the Trustee, and any and all defaults under this Indenture, other than the non-payment of Notes which shall have become due by such declaration, shall have been remedied, then in every such case the Holders of a majority in aggregate principal amount of the Notes then outstanding (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof), by written notice to the Issuer and the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no waiver and rescission and annulment shall extend to or shall affect any default in the payment of the principal of or interest on any of the Notes or any subsequent default or shall impair any right consequent thereon.

SECTION 5.02. Collection of Debt and Suits for Enforcement by Trustee. The Issuer covenants that if:

(i) in case default is made in the payment of any installment of interest on any Note when such interest

becomes due and payable and such default continues for a period of 10 Business Days, or

(ii) default is made in the payment of the principal of and the Make-Whole Amount, if any, on any Note at the Maturity thereof,

then the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the principal amount thereof, plus the Make-Whole Amount, if any, with interest upon the overdue principal and the Make-Whole Amount and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and all amounts payable to the Trustee and any predecessor Trustee under Section 6.06.

If the Issuer fails to pay any amounts required under this Section 5.02 forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

SECTION 5.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or such other obligor, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and any predecessor Trustee (including, in the case of. any such proceeding relating to the Issuer, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel) and of the Holders of Notes allowed in such judicial proceeding,

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and

(c) unless prohibited by law or applicable regulations, to vote on behalf of Holders of Notes in any election of a trustee in bankruptcy or other person performing similar functions;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes, to pay, in the case of any such proceeding relating to the Issuer or to the Trustee any amount due to it or any predecessor Trustee under Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of Notes, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of Notes in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 5.04. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee (to the extent permitted by applicable law) without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes in respect of which judgment has been recovered, subject to the provisions of this Indenture.

SECTION 5.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, the Make-Whole Amount, if any, or interest, upon presentation of the Notes, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee or any predecessor Trustee under Section 6.06;

SECOND: In case the principal of the Outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of or the Make-Whole Amount, if any, on the Outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal, the Make-Whole Amount, if any, and interest, with interest on the overdue principal and installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate of interest borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal, the Make-Whole Amount, if any, and interest, without preference or priority of principal or the Make-Whole Amount, if any, over interest, or of interest over principal, or the Make-Whole Amount, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, the Make-Whole Amount, if any, and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.06. Limitation on Suits by Noteholders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this

Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 66-2/3% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Events of Default set forth in Sections 5.01(c) or (d);

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority (or 66-2/3% where expressly provided herein) in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

SECTION 5.07. Unconditional Rights of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture (but subject to the following sentence), the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of, and the Make-Whole Amount, if any, and interest on such Note on the respective dates such payments are due in accordance with the terms of the Notes and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder. Notwithstanding any other provision in this Indenture or any Note, the Issuer may deduct or withhold taxes or other governmental charges from or in respect of any payment required to be made under this Indenture or any Note to the extent required by applicable law.

SECTION 5.08. Restoration of Rights and Remedies. If the Trustee or any Holder of Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Notes shall continue as though no such proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Notes, as the case may be.

SECTION 5.11. Control by Holders. Except as otherwise provided herein or in the Notes, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture.

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors and/or Responsible Officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability or would be unduly prejudicial to Holders not joining in such direction.

SECTION 5.12. Waiver of Past Defaults. The Holders of not less than 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder and its consequences, except a default in the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court of competent jurisdiction may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted against the Issuer by the Trustee, by any Holder of Notes, or group of Holders of Notes, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or by any Holder of any Note for the enforcement of the payment of the principal of, the Make-Whole Amount, if any, or interest on such Note on or after the respective dates such payments are due in accordance with the terms of the Notes.

SECTION 5.14. Notice of Default to Holders of Notes. The Trustee shall at the Issuer's expense, within 90 days after any Event of Default becomes known to a Responsible Officer of it, give the Holders of Notes notice

thereof, unless such default shall have been cured or waived.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee for liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred: the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; this Subsection shall not be construed to limit the effect of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes (or 66-2/3% or 25% in principal amount where expressly provided herein) relating to the

time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 6.02. Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed) and any resolution of the Board of Trustees of the Issuer shall be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, or bond, debenture or other paper or document, unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of the investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes; provided that the Trustee shall not be relieved of its duty to authenticate Notes as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof.

SECTION 6.04. Trustee and Agents May Hold Notes. The Trustee, the Paying Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes, collections, proceeds, and

may otherwise deal with the Issuer and may receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee, Paying Agent or such other agent.

SECTION 6.05. Moneys Meld in Trust. Money held by the Trustee or the Paying Agent in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 6.06. Compensation and Indemnification of Trustee and Its Prior Claim. The Issuer covenants and agrees:

(a) to pay to the Trustee from time to time such compensation as shall from time to time be agreed upon in writing by the Trustee and the Issuer or, if there be no agreement, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any predecessor Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except to the extent any such expense, disbursement or advance may be attributable to its negligence or bad faith; and

(c) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or investigating any claim of liability in the premises, except to the, extent any such loss, liability or expense may be attributable to negligence or bad faith on its own part.

To ensure the performance of the obligations of the Trustee under this Section, the Trustee shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of the principal of, or the Make-Whole Amount, if any, or interest on any Notes. The rights of the

Trustee under this Section 6.06 shall survive the satisfaction and discharge of this Indenture.

SECTION 6.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the good faith thereof.

SECTION 6.08. Corporate Trustee Required; Eligibility. The Trustee shall at all times be a corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $200,000,000, subject to supervision or examination by Federal or State authority and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and by mailing notice thereof by first-class mail to Holders of Notes at their last addresses as they shall appear on the Note Register. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee and to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note who has been a Holder in due course of a Note for at least six months, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer by a Board Resolution may remove the Trustee, or (B) subject to Section 5.13. any Holder of a Note who has been a Holder in due course of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, by an Issuer Order, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or by the Holders of Notes or pursuant to Section 6.09(b) and shall have accepted appointment in the manner hereinafter provided in Section 6.10, any Holder of a Note who has been a Holder in due course of a Note for at least six months may, subject to Section 5.13, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee in the manner set forth in paragraph 8 on the Form of Reverse of Note. The notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

(g) The rights of a Trustee pursuant to Section 6.06 shall survive its resignation or removal and the appointment of successor Trustees hereunder.

SECTION 6.10. Acceptance of Appointment by Successor. Any successor Trustee appointed as provided in Section 6.09 shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment to it of all fees, expenses and other amounts owing to it hereunder, execute and deliver an instrument transferring to such, successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its claim, if any, provided for in Section 6.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be eligible and qualified under this Article.

SECTION 6.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise eligible and qualified under Section 6.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at any time such successor to the Trustee shall succeed to the trusts created by this Indenture, any

of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor, by merger, conversion or consolidation or by succeeding to all or substantially all the corporate trust business of the Trustee, to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor shall apply only to its successor or successors by merger, conversion or consolidation.

ARTICLE SEVEN

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 7.01. Issuer May Consolidate. etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey (including by way of lease) all or substantially all of its assets to any Person (other than the sale, transfer or conveyance (including by way of lease) of all or substantially all of the Issuer's assets in a single transaction or a series of transactions to one or more wholly-owned Subsidiaries), unless (i) either (A) the Issuer shall be the continuing entity or (B) the successor entity or the Person which acquires by sale or conveyance all or substantially all the assets of the Issuer (if other than the Issuer) shall (1) expressly assume the due and punctual payment of the principal of, the Make-Whole Amount, if any, and interest on all the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture and the Notes to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such Person, and (2) if such Person is not organized under the laws of the United States of America or any State thereof, agree in such supplemental indenture that any amount to be paid by such Person to Holders of the Notes shall be paid without deduction or withholding for any taxes, levies, imposts or charges whatsoever imposed by or for the account of the country in which any such Person is organized or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by such country as aforesaid, or any of its political subdivisions or taxing authorities, such Person will pay any such additional amount in respect of principal, Make-Whole Amount, if any, and

interest as may be necessary in order that the net amounts paid to the Holders of the Notes or the Trustee, as the case may be, after such deduction or withholding, shall equal the respective amounts of principal, Make-Whole Amount, if any, and interest as specified in the Notes to which such Holders or the Trustee are entitled, and (ii) the Issuer or such successor Person or acquiring Person shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SECTION 7.02. Successor Issuer Substituted. In the case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor entity, such successor entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession, any or all of the Notes issuable hereunder, which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication and any Notes which such successor entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to e issued as maybe appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any successor entity which shall theretofore have become such in the manner described in this Article shall be. discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

SECTION 7.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Section 6.01 and 6.02, may rely on an Opinion of Counsel and an Officers' Certificate, as conclusive evidence that any such

consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, for any of the following purposes:

(a) to evidence the assumption by any successor entity to the Issuer of the covenants of the Issuer herein and in the Notes contained; or

(b) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer; or

(c) to modify the restrictions on, and procedures for, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(d) to accommodate the issuance, if any, of Notes in book-entry form and matters related thereto (although no such amendment or supplement may require that a Note Outstanding at the time such amendment or supplement becomes effective be placed in book-entry form); or

(e) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to make any provisions with respect to matters or questions arising under this Indenture, or to make any other changes herein that shall not materially adversely affect the interests of the Holders of the Notes.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations

which may be therein contained and to accept the conveyance. transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Notes at the time Outstanding notwithstanding any of the provisions of Section 8.02.

SECTION 8.02. Supplemental Indentures With Consent of Holders: Waiver of Future Compliance. With the consent of the Holders of 66-2/3% (or such lesser amount as may have acted at a meeting of Noteholders pursuant to Article Ten hereof) in aggregate principal amount of the Outstanding Notes, by Act of said Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolutions, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture or to waive future compliance with the Indenture or the provisions of the Notes; provided, however, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby,

(a) change the Stated Maturity of the principal of, or the due date for any installment of interest on, any Note, or reduce the principal amount thereof or the Make-Whole Amount, if any, or the interest thereon or any amount payable upon redemption or acceleration thereof, or

(b) change the coin or currency in which any Note or the interest thereon is payable, or

(c) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note, or

(d) reduce the above-stated percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required to modify or amend the Indenture or the provisions of any Note, or

(e) modify any of the provisions of this Section or Section 5.12, except to increase any of the

percentages set forth herein or therein or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby, or

(f) reduce the quorum requirements or the percentage of votes required for the adoption of any action at a meeting of Noteholders.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Notes, or which modifies the rights of Noteholders, with respect to such covenant, or provision, shall be deemed not to affect the rights under this Indenture of the Noteholders.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Trustees certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid and other documents, if any, required by Section 8.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall mail a notice thereof to the Holders of then Outstanding Notes by first-class mail to such Holders at their addresses as they shall appear on the Note Register. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trust created by this Indenture, the Trustee shall be entitled to

receive, and (subject to Sections 6.01 and 6.02) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, obligations or immunities under this Indenture or otherwise.

SECTION 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be and shall be deemed modified in accordance therewith and the respective rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Notes affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all other terms and conditions of any such supplemental indenture shall form a part of this Indenture for all purposes.

SECTION 8.05. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and such Notes shall be authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE NINE

REDEMPTION OF NOTES

SECTION 9.01. Optional Redemption. The Issuer at its option may, at any time, redeem all, or from time to time any part, of the Notes upon payment of the principal amount of the Notes, plus accrued interest to the date of redemption, plus the Make-Whole Amount, if any (the "Redemption Price"). If less than all the Notes are to be redeemed at the option of the Issuer, the Issuer will deliver to the Trustee at least 45 days prior to the Redemption Date (or such shorter period as the Trustee may accept) an Officers' Certificate stating the aggregate principal amount of Notes to be redeemed.

If less than all the Notes are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Notes to be redeemed in whole or in part. Notes may be redeemed in part in multiples equal to the minimum authorized denomination for Notes. Unless the Trustee has been requested to notify Holders of redemption pursuant to the last paragraph of Section 9.02, the Trustee shall promptly (but in no event after the later of (a) the date that is ten days after the date of receipt by the Trustee of the Officers' Certificate referred to in the first paragraph of this Section 9.01 and (b) the date that is five days before the date identified by the Issuer in such. Officers' Certificate as the date on which the Issuer intends to give notice of redemption) notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes, in the case of any Note redeemed or to be redeemed only in part, relates to the portion of the principal amount of such Note which has been or is to be redeemed.

SECTION 9.02. Notice of Redemption. Notice of redemption to the Holders of Notes to be redeemed as a whole or in part at the option of the Issuer shall be given by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption (the "Redemption Date") at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice to the Holder of an Note as a whole or in part, shall not affect the validity of the proceedings for the redemption of any other Note.

The notice of redemption to each such Holder shall specify the principal amount of each Note held by such Holder to be redeemed, the date fixed for redemption, the Redemption Price (or the method of calculating thereof in the case of the Make-Whole Amount component, if any, of the Redemption Price), the place or places of payment and that payment will 1e made upon presentation and surrender of such Notes. In the case of the redemption of Notes that are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Notes at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

Prior to sending to the Holder of any Note any notice of redemption of such Note at a Redemption Price which may include a Make-Whole Amount in accordance with the foregoing provisions, the Issuer shall compute the Make-Whole Amount, if any, with respect thereto in accordance with the foregoing provisions, and shall have delivered to the Trustee a certificate executed by an officer of the Issuer having responsibility for the calculations of Make-Whole Amounts and setting forth the applicable Make-Whole Amount, if any, and showing in reasonable detail the calculations thereof and the facts upon which such calculations are based.

SECTION 9.03. Deposit of Redemption Price. Prior to 3:00 p.m., New York City time, on the day which is one Business Day next preceding the Redemption Date, the Issuer shall deposit with the Paying Agent in "next day" (New York Clearing House) funds an amount of money sufficient to pay on the Redemption Date the Redemption Price of all the Notes so called for redemption.

SECTION 9.04. Payment of Notes Called for Redemption. If notice of redemption has been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and on and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Notes shall cease to bear interest.

If the Issuer defaults on the Redemption Date in the payment of the Redemption Price such Notes shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

ARTICLE TEN

MEETINGS OF NOTEHOLDERS

SECTION 10.01. Notice; Quorum; Actions Taken.

(a) The Issuer may at any time call a meeting of the Noteholders, such meeting to be held at such time and at such place as the Issuer shall determine, for the purposes provided in Section 8.02 hereof, or for the purpose of taking action with respect to any Event of Default under Article Five hereof. Notice of any meeting of Noteholders, setting forth the time and place of such meeting, in general terms the action proposed to be taken at such meeting and the record date for determining Holders entitled to take action at such meeting, shall be mailed to the registered address of such Holders not less than 20 nor more than 180 days prior to the date fixed for such meeting. To be entitled to vote at any meeting of Noteholders, a person must be (i) a Holder of one or more Notes on such record date or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Notes on. such record date. The only persons ho shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuer or the Trustee and their respective counsel.

(b) Persons entitled to vote a majority in principal amount of the Notes at the time Outstanding shall constitute a quorum for the purpose of any such meeting. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to order. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, a meeting which has been called by the Issuer or the Trustee shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting shall be further adjourned for a period of not less than 10 additional days as determined by the chairman of the meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph (a) of this Section 10.01. Subject to the foregoing, at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in principal amount of the Notes at the time Outstanding. shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal

amount of the Outstanding Notes which shall constitute a quorum.

(c) At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution for any purpose provided in Article Eight hereof or for the purpose of taking any action with respect to any Event of Default under Article Five hereof shall be effectively passed and decided if passed and decided by the persons entitled to vote the lesser of (i) a majority in principal amount of Notes then Outstanding and (ii) 75% in principal amount of the Notes represented and voting at the meeting. Any Noteholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purpose of determining a quorum and be deemed to have voted, provided that such Noteholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting). Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Section shall be binding on all the Noteholders whether or not present or represented at the meeting.

(d) The Issuer shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of Persons entitled to vote a majority in principal amount of the Notes represented at the meeting. At any meeting each Noteholder or proxy shall be entitled to one vote for each $250,000 principal amount of Notes as to which he is a Noteholder or proxy; provided, however that no vote shall be cast or counted at any meeting in respect of any Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Noteholder or proxy. Any meeting of Noteholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(e) The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or proxies and on which shall be inscribed an identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes entitled to be voted by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each

meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the acts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the, matters therein stated.

* * * * *

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By: /s/ Harold Rolfe

Title: Vice President and
General Counsel

[SEAL]

Attest:

/s/ William J. Lyons
- ---
Title: Vice President, Secretary
and Assistant General Counsel

CHEMICAL BANK

By:

Title:

(SEAL)

Attest:

- ---
Title:

STATE OF NEW YORK)
: ss. :
COUNTY OF NEW YORK)

On the 25th day of March, 1996, before me personally came Harold E. Rolfe, to me known, who, being by me duly sworn, did depose and say that he resides at New York, NY; that he is the Vice President and General Counsel of CORPORATE PROPERTY INVESTORS, one of the parties described in and which executed the above instrument; that he knows the seal of said Trust; that one of the seals affixed to said instrument is such seal; that it was so affixed pursuant to authority of the board of trustees of said Trust; and that he signed his name thereto pursuant to like authority.

/s/ Barbara Briamonte

Notary Public

BARBARA BRIAMONTE
Notary Public, State of New York
No. 4811157
Qualified In Nassau County
Commission Expires March 30, 1998

STATE OF NEW YORK)
: ss. :
COUNTY OF NEW YORK)

On the 22nd day of March, 1996, before me personally came Anne G. Brenner to me known, who, being by me duly sworn, did depose and say that she resides at New York, NY; that she is a [Vice President] of CHEMICAL BANK, one of the parties described in and which executed the above instrument; that she knows the corporate seal of said banking corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed pursuant to authority of the board of directors of said banking corporation; and that she signed her name thereto pursuant to like authority.

/s/ Annabelle DeLuca

Notary Public

ANNABELLE DeLUCA
Notary Public,
State of New York
No. 01DE5013759
Qualified in Kings County
Certificate Filed New York county
Commission Expires July 15, 1997

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By:

Title:

[SEAL]

Attest:

- ---
Title:

CHEMICAL BANK

By: /s/ Anne G. Brenner

Title: VICE PRESIDENT

[SEAL]

Attest:

/s/ [ILLEGIBLE]
- ---
Title: SENIOR TRUST OFFICER

Exhibit 4.14

MORTGAGE NOTE

$21,000,000.00 New York, New York
January 1, 1994

FOR VALUE RECEIVED, the undersigned 303-313 EAST 47TH STREET ASSOCIATES, a New York partnership having an office at 305 East 47th Street, New York, New York, PROMISES TO PAY to the order of Corporate Property Investors, a Massachusetts business trust having an office at 305 East 47th Street, New York, New York, on the Maturity Date (as hereinafter defined), the principal sum (the "Principal") of Twenty One Million and 00/100 Dollars ($21,000,000), or so much thereof as may be advanced as hereinafter provided, in lawful money of the United States of America, and to pay interest (the "Interest") on the unpaid principal amount hereof from time to time outstanding, from the date hereof until this Note has been paid in full, as follows:

1. During the period from the date hereof until December 31, 1998, interest only on the outstanding principal amount hereof at the rate of six percent (6%) per annum, calculated on the basis of a year of twelve 30-day months, payable monthly in arrears on the last day of each month;

2. During the period from January 1, 1999, to December 31, 2013, constant monthly payments in arrears on the last day of each month in the amount of $265,533, applied first to interest on the outstanding principal amount hereof at the rate of fifteen percent (15%) per annum, calculated on the basis of a year of twelve 30-day months, and the balance of each such monthly payment applied to the reduction of the outstanding principal balance hereof; and

3. In addition to and not in substitution for or reduction of the foregoing payments of interest, on the Maturity Date, a sum equal to twenty-five percent (25%) of the Gross Appraised Value (as hereinafter defined) of the Leasehold (as hereinafter defined on the Maturity Date (the "Contingent Interest").

For the purposes of this Note, the following terms shall have the following meanings:

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"Appraisal" means a written report of an Appraiser conducted in accordance with the professional standards and methods prescribed by The Appraisal Institute, or any successor professional organization.

"Appraiser" means Landauer Associates Inc. or any successor firm thereto, or such other firm of nationally recognized independent real estate appraisers as may be selected by and acceptable to the holder hereof, whose work is conducted by or under the supervision of a member in good standing of The Appraisal Institute.

"Gross Appraised Value" shall mean the value determined by an Appraiser, on the basis of an Appraisal completed not more than 90 days prior to the Maturity Date, of the value on the Maturity Date of the leasehold under the Lease (the "Leasehold") to the lessee thereunder from the date of the Appraisal to the date of expiration of the Lease, without taking into account any deductions from the income realizable by the lessee thereunder in respect of rentals under the Lease payable to the lessor thereunder or debt service on any mortgage or deed of trust secured by the leasehold as collateral, with a capitalization rate assigned to such income stream and a discount factor applied to determine the present value thereof in accord with then prevailing rates in the marketplace for comparable properties.

"Installment" shall mean each of the periodic payments, whether of Interest or of Principal, due in accordance with the terms of this Note.

"Installment Payment Date" shall mean any date on which a periodic payment is due in accordance with the terms of this Note, whether such payment consists of Interest or Principal or both.

"Lease" means that certain Lease Agreement dated as of June 22, 1982, between Corporate Property Investors, as Lessor, and 305-313 East 47th Street Associates, as Lessee, as it may be amended from time to time.

"Leasehold" means the leasehold estate of the lessee under the Lease and, for purposes of any Appraisal, shall also mean the right to the use and occupancy of any improvements then existing on the land demised under the Lease.

"Maturity Date" means December 31, 2013, or any earlier or later date to which the final payment of this Note may be

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extended or any earlier date on which all of the Principal of and Interest on this Note have been or are required to be paid in full.

"Mortgage" means the Amended and Consolidated Mortgage dated as of January 1, 1984, from the undersigned to Corporate Property Investors, encumbering property located in the Borough of Manhattan, County and State of New York.

If any amount due hereunder on any Installment Payment Date or on the Maturity Date is not paid within 15 days after the date on which it is due, the undersigned shall also pay to the holder of this Note, upon demand and to the extent permitted by law, (a) interest on the amount not paid, from the date such amount was due until the date such amount is paid in full, at the time prevailing rate for Interest on this Note plus two per cent (2%) per annum, plus (b) with respect to any Installment payable prior to the Maturity Date, an amount equal to four per cent (4%) of such unpaid Installment to defray the expense incurred by such holder in handling and processing such delinquent payment.

This Note may not be voluntarily prepaid, either as to Principal, Interest or Contingent Interest, prior to the Maturity Date. In the event that, upon default in performance under the Mortgage or the occurrence of any other event under the Mortgage requiring or resulting in the acceleration of the payment of the Principal or Interest (including Contingent Interest) to a date earlier than December 31, 2013, the holder hereof shall be entitled to the payment hereunder of an amount equal to the difference between (a) Interest which would have accrued on the Principal balance unpaid at the rates specified herein from the date of such acceleration to December 31, 2013, and (b) interest which the holder hereof would have received if the Principal so prepaid had been invested, on the date of acceleration, in United States Treasury securities having a maturity date on (or as close as possible to) December 31, 2013.

The undersigned waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note, and shall pay all costs of collection when incurred, including reasonable attorneys' fees.

The undersigned shall perform and comply with each of the covenants of the undersigned contained in this Note, the Mortgage and any other instrument evidencing or securing payment of Principal, Interest (including Contingent Interest) and all other sums due pursuant to this Note or

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the Mortgage (hereinafter collectively called the "Debt"). The holder of this Note may, at its option, declare the Debt due upon a default under the Mortgage or any other instrument evidencing, securing or guaranteeing payment of the Debt.

No release of any security for the Debt nor any extension of time for payment of any Installment nor any alteration, amendment or waiver of any provision of this Note, the Mortgage or any other instrument evidencing, securing or guaranteeing payment of the Debt entered into between any holder of this Note and any other person or party, shall release, modify, or affect the liability of the undersigned under this Note.

The liability of the undersigned and its partners for failure to perform its obligations hereunder or under the Mortgage and the other instruments described therein is expressly limited to the security for the payment of the Debt, the same being all the properties, rights and estates subject to the Mortgage and the other instruments described therein.

This Note may not be changed orally.

The undersigned represents that the undersigned has full power, authority and legal right to execute and deliver this Note and that the Debt constitutes a valid and binding obligation of the undersigned.

This Note is given in replacement of a Mortgage Note dated January 1, 1984, which Note consolidated the indebtedness of the undersigned to Corporate Property Investors under that certain Mortgage Note dated as of June 22, 1982, in the principal amount of $4,209,834, plus interest accrued thereon to December 31, 1983, in the amount of $1,094,233.60, and under that certain Mortgage Note dated as of July 1, 1982 in the maximum principal amount of $16,790,166, plus interest accrued thereon to December 31, 1983, in the amount of $1,039,343.13. Provided the undersigned is not in default under the Mortgage, it shall be entitled to advances hereunder from time to time after the date hereof to the extent of the amount by which the aggregate principal amount of this Note exceeds the aggregate of the foregoing amounts of Principal and accrued Interest.

For the convenience of the holder hereof, the amount of the Principal of and accrued Interest from time to time outstanding on this Note may be annotated on a schedule

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attached hereto and hereby made a part hereof, but the loan records of the holder hereof shall always be the sole and exclusive record of the amounts thereof evidenced hereby.

The terms of this Note shall be construed in accordance with and governed by the laws of the State of New York.

This Note is secured by the Mortgage.

303-313 EAST 47TH STREET ASSOCIATES

By: Corporate Realty Consultants, Inc.,
General Partner

By: _____
Vice President and General Counsel

By: 767 Fifth Avenue Management, Inc.,
General Partner

By: _____
Vice President and General Counsel

EXHIBIT 5.1

[Letterhead of]

CRAVATH, SWAINE & MOORE
[New York Office]

August 13, 1998

Corporate Property Investors, Inc.
Corporate Realty Consultants, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as counsel for Corporate Property Investors, Inc., a Delaware corporation ("CPI"), and Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"), in connection with the registration by CPI and CRC under the Securities Act of 1933 (the "Act") of up to (i) 111,766,862 shares of Common Stock, par value $.0001 per share, of CPI (the "CPI Common Stock"), paired with 1/100th of a share of Common Stock, par value $.0001 per share, of CRC (the "CRC Common Stock"), (ii) 3,200,000 shares of Class B Common Stock, par value $.0001 per share, of CPI (the "CPI Class B Common Stock"), paired with 1/100th of a share of CRC Common Stock and (iii) 4,000 shares of Class C Common Stock, par value $.0001 per share, of CPI (the "CPI Class C Common Stock"), paired with 1/100th of a share of CRC Common Stock, being registered under a registration statement on Form S-4 (the "Registration Statement"), to which this opinion is being filed as an exhibit. Such shares of CPI Common Stock, CPI Class B Common Stock, CPI Class C Common Stock and CRC Common Stock (collectively, the "Common Stock") are proposed to be issued pursuant to the Agreement and Plan of Merger, dated as of February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors (predecessor to CPI) and CRC (the "Merger Agreement").

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including (a) the Certificate

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of Incorporation of CPI; (b) the By-laws of CPI; (c) the Certificate of Incorporation of CRC; (d) the By-laws of CRC; and (d) the Merger Agreement.

Based upon the foregoing, we are of the opinion that, when the shares of Common Stock are issued in the manner referred to in the Registration Statement, then the shares of Common Stock will be duly authorized, validly issued, fully paid and nonassessable.

We are admitted to practice in the State of New York, and we express no opinion as to matters governed by any laws other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States of America.

We hereby consent to the inclusion of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the Registration Statement.

We are furnishing this opinion to you solely for your benefit in connection with the transactions contemplated by the Merger Agreement. This opinion may not be relied upon by any other person or for any other purpose or used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

/s/ Cravath, Swaine & Moore

Corporate Property Investors, Inc.
Corporate Realty Consultants, Inc.
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, NY 10017-2391

Exhibit 8.1

August 13, 1998

Simon DeBartolo Group, Inc.
115 West Washington Street
Indianapolis, Indiana 46204

Re: Registration Statement on Form S-4
File Nos.

Ladies and Gentlemen:

We have acted as your counsel in connection with the proposed merger (the 'Merger') of a subsidiary of Corporate Property Investors, Inc., a Delaware corporation ('CPI'), with and into Simon DeBartolo Group, Inc., a Maryland corporation ('SDG'), pursuant to an Agreement and Plan of Merger (the 'Agreement'), dated as of February 18, 1998 by and among SDG, CPI, and Corporate Realty Consultants, Inc., a Delaware corporation ('CRC'). In that connection we have participated in the preparation of a Registration Statement on Form S-4 (the 'Registration Statement'), including a Proxy Statement/Prospectus (the 'Proxy Statement'), under the Securities Act of 1933, as amended. In particular, we have prepared the sections entitled 'THE MERGER AGREEMENT AND RELATED MATTERS-Federal Income Tax Consequences to Holders of SDG Equity Stock' and 'THE MERGER AGREEMENT AND RELATED MATTERS-Federal Income Tax Considerations Relating to the Simon Group' contained in the Proxy Statement. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Proxy Statement.

We have examined the Agreement, the Proxy Statement, representation letters received from CPI and SDG and such other documents and records as we have deemed necessary or appropriate for purposes of this opinion. To the extent that we have examined and relied upon original documents or copies thereof in rendering this opinion, we have assumed and relied upon (i) the authenticity of all documents submitted to us as originals, (ii) the conformity to authentic original documents of all documents submitted to us as copies, (iii) the genuineness of all signatures and (iv) that all obligations imposed by the relevant documents on the parties thereto have been or will be performed or satisfied in accordance with their terms. We have also assumed (i) that the Voting Preferred Amendment will be adopted

prior to consummation of the Merger, (ii) the Merger will be consummated in the manner contemplated in the Proxy Statement and in accordance with the terms of the Agreement and CPI and SDG will at all times be organized and operated in accordance with the terms of their respective organizational documents, (iii) the factual statements concerning the Merger set forth in the Proxy Statement are accurate and complete and (iv) the factual representations made to us by CPI and SDG in their respective representation letters to us are accurate and complete and that any representation or statement made as a belief or made 'to the knowledge of' or similarly qualified is correct and accurate without such qualification.

Our opinion is based on the provisions of the Internal Revenue Code of 1986, as amended (the 'Code'), regulations under the Code, judicial authority and current administrative rulings and practice, all as of the date of this letter, and all of which may change at any time.

Based on the foregoing, it is our opinion that the Merger will be treated for United States federal income tax purposes as a 'reorganization' within the meaning of Section 368(a) of the Code.

Assuming the Merger qualifies as a tax-free reorganization, the material federal income tax consequences of the Merger will be as follows:

(i) Subject to the discussion in (vii) below, and except as described in (ii) below, the exchange in the Merger of SDG Equity Stock for Simon Group Equity Stock will not result in the recognition of gain or loss to SDG stockholders with respect to such exchange.

(ii) Each SDG stockholder who receives cash proceeds in lieu of Fractional Shares will recognize gain or loss equal to the difference between such proceeds and the tax basis allocated to such stockholder's Fractional Share interests. Each dissenting stockholder who receives cash proceeds for the shares not voted in favor of the Merger will recognize a taxable gain or loss equal to the difference between such proceeds and the tax basis allocated to such shares. Any such gain or loss recognized as described in this paragraph will constitute capital gain or loss if such stockholder's shares of SDG Equity Stock were held as a capital asset at the Effective Time.

(iii) The tax basis of the shares of Simon Group Equity Stock (including fractional share interests for which cash is ultimately received) received by a SDG stockholder will be equal to the tax basis of the shares of SDG Equity Stock exchanged therefor, decreased by the amount of cash received by such stockholder, and increased by the amount of gain (if any) recognized by such stockholder in the Merger.

(iv) A stockholder's holding period with respect to the Simon Group Equity Stock received in the Merger will include the holding period of the SDG Equity Stock exchanged in the Merger if such SDG Equity Stock was held as a capital asset at the Effective Time.

(v) The aggregate tax basis of the beneficial interests in CRC Common Stock received by a SDG stockholder will equal the fair market value of such beneficial interests as of the Effective Time. The holding period for such beneficial interests received by a stockholder will begin on the day it is distributed.

(vi) No gain or loss will be recognized by SDG, the subsidiary of CPI formed to merge with SDG, or CPI as a result of the Merger.

(vii) The treatment of the receipt of beneficial interests in CRC Common Stock is not completely clear. Willkie Farr & Gallagher is of the opinion that the receipt of such beneficial interests should be treated as a distribution from SDG governed by Section 301 of the Code, and not as 'boot' or 'other property' received in the reorganization. If the IRS were to successfully contend that such beneficial interests are properly treated as 'boot' or 'other property,' SDG stockholders would recognize gain, but not loss, on the exchange of shares of SDG Equity Stock for Paired Shares pursuant to the Merger in an amount equal to the lesser of (a) the fair market value of the beneficial interests in the CRC Common Stock, as of the Effective Time, that they receive, or (b) the amount by which the fair market value of the Paired Shares as of the Effective Time, exceeds the stockholder's adjusted tax basis in the SDG Equity Stock exchanged therefor. Any such gain would be characterized as capital gain (assuming the SDG Equity Stock exchanged was a capital asset in the hands of the stockholder) unless the boot received has the effect of the distribution of a dividend.

In addition, based on the foregoing, it is our opinion that the above-referenced sections of the Proxy Statement accurately describe the material U.S. federal income tax considerations applicable to holders of SDG Equity Stock and Simon Group.

We hereby consent to the use of this opinion as Exhibit 8.1 to the Registration Statement and related Proxy Statement filed with the Securities and Exchange Commission and to the reference to us under the caption 'THE MERGER AGREEMENT AND RELATED MATTERS-Federal Income Tax Consequences to Holders of SDG Equity Stock' and 'LEGAL MATTERS' therein.

Very truly yours,

/s/ Willkie Farr & Gallagher

EXHIBIT 8.2

[Letterhead of]

CRAVATH, SWAINE & MOORE
[New York Office]

August 13, 1998

Corporate Property Investors, Inc.

Dear Sirs:

We have acted as your counsel in connection with the merger contemplated by the Agreement and Plan of Merger (the "Merger Agreement") dated as of February 18, 1998, among Simon DeBartolo Group, Inc., a Maryland corporation ("SDG"), Corporate Property Investors, Inc., a Delaware corporation ("CPI"), and Corporate Realty Consultants, a Delaware corporation ("CRC"). In that connection, you have asked for our opinion regarding CPI's current qualification as a real estate investment trust (a "REIT") within the meaning of Section 856(a) of the Internal Revenue Code of 1986, as amended to date (the "Code") for purposes of the Proxy Statement/Prospectus dated August 13, 1998 (the "Proxy Statement"), to be distributed to stockholders of SDG in connection with their approval of the Merger Agreement.

For purposes of this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (a) the Declaration of Trust dated June 24, 1971, pursuant to which CPI was previously organized, and the Trustees' Regulations of CPI adopted as authorized in the Declaration of Trust, in each case as in effect prior to CPI's incorporation as a Delaware corporation, (b) the Certificate of Incorporation of CPI dated March 10, 1998, and the Bylaws of CPI (c) certain information statements, offering circulars and similar documents that were prepared in connection with CPI securities offerings and borrowing transactions, (d) the records of the proceedings of the Directors and Trustees, as applicable, of CPI and the Investment Committee thereof, (e) certain Annual Reports issued by CPI, (f) an audited annual financial statement of CPI showing the nature and amount of its assets for the calendar year 1997 and the nature and amount of the income

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realized by it in the calendar year 1997 and unaudited financial statements showing such information for each quarter in 1997 and the first two quarters of 1998, (g) a schedule showing certain information concerning the owner ship of shares of CPI in 1997, (h) a representation letter from CPI dated August 13, 1998 regarding certain factual matters and (i) such other documents and records as we deemed necessary for purposes of rendering such opinion. We also have relied upon certain additional information as to matters of fact furnished by officers and representatives of CPI.

Based upon the foregoing, we are of opinion that, subject to compliance by CPI with the requirement of timely filing a return as a REIT for its taxable year ended December 31, 1997, the making of an appropriate dividends paid election therein and the distribution of sufficient dividends attributable to such taxable year to satisfy Section 857(a) of the Code, (i) CPI qualified as a REIT within the meaning of Section 856(a) of the Code for its taxable year ended December 31, 1997, and that, if CPI continues its operations in the same manner as its operations from January 1, 1997 to the date hereof, CPI will continue to so qualify and (ii) subject to the provisions of Section 7002 of the IRS Restructuring and Reform Act of 1998, CPI and CRC are grandfathered from the application of Section 269B(a)(3) of the Code pursuant to Section 136(c)(3) of the Deficit Reduction Act of 1984. As part of the foregoing opinion, we have reached the opinion that CPI has qualified as a REIT in each of the five years preceding 1997.

Although we have assumed for purposes of this opinion that CPI will continue its operations in the same manner as its operations from January 1, 1997 to the date hereof, we note that CPI's operations are expected to change as a result of the merger contemplated by the Merger Agreement. We express no opinion as to the effect of any such change in CPI's ability to qualify as a REIT or otherwise express any opinion regarding CPI's qualification as a REIT after such merger.

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We consent to the filing of this opinion as Exhibit 8.2 to the Proxy Statement and to the reference to our firm name therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Cravath, Swaine & Moore

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, NY 10017

Attention of Mr. Harold E. Rolfe, Esq.
Vice President & General Counsel

Exhibit 8.3

[Letterhead of Baker & Daniels]

August 13, 1998

Simon DeBartolo Group, Inc.
National City Center
Suite 15 East
115 West Washington Street
Indianapolis, Indiana 46204

Corporate Property Investors, Inc.
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, New York 10017

Ladies and Gentlemen:

You have asked for our opinion concerning whether Simon DeBartolo Group, Inc. (the "Company") is qualified for taxation as a "real estate investment trust" ("REIT") under Sections 856- 860 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is being issued in connection with the merger and related transactions (the "Merger") contemplated by the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), by and among the Company, Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC").

In connection with the opinions expressed herein, we have reviewed the Proxy Statement/Prospectus dated August 13, 1998 to be distributed to stockholders of the Company in connection with their approval of the Merger Agreement (the "Proxy Statement/Prospectus") as filed on July 31, 1998; and the related Registration Statement on Form S-4, filed by CPI and CRC (the "Registration Statement") under the Securities Act of 1933, as amended (the "1933 Act"), of which the Proxy Statement/Prospectus is a part. All capitalized terms used herein and not otherwise defined have the meanings given them in the Proxy Statement/Prospectus.

We have also examined and, with your consent, relied upon the following: (i) the Fifth Amended and Restated Agreement of Limited Partnership of Simon DeBartolo Group, L.P. (the "SDG Operating Partnership"); (ii) the Fourth Amended and Restated Partnership Agreement of Shopping Center Associates ("SCA") as amended by the First Amendment dated April 8, 1992, the Second Amendment dated December 30, 1992, and the Third Amendment dated March 19, 1993;

(iii) the opinions of Willkie Farr & Gallagher, dated as of August 9, 1996, relating to the qualification of DeBartolo Realty Corporation as a REIT; (iv) the opinions of Cravath, Swaine & Moore filed as Exhibit 8.2 to the Registration Statement relating to the qualification of CPI as a REIT; (v) the Merger Agreement; and (vi) such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinions expressed herein.

In our examination of documents, we have assumed, with your consent, (i) that all documents submitted to us are authentic originals, or if submitted as photocopies, that they faithfully reproduce the originals thereof; (ii) that all such documents have been or will be duly executed to the extent required; (iii) that all representations and statements set forth in such documents are true and correct; (iv) that any representation or statement made as a belief or made "to the knowledge of," or similarly qualified is correct and accurate without such qualification; (v) that all obligations imposed on any parties by their organizational documents have been or will be performed or satisfied in accordance with their terms; (vi) that the Company, SD Property Group, Inc., formerly DeBartolo Realty Corporation ("SD Property"), Retail Property Trust ("RPT" and, together with the Company and SD Property, the "REIT Members of the Simon Group"), the SDG Operating Partnership, SCA, the Management Companies and partnerships in which the Company or SD Property have direct or indirect interests ("Subsidiary Partnerships") and, after the Effective Time, CPI, which will be renamed Simon Property Group, Inc. ("Simon Group") at all times will be operated in accordance with the terms of their organizational documents; (vii) that the Merger will be consummated in accordance with the Merger Agreement; and (viii) that, after the Effective Time, the SDG Operating Partnership, the Subsidiary Partnership, RPT, SCA, the partnerships in which SCA owns an equity interest and the other REIT Members of the Simon Group as constituted after the Effective Time will conduct their operations as described in the Proxy Statement/Prospectus. We have further assumed that, except for any exceptions set forth in the representations letter described in the following paragraph, the statements and descriptions of the businesses, properties, and intended activities of the REIT Members of the Simon Group, the SDG Operating Partnership, the Management Companies and the Subsidiary Partnerships as described in the Proxy Statement/Prospectus and the documents incorporated in the Registration Statement by reference are accurate and complete.

For purposes of rendering the opinions expressed herein, we also have assumed, with your consent, the accuracy of the representations as to certain factual matters contained in the representations letters from the Company and CRC. The representations of the Company relate to the qualification of each of the REIT Members of the Simon Group as a REIT and the organization and operation of affiliated entities. The representations of CRC relate to its assets and income and the services that it performs in connection with its assets and on behalf of other entities.

Based upon and subject to the foregoing, we are of the opinion that:

1. At all times from and after December 31, 1993 through December 31, 1997, the Company has qualified for taxation as a REIT and if the Company conducts its operations in the

manner described in the Proxy Statement/Prospectus, the Company will continue to qualify for taxation as a REIT under the Code.

2. After the Effective Time, Simon Group (formerly CPI) will continue to qualify for taxation as a REIT under the Code.

This opinion is given as of the date hereof and is based on various statutory provisions, regulations promulgated thereunder and interpretations thereof by the Internal Revenue Service and the courts having jurisdiction over such matters, all of which are subject to change either prospectively or retroactively. Further, any variation or difference in the facts from those set forth in the Proxy Statement/Prospectus may affect the conclusions stated herein. Moreover, the Company's and Simon Group's qualifications as REITs depend upon the ability of each of the REIT Members of the Simon Group (as constituted both before and after the Effective Time) to meet, through actual annual operating results, requirements under the Code regarding income, assets, distributions and diversity of stock ownership. Because each of the REIT Members of the Simon Group's satisfaction of these requirements depends upon future events, no assurance can be given that the actual results of its operations for any one taxable year will satisfy the tests necessary to qualify as or be taxed as a REIT under the Code.

This opinion is furnished to you solely for use in connection with the Registration Statement. We hereby consent to the filing of this opinion as Exhibit 8.3 to the Registration Statement and to the use of our name under the captions "THE MERGER AGREEMENT AND RELATED MATTERS -- Federal Income Tax Consequences to Holders of SDG Equity Stock," and "--Opinions of SDG's and CPI's Counsel," in the Proxy Statement/Prospectus. In giving this consent we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Securities and Exchange Commission thereunder.

We express no opinions as to any federal income tax issues or other matters except those set forth or confirmed above.

Very truly yours,

/s/ BAKER & DANIELS

Exhibit 10.5

SIMON PROPERTY GROUP, L.P.

1998 STOCK INCENTIVE PLAN

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ARTICLE 5

SIMON PROPERTY GROUP, L.P.
1998 STOCK INCENTIVE PLAN

ARTICLE 1

GENERAL

1.1 Purpose.

The purpose of this 1998 Stock Incentive Plan (the "Plan") is to provide for certain key personnel (as defined in Section 1.3) of Simon Property Group, L.P. (the "Partnership") and certain of its Affiliates (as defined in Section 1.6) an equity-based incentive to maintain and enhance the performance and profitability of the Partnership and Simon Property Group, Inc. (the "Company"). It is intended that awards granted under this Plan may provide performance-based compensation within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent applicable.

1.2 Administration.

(a) The Plan shall be administered by a committee (the "Committee") appointed by the Partnership, by action of its General Partner(s), which Committee shall consist of two or more directors of the Company. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by all members of the Committee without a meeting, shall be acts of the Committee. The members of the Committee shall be appointed by and may be changed at any time and from time to time in the discretion of, the Partnership, by action of its General Partner(s).

(b)The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any Plan agreements executed pursuant to the Plan, (iii) to prescribe, amend and rescind rules relating to the Plan, (iv) to make any determination necessary or advisable in administering the Plan, and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

(c) The determination of the Committee on all matters relating to the Plan or any Plan agreement shall be conclusive.

(d) No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award hereunder.

(e) Notwithstanding anything to the contrary contained herein: (i) until the Partnership shall appoint the members of the Committee, the Plan shall be administered by the General Partner(s), and (ii) the General Partner(s) may, in their sole discretion, at any time and from time to time, resolve to administer the Plan. In either of the foregoing events, the term Committee as used herein shall be deemed to mean the General Partner(s).

1.3 Persons Eligible for Awards.

Awards under Articles 2 and 3 of the Plan may be made to such officers, employee-directors, Eligible Directors, executive, managerial, professional or other employees, advisors and consultants ("key personnel") of the Partnership or its Affiliates, other than Melvin Simon and Herbert Simon, as the Committee shall from time to time in its sole discretion select. Eligible Directors shall also receive awards as provided in Article 4 of the Plan.

1.4 Types of Awards Under Plan.

(a) Awards may be made under the Plan in the form of (i) stock options ("options"), (ii) stock appreciation rights related to an option ("related stock appreciation rights"), (iii) stock appreciation rights not related to any option ("unrelated stock appreciation rights"), (iv) restricted stock awards and (v) performance units, all as more fully set forth in Articles 2, 3 and 4.

(b) Options granted under the Plan may be either (i) "nonqualified" stock options subject to the provisions of section 83 of the Code or (ii) options intended to qualify for incentive stock option treatment described in Code section 422.

(c) All options when granted are intended to be nonqualified stock options, unless the applicable Plan agreement explicitly states that the option is intended to be an incentive stock option. If an option is intended to be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a nonqualified stock option appropriately granted under the Plan provided that such option (or portion) otherwise meets the Plan's requirements relating to nonqualified stock options.

(d) In the event the Company or an Affiliate consummates a transaction described in Code section 424(a), persons who become key personnel or directors on account of such transaction may be granted options in substitution or as a replacement for options granted by the former employer. The Committee, in its sole discretion and consistent with Code section 424(a), shall determine the exercise price of the substitute options.

1.5 Shares Available for Awards.

(a) Subject to Section 5.6 (relating to adjustments upon changes in capitalization), the aggregate number of shares of Common Stock (as defined in Section 1.6) which may be delivered under the Plan pursuant to awards hereunder shall not exceed 10,000,000 shares. The number of unrestricted shares acquired pursuant to the exercise of any related stock appreciation right pursuant to the Plan shall be deemed to be equal to the number of shares surrendered, or as to which the grantee's right to purchase, acquire or receive is surrendered, in connection with such exercise, and, to the extent that any payment to a grantee upon exercise of any stock appreciation right is made in the form of restricted shares, the portion of the shares surrendered, or as to which such grantee's right to purchase, acquire or receive is surrendered, which is related to payment in the form of restricted shares shall not be deemed to be unrestricted shares acquired pursuant to the Plan until such restricted shares become unrestricted. Upon unconditional vesting of the right of any grantee to payment pursuant to any performance unit in cash or any other form (other than restricted or unrestricted shares), a number of unrestricted shares, equal to the portion of the shares subject to such performance unit to which such payment relates, shall be deemed to be delivered pursuant to the Plan in connection therewith. The number of shares delivered in full or partial payment of any option exercise price under the Plan shall be deducted from the number of shares delivered to the grantee pursuant to such option for purposes of determining the number of unrestricted shares delivered pursuant to the Plan. Without limiting the generality of the foregoing, shares of Common Stock covered by awards granted under the Plan which expire or terminate for any reason (other than an option or part thereof which is canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.5(f)) shall again become available for award under the Plan.

(b) Shares of Common Stock that shall be subject to issuance pursuant to the Plan shall be authorized and unissued or treasury shares of Common Stock.

(c) Without limiting the generality of the foregoing, the Committee may, with the grantee's consent, cancel any award under the Plan and issue a new award in substitution therefor upon such terms as the Committee may in its sole discretion determine, provided that the substituted award shall satisfy all applicable Plan requirements as of the date such new award is made.

1.6 Definitions of Certain Terms.

(a) The term "Affiliate" as used herein means any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the

Partnership, as determined by the Committee in its sole discretion; provided, however, that the Company and Affiliates of the Company shall be considered Affiliates of the Partnership.

(b) The term "Common Stock" as used herein means the shares of common stock, par value $0.0001 per share, of Simon Property Group, Inc., as constituted on the effective date of the Plan, all rights which trade with or are paired with such shares of common stock, including beneficial interests in one or more trusts which own all of the common stock of SPG Realty Consultants, Inc., and any other shares into which such common stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

(c) The term "Eligible Director" means a director of the Company who is not an employee of the Partnership or any of its Affiliates.

(d) Except as otherwise determined by the Committee in its sole discretion, the "fair market value" as of any date and in respect of any share of Common Stock shall be the mean between the high and low sales prices of a share of Common Stock as reported on the New York Stock Exchange if shares of Common Stock are then trading upon such exchange, or if not, then such average on such other stock exchange on which shares of the Common Stock are principally trading, on such date. In no event shall the fair market value of any share be less than its par value.

(e) The term "Performance Cycle" means the period of time established by the Committee within which Performance Goals are required to be attained or satisfied.

(f) The term "Performance Goals" means the performance goals established by the Committee with respect to the Company, the Partnership or any Affiliates, in the Committee's sole discretion, in writing, based on any one or any combination of the following business criteria: (a) earnings per share; (b) return on equity; (c) return on assets; (d) market value per share; (e) funds from operations; (f) return to stockholders (including dividends); (g) revenues; (h) market share; (i) cash flow; and (j) cost reduction goals. Awards shall be delivered only after it is certified, in writing, by the Committee that the Performance Goals as established by the Committee have been attained or otherwise satisfied within the Performance Cycle.

1.7 Agreements Evidencing Awards

(a) Options, stock appreciation rights and restricted stock awards granted under the Plan shall be evidenced by written agreements. Other awards

granted under the Plan shall be evidenced by written agreements to the extent the Committee may in its sole discretion deem necessary or desirable. Any such written agreements shall (i) contain such provisions not inconsistent with the terms of the Plan as the Committee may in its sole discretion deem necessary or desirable and (ii) be referred to herein as "Plan Agreements."

(b) Each Plan agreement shall set forth the number of shares of Common Stock subject to the award granted thereby.

(c) Each Plan agreement with respect to the granting of a related stock appreciation right shall set forth the number of shares of Common Stock subject to the related option which shall also be subject to the related stock appreciation right granted thereby.

(d) Each Plan agreement with respect to the granting of an option shall set forth the amount (the "option exercise price") payable by the grantee in connection with the exercise of the option evidenced thereby. The option exercise price per share shall not be less than the fair market value of a share of Common Stock on the date the option is granted.

(e) Each Plan agreement with respect to a stock appreciation right shall set forth the amount (the "appreciation base") over which appreciation will be measured upon exercise of the stock appreciation right evidenced thereby. The appreciation base per share of Common Stock subject to a stock appreciation right shall not be less than (i) in the case of an unrelated stock appreciation right, the fair market value of a share of Common Stock on the date the stock appreciation right is granted, or (ii) in the case of a related stock appreciation right, the option exercise price per share of Common Stock subject to the related option.

ARTICLE 2

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 Grants of Stock Options.

The Committee may grant options to purchase shares of Common Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan; provided, however, that the maximum number of shares subject to all awards granted to any Plan participant pursuant to the Plan shall not exceed 600,000 in any calendar year.

2.2 Grant of Reload Options.

The Committee may, subject to Sections 1.5 and 2.1, grant a Reload Option to any grantee holding an unexercised option. For purposes of the Plan. a "Reload Option" shall mean an option to purchase a number of shares of Common Stock granted in connection with the exercise of the grantee's option (the "Exercised Options") upon the payment of the option exercise price for such Exercised Option with shares of Common Stock that have a fair market value equal to not less than 100% of the option exercise price for such Exercised Option. The Reload Option with respect to an Exercised Option shall be for a number of shares of Common Stock equal to the number of shares of Common Stock tendered to exercise the Exercised Option plus, if so provided by the Committee, the number of shares of Common Stock, if any, retained by the Partnership in connection with the exercise of the Exercised Option to satisfy any federal, state, or local tax withholding requirements. Reload options shall be subject to the following terms and conditions:

(i) the grant date for each Reload Option shall be the date of exercise of the Exercised Option to which it relates;

(ii) the Reload Option may be exercised at any time during the unexpired term of the original Exercised Option to which it relates (subject to earlier termination thereof as provided in the Plan and in the applicable Plan agreement); and

(iii) the terms of the Reload Option shall be the same as the terms of the Exercised Option to which it relates, except that (1) the option exercise price shall be the fair market value of the Common Stock on the grant date of the Reload Option and (2) no Reload Option may be exercised within one year from the date on which such Reload Option was granted.

2.3 Grant of Stock Appreciation Rights.

(a) Related Stock Appreciation Rights. The Committee may grant a related stock appreciation right in connection with all or any part of an option granted under the Plan, either at the time the related option is granted or any time thereafter prior to the exercise, termination or cancellation of such option, and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan. The grantee of a related stock appreciation right shall, subject to the terms of the Plan and the applicable Plan agreement, have the right to surrender to the Partnership for cancellation all or a portion of the related option granted under the Plan, but only to the extent that such option is then exercisable, and to be paid therefor an amount equal to the excess (if any) of(i) the aggregate fair market value of the shares of Common Stock subject to such option or portion thereof (determined as

of the date of exercise of such stock appreciation right), over (ii) the aggregate appreciation base (determined pursuant to Section 1.7(e)) of the shares of Common Stock subject to such stock appreciation right or portion thereof.

(b) Unrelated Stock Appreciation Rights. The Committee may grant an unrelated stock appreciation right in such amount and subject to such terms and conditions, as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan. The grantee of an unrelated stock appreciation right shall, subject to the terms of the Plan and the applicable Plan agreement, have the right to surrender to the Partnership for cancellation all or a portion of such stock appreciation right, but only to the extent that such stock appreciation right is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate fair market value of the shares of Common Stock subject to such stock appreciation right or portion thereof (determined as of the date of exercise of such stock appreciation right), over (ii) the aggregate appreciation base (determined pursuant to Section 1.7(e)) of the shares of Common Stock subject to such stock appreciation right or portion thereof.

(c) Payment. Unless the Plan agreement provides otherwise, payment due to the grantee upon exercise of a stock appreciation right shall be made in cash and/or in Common Stock (valued at the fair market value thereof as of the date of exercise) as determined by the Committee in its sole discretion.

2.4 Exercise of Related Stock Appreciation Right Reduces Shares Subject to Option.

Upon any exercise of a related stock appreciation right or any portion thereof, the number of shares of Common Stock subject to the related option shall be reduced by the number of shares of Common Stock in respect of which such stock appreciation right shall have been exercised.

2.5 Exercisability of Options and Stock Appreciation Rights.

Subject to the other provisions of the Plan:

(a) Exercisability Determined by Plan Agreement. Each Plan agreement shall set forth the period during which and the conditions subject to which the option or stock appreciation right evidenced thereby shall be exercisable, as determined by the Committee in its sole discretion.

(b) Default Provisions. Unless the applicable Plan agreement otherwise specifies:

(i) no option or stock appreciation right shall be exercisable prior to the first anniversary of the date of grant;

(ii) each option or stock appreciation right granted under the Plan shall become cumulatively exercisable with respect to 40% of the shares of Common Stock subject thereto, rounded down to the next lower full share, on the first anniversary of the date of grant, and with respect to an additional 30% of shares of Common Stock subject thereto, rounded down to the next lower full share, on the second anniversary of the date of the grant;

(iii) each option or stock appreciation right shall become 100% exercisable on the third anniversary of the date of grant;

(iv) except as provided in Section 2.7 each option or stock appreciation right shall remain 100% exercisable through the day prior to the tenth anniversary of the date of grant, after which such option or stock appreciation right shall terminate and cease to be exercisable; and

(v) no option or stock appreciation right shall be exercisable to the extent that such exercise will cause the Partnership or Affiliate to pay any amount that would be nondeductible by the Partnership or such Affiliate by reason of Code section 162(m).

(c) Exercise of Related Stock Appreciation Right. Unless the applicable Plan agreement otherwise provides, a related stock appreciation right shall be exercisable at any time during the period that the related option may be exercised.

(d) Partial Exercise Permitted. Unless the applicable Plan agreement otherwise provides, an option or stock appreciation right granted under the Plan may be exercised from time to time as to all or part of the full number of shares as to which such option or stock appreciation right shall then be exercisable. No option shall be exercised with respect to less than 50 shares of Common Stock unless the option is being exercised with respect to the full number of shares issuable hereunder.

(e) Notice of Exercise; Exercise Date.

(i) An option or stock appreciation right shall be exercisable by the filing of a written notice of exercise with the Partnership, on such form and in such manner as the Committee

shall in its sole discretion prescribe, and by payment in accordance with Section 2.6.

(ii) Unless the applicable Plan agreement otherwise provides or the Committee in its sole discretion otherwise determines, the date of exercise of an unrelated stock appreciation right shall be the date the Partnership receives such written notice of exercise.

(iii) For purposes of the Plan, the "option exercise date" shall be deemed to be the sixth business day immediately following the date written notice of exercise is received by the Partnership.

(f) Cashout of Options. If and to the extent that the applicable Plan agreement so provides: At any time after receipt of written notice of exercise of an option and prior to the "option exercise date" (as defined in Section 2.5(e)), the Committee in its sole discretion may by written notice to the grantee, cancel the option or any part thereof if the Committee in its sole discretion determines that tax, legal or contractual restrictions or brokerage or other market considerations would make the acquisition of Common Stock, or the grantee's sale of Common Stock to the public markets illegal, impracticable or inadvisable. If the Committee cancels such option or any part thereof, the Partnership shall pay to the grantee, as soon as practicable thereafter, an amount equal in cash to the excess of (i) the aggregate fair market value of the shares of Common Stock subject to the option or part thereof canceled (determined as of the option exercise date), over (ii) the aggregate option exercise price of the shares of Common Stock subject to the option or part thereof canceled.

2.6 Payment of Option Price.

(a) Tender Due Upon Notice of Exercise. Unless the applicable Plan agreement otherwise provides or the Committee in its sole discretion otherwise determines, (i) any written notice of exercise of an option shall be accompanied by payment of the full purchase price for the shares being purchased, and (ii) the grantee shall have no right to receive shares of Common Stock with respect to an option exercise prior to the option exercise date.

(b) Manner of Payment. Payment of the option exercise price shall be made in any combination of the following:

(i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee);

(ii) with the consent of the Committee in its sole discretion, by personal check (subject to collection), which may in the Committee's sole discretion be deemed conditional;

(iii) if and to the extent provided in the applicable Plan agreement, by delivery of previously acquired shares of Common Stock owned by the grantee for at least six months (or such other period as the Committee may prescribe) having a fair market value (determined as of the option exercise date) equal to the portion of the option exercise price being paid thereby, provided that the Committee may require the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 5.3);

(iv) with the consent of the committee in its sole discretion, by the promissory note and agreement of the grantee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine in its sole discretion; or

(v) by any other means which the Committee, in its sole discretion, determines to be consistent with the purposes of the Plan.

(c) Cashless Exercise. Payment in accordance with clause (i) of Section 2.6(b) may be deemed to be satisfied, if and to the extent provided in the applicable Plan agreement, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stack acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the grantee's direction at the time of exercise, provided that the Committee may require the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 5.3).

(d) Issuance of Shares. As soon as practicable after receipt of full payment, the Company shall, subject to the provisions of Section 5.3, deliver to the grantee one or more certificates for the shares of Common Stock so purchased, which certificates may bear such legends as the Company may deem appropriate

concerning restrictions on the disposition of the shares in accordance with applicable securities laws, rules and regulations or otherwise.

2.7 Termination of Service.

For purposes of the Plan, "termination of service" means, in the case of an employee, the termination of the employment relationship between the employee and the Partnership and all Affiliates; and in the case of an individual who is not an employee, the termination of the service relationship between the individual and the Partnership and all Affiliates. Subject to the other provisions of the Plan and unless the applicable Plan agreement otherwise provides:

(a) General Rule. All options and stock appreciation rights granted to a grantee shall terminate upon his termination of service for any reason (including death) except to the extent post-service exercise of the vested portion of an option or stock appreciation right is permitted in accordance with this Section 2.7. The "vested portion" of any option or stock appreciation right shall mean the portion thereof which is exercisable immediately prior to the grantee's termination of service for any reason.

(b) Improper Activity. All options and stock appreciation rights granted to a grantee shall terminate and expire on the day of the grantee's termination of service for cause, whether or not the grantee is a party to a written service contract. For purposes of this Section 2.7, a grantee's service shall be deemed to be terminated for "cause" if he is discharged (i) on account of fraud, embezzlement or other unlawful or tortious conduct, whether or not involving or against the Partnership or any Affiliate, (ii) for violation of a policy of the Partnership or any Affiliate, (iii) for serious and willful acts of misconduct detrimental to the business or reputation of the Partnership or any Affiliate or (iv)for "cause" or any like term as defined in any written contract with the grantee.

(c) Regular Termination; Leaves of Absence. If the grantee's service terminates for reasons other than as provided in subsection (b) or (d) of this Section 2.7, the portion of options and stock appreciation rights granted to such grantee which were exercisable immediately prior to such termination of service may be exercised until the earlier of (i) 30 days after his termination of service or (ii) the date on which such options and stock appreciation rights terminate or expire in accordance with the provisions of the Plan (other than this Section 2.7) and the Plan agreement; provided, that the Committee may in its sole discretion determine such other period for exercise in the case of an individual whose service terminates solely because the employer ceases to be an Affiliate or the grantee transfers employment with the Partnership's consent to a purchaser of a business disposed of by the Partnership. The Committee may in its sole discretion

determine (i) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of service for purposes of the Plan, and (ii) the impact, if any, of any such leave on outstanding awards under the Plan.

(d) Death; Disability; Retirement. If a grantee's service terminates by reason of death, disability, or retirement at or after age 65, the portion of options and stock appreciation rights granted to such grantee which were exercisable immediately prior to such termination of service may be exercised until the earlier of (i) one year after his termination of service in the case of death or disability or three years after his termination of service by reason of retirement, or (ii) the date on which such options and stock appreciation rights terminate or expire in accordance with the Plan agreement. For purposes of this Section 2.7, the term "disability" shall mean, with respect to any grantee, a "permanent and total disability" as defined in section 22(e)C3) of the Code.

2.8 Special ISO Requirements.

In order for a grantee to receive special tax treatment with respect to stock acquired under an option intended to be an incentive stock option, the grantee of such option must be, at all times during the period beginning on the date of grant and ending on the day three months before the date of exercise of such option, an employee of the Company or any of the Company's parent or subsidiary corporations (within the meaning of Code section 424), or of a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which Code section 424(a) applies. The aggregate fair market value, determined as of the date an option is granted, of the Common Stock for which any grantee may be awarded incentive stock options which are first exercisable by the grantee during any calendar year under the Plan (and any other stock option plan to be taken into account under Code section 422(d)) shall not exceed $100,000. If an option granted under the Plan is intended to be an incentive stock option, and if the grantee, at the time of grant, owns stock possessing 10% or more of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (i) the option exercise price per share shall in no event be less than 110% of the fair market value of the Common Stock on the date of such grant and (ii) such option shall not be exercisable after the expiration of five years after the date such option is granted.

ARTICLE 3

AWARDS OTHER THAN STOCK OPTIONS AND
STOCK APPRECIATION RIGHTS

3.1 Restricted Stock Awards.

(a) Grant of Awards. The Committee may grant restricted stock awards, alone or in tandem with other awards, under the Plan in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine. The vesting of a restricted stock award granted under the Plan may be conditioned upon the completion of a specified period of service with the Partnership or any Affiliate, upon the attainment of specified Performance Goals within specified Performance Cycles, and/or upon such other criteria as the Committee may determine in its sole discretion.

(b) Payment. Each Plan agreement with respect to a restricted stock award shall set forth the amount (if any) to be paid by the grantee with respect to such award. If a grantee makes any payment for a restricted stock award which does not vest, appropriate payment may be made to the grantee following the forfeiture of such award on such terms and conditions as the Committee may determine.

(c) Forfeiture Upon Termination of Service. Unless the applicable Plan agreement otherwise provides or the Committee otherwise determines, (i) if a grantee's service terminates for any reason (other than death) before all of his restricted stock awards have vested, such unvested awards shall terminate and expire upon such termination of service, and (ii) in the event any condition to the vesting of restricted stock awards is not satisfied within the period of time permitted therefor, such restricted shares shall be returned to the Partnership. If a grantee's service terminates by reason of death, any unvested portion of a restricted stock award which has been earned as a result of the attainment of applicable Performance Goals shall be fully vested as of the awardee's date of death.

(d) Issuance of Shares. The Committee may provide that one or more certificates representing restricted stock awards shall be registered in the grantee's name and bear an appropriate legend specifying that such shares are not transferable and are subject to the terms and conditions of the Plan and the applicable Plan agreement, or that such certificate or certificates shall be held in escrow by the Partnership on behalf of the grantee until such shares vest or are forfeited, all on such terms and conditions as the Committee may determine. Unless the applicable Plan agreement otherwise provides, no share of restricted stock may be assigned, transferred, otherwise encumbered or disposed of by the grantee until such share has vested in accordance with the terms of such award. Subject to the provisions of Section 5.4, as soon as practicable after any restricted stock award shall vest, the Partnership shall issue or reissue to the grantee (or to his designated beneficiary in the event of the grantee's death) one or more

certificates for the Common Stock represented by such restricted stock award without such restricted legend.

(e) Grantees' Rights Regarding Restricted Stock. Unless the applicable Plan agreement otherwise provides, (i) a grantee may vote and receive dividends on restricted stock awarded under the Plan, and (ii) any stock received as a dividend on, or in connection with a stock split of, a restricted stock award shall be subject to the same restrictions as such restricted stock.

3.2 Common Stock Awards.

The Committee may issue awards under the Plan, payable in Common Stock, including, but not limited to awards of Common Stock equal to dividends declared on Common Stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine. Such Common Stock awards under the Plan shall relate to a specified maximum number of shares granted as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

3.3 Performance Units.

(a) Grant of Units. The Committee may grant performance units under the Plan to acquire shares of Common Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan.

(b) Performance Units. Each performance unit under the Plan shall relate to a specified maximum number of shares, and shall be exchangeable for all or a portion of such shares, or cash (or such other form of consideration as may be determined by the Committee in its sole discretion equivalent in value thereto) in up to an amount equal to the fair market value of an equal number of unrestricted shares, at the end of a specified Performance Cycle as may be established by the Committee. The number of such shares which may be deliverable pursuant to such performance unit shall be based upon the degree of attainment of Performance Goals over a Performance Cycle as may be established by the Committee. The Committee may provide for full or partial credit, prior to completion of such Performance Cycle or achievement of the degree of attainment of the Performance Goals specified in connection with such performance unit, in the event of the participant's death, normal retirement, early retirement, or total or permanent disability, or in such other circumstances as the Committee may determine in its sole discretion to be fair and equitable to the participant or in the interest of the Partnership and its Affiliates.

ARTICLE 4

OPTION GRANTS TO ELIGIBLE DIRECTORS

4.1 Grants to Eligible Directors.

Each Eligible Director of the Company shall be granted options in accordance with this Article 4. All options granted pursuant to this Article 4 shall constitute "non-qualified" stock options.

4.2 Amount of Grants. Each person who is hereafter elected as an Eligible Director shall receive the following options:

(a) Initial Election. Each Eligible Director who is elected or appointed a director of the Company and who has not previously served as a director of Simon DeBartolo Group, Inc., or Corporate Property Investors, Inc., shall be granted options to purchase 5,000 shares of Common Stock on the first day of the first calendar month following the month in which such person first becomes an Eligible Director.

(b) Reelection. As of the date of each annual meeting of the Company's stockholders (the "Annual Meeting") held after January 1, 1999, each Eligible Director shall be granted options to purchase 3,000 shares of Common Stock multiplied by the member of calendar years that have elapsed since such person was previously elected a director of the Company, Simon DeBartolo Group, Inc., or Corporate Property Investors, Inc. (the "Subsequent Awards"); provided, however, that if a person is elected, appointed or otherwise becomes an Eligible Director during a period 60 days prior to the Annual Meeting in any year, then such Eligible Director will receive no Subsequent Awards, and provided, further, that each Eligible Director receiving Subsequent Awards must continue to serve as a director of the Company after such Annual Meeting.

4.3 Terms of Options.

(a) Exercise Price and Exercise Period. The exercise price of all options granted pursuant to this Article 4 shall be equal to the fair market value of the Common Stock on the date of grant. All options granted pursuant to this Article 4 shall become exercisable on the first anniversary of the date of grant or such earlier time as a Change in Control, as hereinafter defined, of the Company and will remain exercisable through the tenth anniversary of the date of grant (the "Expiration Date"). Prior to the Expiration Date, options granted pursuant to this Article 4 shall terminate 30 days after the optionee ceases to be a member of the Board of Directors of the Company.

(b) Payment. An optionee may pay the exercise price of any options granted pursuant to this Article 4 (i) by certified or official bank check payable to the Company; (ii) by delivery of previously acquired shares of Common Stock held by such optionee for at least six months having a fair market value equal to the purchase of the option exercise price being paid thereby; or (iii) or any combination of the foregoing.

4.4 Transfer of Options.

No option granted pursuant to this Article 4 may be sold, assigned or otherwise transferred by an Eligible Director other than by will or the laws of descent or distribution and may be exercised during the Eligible Director's lifetime only by such Eligible Director.

4.5 Change of Control.

In the event of a Change of Control prior to the date an option granted under this Article 4 terminates, each option not previously vested shall become immediately vested and exercisable in full. For this purpose, a "Change of Control" shall mean (i) a merger or consolidation of the Company with another corporation, whether or nor the Company is the surviving corporation, where there is a change in the shares of stock by reason of such merger or consolidation, (ii) an acquisition of all or substantially all of the assets of the Company by another person, or (iii) a reorganization or liquidation of the Company.

ARTICLE 5

MISCELLANEOUS

5.1 Amendment of the Plan; Modification of Awards.

(a) Plan Amendments. The Partnership, by action of its General Partner(s), may, without approval of other partners in the Partnership, at any time and from time to time suspend, discontinue or amend the Plan in any respect whatsoever, except that no such amendment shall impair any rights under any award theretofore made under the Plan without the consent of the grantee of such award. Furthermore, shareholder approval of any Plan amendment shall be obtained in such a manner and to such a degree as is required by applicable law or regulation.

(b) Award Modifications. With the consent of the grantee and subject to the terms and conditions of the Plan (including Section 5.1(a)), the Committee may amend outstanding Plan agreements with such grantee, including, without limitation, any amendment which would (i) accelerate the time or times at which

an award may vest or become exercisable and/or (ii) extend the scheduled termination or expiration date of the award.

5.2 Limitation on Exercise. No option or stock appreciation right shall be exercisable to the extent that such exercise will cause the Partnership or any Affiliate to pay any amount which would be nondeductible by the Partnership or such Affiliate by reason of Code section 162(m).

5.3 Restrictions.

(a) Consent Requirements. If the Committee shall at any time determine in its sole discretion that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any award under the Plan, the acquisition, issuance or purchase of shares or other rights hereunder or the taking of any other action hereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee. Without limiting the generality of the foregoing, if (i) the Committee may make any payment under the Plan in cash, Common Stock or both, and (ii) the Committee determines that Consent is necessary or desirable as a condition of, or in connection with, payment in any one or more of such forms, then the Committee shall be entitled to determine not to make any payment whatsoever until such Consent has been obtained.

(b) Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other self-regulatory organization or under any federal, state or local law, rule or regulation, (ii) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state or local law, rule or regulation or the rules of any securities exchange or other self-regulatory organization, (iii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (iv) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Partnership or any Affiliate.

5.4 Nontransferability.

Except as expressly authorized by the Committee in the Plan agreement, no award granted to any grantee under the Plan shall be assignable or transferable by the grantee other than by will or by the laws of descent and distribution and during the lifetime of the grantee, all rights with respect to any option or stock appreciation right granted to the grantee under the Plan shall be exercisable only by the grantee.

5.5 Withholding Taxes.

(a) Whenever under the Plan shares of Common Stock are to be delivered pursuant to an award, the Committee may require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto. Whenever cash is to be paid under the Plan (whether upon the exercise of stock appreciation right or otherwise), the Partnership may, as a condition of its payment, deduct therefrom, or from any salary or other payments due to the grantee, an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto or to the delivery of any shares of Common Stock under the Plan.

(b) Without limiting the generality of the foregoing, (i) a grantee may elect to satisfy all or part of the foregoing withholding requirements by delivery of unrestricted shares of Common Stock owned by the grantee for at least six months (or such other period as the Committee may determine in its sole discretion) having a fair market value (determined as of the date of such delivery by the grantee) equal to all or part of the amount to be so withheld, provided that the Committee may require, as a condition of accepting any such delivery, the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act; and (ii) the Committee may permit any such delivery to be made by withholding shares of Common Stock from the shares otherwise issuable pursuant to the award giving rise to the tax withholding obligation (in which event the date of delivery shall be deemed the date such award was exercised).

5.6 Adjustments Upon Changes in Capitalization.

If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to awards under the Plan, the number of shares of Common Stock subject to awards, the option exercise price and appreciation base of options and stock appreciation rights theretofore granted under the Plan, and the amount payable by a grantee in respect of an award, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or

combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated and provided further, that each incentive stock option granted under the Plan shall not be adjusted in a manner that causes such option to fail to continue to qualify as an "incentive stock option" within the meaning of Code section 422. Adjustments under this Section shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

5.7 Right of Discharge Reserved.

Nothing in the Plan or in any Plan agreement shall confer upon any person the right to continue in the service of the Partnership or any Affiliate or affect any right which the Partnership or any Affiliate may have to terminate the service of such person.

5.8 No Rights as a Stockholder.

No grantee or other person shall have any of the rights of a stockholder of the Company with respect to shares subject to an award until the issuance of a stock certificate to him for such shares. Except as otherwise provided in Section 5.6, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued. In the case of a grantee of an award which has not yet vested, the grantee shall have the rights of a stockholder of the Company if and only to the extent provided in the applicable Plan agreement.

5.9 Nature of Payments.

(a) Any and all awards or payments hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Partnership or its Affiliates by the grantee.

(b) No such awards and payments shall be considered special incentive payments to the grantee or, unless otherwise determined by the Committee, be taken into account in computing the grantee's salary or compensation for the purposes of determining any benefits under (i) any pension, retirement, life insurance or other benefit plan of the Partnership or any Affiliate or (ii) any agreement between the Partnership or any Affiliate and the grantee.

(c) By accepting an award under the Plan, the grantee shall thereby waive any claim to continued exercise or vesting of an award or to damages or severance entitlement related to non-continuation of the award beyond the period provided herein or in the applicable Plan agreement, notwithstanding any contrary

provision in any written contract with the grantee, whether any such contract is executed before or after the grant date of the award.

5.10 Non-Uniform Determinations.

The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Plan agreements, as to (a) the persons to receive awards under the Plan, (b) the terms and provisions of awards under the Plan, (c) the exercise by the Committee of its discretion in respect of the exercise of stock appreciation rights pursuant to the terms of the Plan, and (d) the treatment of leaves of absence pursuant to Section 2.7(c).

5.11 Other Payments or Awards.

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Partnership, any Affiliate or the Committee from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

5.12 Reorganization.

(a) In the event that the Company is merged or consolidated with another corporation and, whether or not the Company shall be the surviving corporation, there shall be any change in the shares of Common Stock by reason of such merger or consolidation, or in the event that all or substantially all of the assets of the Company are acquired by another person, or in the event of a reorganization or liquidation of the Company (each such event being hereinafter referred to as a "Reorganization Event") or in the event that the Board of Directors of the Company (the "Board") shall propose that the Company enter into a Reorganization Event, then the Committee may in its sole discretion, by written notice to a grantee, provide that his options and stock appreciation rights will be terminated unless exercised within 30 days (or such longer period as the committee shall determine in its sole discretion) after the date of such notice; provided that if the Committee takes such action the Committee also shall accelerate the dates upon which all outstanding options and stock appreciation rights of such grantee shall be exercisable. The Committee also may in its sole

discretion by written notice to a grantee provide that all or some of the restrictions on any of his awards may lapse in the event of a Reorganization Event upon such terms and conditions as the Committee may determine.

(b) Whenever deemed appropriate by the Committee, the actions referred to in Section 5.12(a) may be made conditional upon the consummation of the applicable Reorganization Event.

5.13 Section Headings.

The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

5.14 Effective Date and Term of Plan.

(a) The Plan shall be deemed adopted upon approval by the stockholders of Simon DeBartolo Group, Inc. and Corporate Property Investors, Inc., but shall not become effective until the consummation of the transactions contemplated by the Agreement and Plan of Merger dated as of February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors, Inc., and Corporate Realty Consultants, Inc.

(b) The Plan shall terminate 10 years after the date on which it is adopted and no awards shall thereafter be made under the Plan. Notwithstanding the foregoing, all awards made under the Plan prior to such termination date shall remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Plan agreement.

5.15 Governing Law.

THE PLAN SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

EXHIBIT 10.7

FORM OF INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT ("Agreement") dated as of August , 1998, by and between Simon Property Group, Inc., a Delaware corporation (the "Corporation"), and (the "Indemnitee").

RECITALS

WHEREAS, the Restated Certificate of Incorporation of the Corporation (the "Charter") and the Restated By-laws of the Corporation (the "By-laws"), as the same have been restated, provide for indemnification by the Corporation of its directors and officers as provided therein, and the Indemnitee has agreed to serve as a director and/or officer of the Corporation or has agreed to continue to serve as a director and/or officer of the Corporation;

WHEREAS, to provide the Indemnitee with additional contractual assurance of protection against personal liability in connection with certain proceedings described below, the Corporation desires to enter into this Agreement;

WHEREAS, the General Corporation Law of the State of Delaware (the "DGCL") expressly recognizes that the indemnification provisions of the DGCL are not exclusive of any other rights to which a person seeking indemnification may be entitled under the Charter or By-laws, a resolution of stockholders or directors, an agreement or otherwise, and this Agreement is being entered into pursuant to and in furtherance of the Charter and By-laws, as permitted by the DGCL and as authorized by the Charter and the Board of Directors of the Corporation;

WHEREAS, in order to induce the Indemnitee to serve or continue to serve as a director and/or officer of the Corporation and in consideration of the Indemnitee so serving, the Corporation desires to indemnify the Indemnitee and to make arrangements pursuant to which the Indemnitee may be advanced or reimbursed expenses incurred by the Indemnitee in certain proceedings described below, according to the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the Indemnitee's agreement to serve or continue to serve as a director and/or officer of the Corporation and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation has agreed to the covenants set forth herein for the purpose of further securing to the Indemnitee the indemnification provided by the Charter and the By-laws:

1. Indemnification.

(a) In accordance with the provisions of paragraph (b) of this Section 1, the Corporation shall hold harmless and indemnify the Indemnitee against any and all expenses, liabilities and losses (including, without limitation, investigation expenses, expert witnesses' and attorneys' fees and expenses, judgments, penalties, fines, ERISA excise taxes, amounts paid or to be paid in settlement and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, liabilities and losses) actually incurred by the Indemnitee (net of any related insurance proceeds or other amounts received by the Indemnitee or paid by or on behalf of the Corporation on the Indemnitee's behalf) in connection with any threatened, pending or completed action, suit, arbitration or proceeding or any hearing, inquiry or investigation, whether brought by or in the right of the Corporation or otherwise, that the Indemnitee in good faith believes might lead to the institution of any such action, suit, arbitration or proceeding, whether civil, criminal, administrative, investigative or other, or any appeal therefrom, in which the Indemnitee was, is or becomes a party, witness or other participant, or was, is or becomes threatened to be made a party, witness or other participant, (a "Proceeding") based upon, arising from, relating to, or by reason of the fact that the Indemnitee is, was, shall be, or shall have been a director and/or officer of the Corporation (or any subsidiary of the Corporation) or is or was serving, shall serve, or shall have served at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary or agent ("Affiliate Indemnitee") of another foreign or domestic corporation or non-profit corporation, cooperative, partnership, joint venture, trust, or other incorporated or unincorporated enterprise (each, a "Corporation Affiliate"). All amounts payable by the Corporation pursuant to this Section 1 and Section 2 hereof are herein referred to as "Indemnified Amounts."

(b) In providing the foregoing indemnification, the Corporation shall, with respect to a Proceeding, hold harmless and indemnify the Indemnitee to the fullest extent required by the DGCL (including, without limitation, Section 145(c) of the DGCL) and to the fullest extent permitted by the Express Permitted Indemnification Provisions (as hereinafter defined) of the DGCL. For purposes of this Agreement, the Express Permitted Indemnification Provisions of the DGCL shall mean indemnification as permitted by Section 145 of the DGCL or by any amendment thereof or other statutory provisions expressly permitting such indemnification which is adopted after the date hereof (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law required or permitted the Corporation to provide prior to such amendment).

(c) Without limiting the generality of the foregoing, the Indemnitee shall be entitled to the rights of indemnification provided in this Section 1 for any expenses actually incurred in any Proceeding initiated by or in the right of the Corporation unless the Indemnitee shall have been adjudged to be liable to the Corporation; provided, however, that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee shall be entitled to any indemnification by the Corporation that the court or other decision maker of any Proceeding deems proper, as permitted by Section 145(b) of the DGCL.

(d) If the Indemnitee is entitled under this Agreement to indemnification by the Corporation for some or a portion of the Indemnified Amounts but not, however, for all of the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled.

2. Other Indemnification Arrangements. The DGCL and the Charter and By-laws permit the Corporation to purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of the Indemnitee against any liability asserted against him or her or incurred by or on behalf of him or her in such capacity as a director or officer of the Corporation or an Affiliated Indemnitee, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Corporation or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Corporation and the Indemnitee shall not in any way limit or affect the rights and obligations of the Corporation or the other party or parties thereto under any such Indemnification Arrangement.

3. Advance Payment of Indemnified Amounts.

(a) The Indemnitee hereby is granted the right to receive in advance of a final, non-appealable judgment or other final adjudication of a Proceeding (a "Final Determination") the amount of any and all expenses, including, without limitation, investigation expenses, expert witnesses' and attorneys' fees and expenses and other expenses expended or incurred, or expected to be expended or incurred, by the Indemnitee in connection with any Proceeding or otherwise expended or incurred by the Indemnitee (such amounts so expended or incurred, or expected to be expended or incurred, being referred to as "Advanced Amounts").

(b) In making any written request for Advanced Amounts, the Indemnitee shall submit to the Corporation a schedule setting forth in reasonable detail the dollar amount expended or incurred and expected to be expended or incurred. Each such listing shall be supported by the bill, agreement, or other documentation relating thereto, each of which shall be appended to the schedule as an exhibit. In addition, before the Indemnitee may receive Advanced Amounts from the Corporation, the Indemnitee shall provide to the Corporation (i) a written affirmation of the Indemnitee's good faith belief that the applicable standard of conduct required for indemnification by the Corporation has been satisfied by the Indemnitee, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the Advanced Amount if it shall ultimately be determined that the Indemnitee has not satisfied any applicable standard of conduct and is not entitled to be indemnified by the Corporation. The written undertaking required from the Indemnitee shall be an unlimited general obligation of the Indemnitee but need not be secured. The Corporation shall pay to the Indemnitee all Advanced Amounts within twenty (20) days after receipt by the Corporation of all information and documentation required to be provided by the Indemnitee pursuant to this paragraph.

4. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Corporation a written request for payment of the appropriate Indemnified Amounts, including with each request documentation and information as is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification. The Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification.

(b) The Corporation shall pay the Indemnitee the appropriate Indemnified Amounts unless it is established that the Indemnitee has not met any applicable standard of conduct of the Express Permitted Indemnification Provisions. For purposes of determining whether the Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to the Indemnitee the Corporation has the burden of proof in establishing that the Indemnitee did not meet the applicable standard of conduct. In this regard, a termination of any Proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct; provided, however, that the termination of any criminal proceeding by a conviction, a plea of nolo contendere or its equivalent or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the applicable standard of conduct.

(c) Any determination that the Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made (i) either by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties of such action, suit or proceeding; or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Corporation); provided that the manner in which (and, if applicable, the counsel by which) the right to indemnification is to be determined shall be approved in advance in writing by both the highest ranking executive officer of the Corporation who is not party to such action (sometimes hereinafter referred to as "Senior Officer") and by the Indemnitee. In the event that such parties are unable to agree on the manner in which any such determination is to be made, such determination shall be made by independent legal counsel retained by the Corporation especially for such purpose, provided that such counsel be approved in advance in writing by both the said Senior Officer and the Indemnitee and provided further, that such counsel shall not be outside counsel regularly employed by the Corporation. The fees and expenses of counsel in connection with making said determination contemplated hereunder shall be paid by the Corporation, and, if requested by such counsel, the Corporation shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by counsel.

(d) The Corporation will use its reasonable best efforts to conclude as soon as practicable any required determination pursuant to subparagraph (c) above and promptly will advise the Indemnitee in writing with respect to any determination that the Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts will be made to the Indemnitee within ten (10) days after any determination of the Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, the Indemnitee may, at any time after sixty (60) days after a request for Indemnified Amounts has been submitted to the Corporation (or upon receipt of written notice that a request for Indemnified Amounts has been rejected, if earlier) and before three (3) years after a request for Indemnified Amounts has been filed, petition a court of competent jurisdiction to determine whether the Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until such court dismisses or otherwise terminates such action without having made such determination. The court shall, as petitioned, make an independent determination of whether the Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board of Directors or independent counsel. If the court shall determine that the Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there

has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that the Indemnitee was not entitled to indemnification hereunder, the Corporation shall pay all expenses (including attorneys' fees and disbursements) actually incurred by the Indemnitee in connection with such judicial determination.

(f) Excluded Coverage. The Corporation shall have no obligation to indemnify the Indemnitee for and hold him or her harmless from any loss or expense which has been determined, by final adjudication by a court of competent jurisdiction, to constitute an Excluded Claim (as hereinafter defined). For purposes of this Agreement, an Excluded Claim shall mean any payment for losses or expenses in connection with any claim:

(i) Based upon or attributable to the Indemnitee gaining in fact any personal profit or advantage to which the Indemnitee is not entitled;

(ii) For the return by the Indemnitee of any remuneration paid to the Indemnitee without the previous approval of the stockholders of the Corporation which is illegal;

(iii) For an accounting of profits in fact made from the purchase or sale by the Indemnitee of securities of the Corporation within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or similar provisions of any state law;

(iv) Resulting from the Indemnitee's knowingly fraudulent, dishonest or willful misconduct; or

(v) The payment of which by the Corporation under this Agreement is not permitted by applicable law.

5. Agreement Not Exclusive; Subrogation etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights the Indemnitee may have to be indemnified or insured or otherwise protected against any liability, loss, or expense by the Corporation, any subsidiary of the Corporation, or any other person or entity under any charter, by-laws, law, agreement, policy of insurance or similar protection, vote of stockholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in the Indemnitee's official capacity, and as to actions in another capacity while holding such office. The Corporation's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of the Indemnitee by reason of the indemnification of the Indemnitee pursuant to any other arrangement made by the Corporation for the benefit of the Indemnitee; provided, however, that in no event shall the Indemnitee be required to maintain any

other such arrangement or request payment pursuant to any other such arrangement before seeking to be indemnified hereunder.

(b) In the event the Indemnitee shall receive payment from any insurance carrier or from the plaintiff in any Proceeding against such Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made by the Corporation pursuant hereto, such Indemnitee shall promptly reimburse to the Corporation the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Corporation or pursuant to arrangements made by the Corporation to the Indemnitee exceeds such Indemnified Amounts; provided, however, that such portions, if any, of such insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to the Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Corporation shall be subrogated to the rights of the Indemnitee receiving such payments to the extent thereof against any insurance carrier (to the extent permitted under such insurance policies) or in respect of such Indemnified Amounts and the Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds which the Corporation deems necessary or advisable to secure such rights. Such right of subrogation shall be terminated upon receipt by the Corporation of the amount to be reimbursed by the Indemnitee pursuant to the first sentence of this paragraph (b).

6. Insurance Coverage. In the event that the Corporation maintains directors and officers liability insurance to protect itself and any director or officer of the Corporation against any expense, liability or loss, such insurance shall cover the Indemnitee to at least the same extent as any other director or officer of the Corporation.

7. Establishment of Trust. In the event of a potential business combination or change in control of the Corporation of the type required to be reported under Item 1 of Form 8-K promulgated under the Exchange Act (collectively, a "Change in Control"), the Corporation shall, upon written request by the Indemnitee, create a trust (the "Trust") for the benefit of the Indemnitee and from time to time upon written request of the Indemnitee shall fund the Trust in an amount sufficient to satisfy any and all Indemnified Amounts (including, without limitation, Advanced Amounts) which are actually paid (but not as yet reimbursed) or which the Indemnitee reasonably determines from time to time may be payable by the Corporation under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by the independent legal counsel appointed under Section 4 hereof. The terms of the Trust shall provide that following its establishment: (i) the Trust shall not be revoked or the

principal thereof invaded without the written consent of the Indemnitee; (ii) the trustee of the Trust shall advance, within twenty (20) days of a request by the Indemnitee, any and all Advanced Amounts to the Indemnitee (and the Indemnitee hereby agrees to reimburse the Trust under the circumstances under which the Indemnitee would be required to reimburse the Corporation under Section 3(b)(ii) hereof; (iii) the Corporation shall continue to fund the Trust from time to time in accordance with the funding obligations set forth above; (iv) the trustee of the Trust shall promptly pay to the Indemnitee all Indemnified Amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement; and (v) all unexpended funds in the Trust shall revert to the Corporation upon a final determination by a court of competent jurisdiction in a final decision from which there is no further right of appeal that the Indemnitee has been fully Indemnified under the terms of this Agreement. The trustee of the Trust shall be chosen by the Indemnitee.

8. Continuation of Indemnity. All agreements and obligations of the Corporation contained herein shall continue during the period the Indemnitee is a director or officer, as the case may be, of the Corporation (or is serving at the request of the Corporation as an Affiliate Indemnitee) and shall continue thereafter so long as the Indemnitee shall be subject to any possible Proceeding by reason of the fact that the Indemnitee was a director or officer of the Corporation or was serving in any other capacity referred to herein.

9. Successors; Binding Agreement. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the parties hereto, by the Corporation's successors and assigns and by the Indemnitee's personal or legal representatives, executors, administrators, successors, assigns, heirs, spouses, distributees, devisees, and legatees. The Corporation shall require and cause any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Corporation, by written agreement in form and substance reasonably satisfactory to the Corporation and to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession or assignment had taken place.

10. Enforcement. The Corporation has entered into this Agreement and assumed the obligations imposed on the Corporation hereby in order to induce the Indemnitee to act as a director or officer, as the case may be, of the Corporation, and acknowledges that the Indemnitee is relying upon this Agreement in continuing in such capacity.

(a) The Indemnitee's right to indemnification shall be enforceable by the Indemnitee only in the Chancery Court of the

State of Delaware and shall be enforceable notwithstanding any adverse determination, other than a determination which has been made by a final adjudication of a court of competent jurisdiction. In any such action, if a prior adverse determination has been made, the burden of proving that indemnification is required under this Agreement shall be on the Indemnitee. The Corporation shall have the burden of proving that indemnification is not required under this Agreement if no prior adverse determination shall have been made.

(b) In the event the Indemnitee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Corporation shall reimburse the Indemnitee for all of the Indemnitee's fees and expenses (including attorney's fees and expenses) in bringing and pursuing such action. The Indemnitee shall be entitled to the advancement of Indemnified Amounts to the full extent contemplated by Section 3 hereof in connection with such proceeding.

11. Severability. In the event that any provision of this Agreement (including any provision within a single section, paragraph or sentence) is determined by a court of competent jurisdiction to require the Corporation to do or to fail to do an act which is in violation of applicable law, such provision shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms.

12. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing signed by the Indemnitee and either the Chairman of the Board or the President of the Corporation or another officer of the Corporation specifically designated by the Board of Directors. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous negotiations, representations, commitments, understandings and agreements (written, oral or otherwise, express or implied) with respect to the subject matter hereof between the parties hereto. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. The Indemnitee may bring an action seeking resolution of disputes or controversies arising under or in any way related to this Agreement in the state or federal court jurisdiction in which the Indemnitee resides or in which his or her place of business is located, and

in any related appellate courts, and the Corporation consents to the jurisdiction of such courts and to such venue.

13. Notices. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, as follows:

If to the Indemnitee:

[Name]
[Address]
[Facsimile]

If to the Corporation:

Simon Property Group, Inc.
115 West Washington Street, Suite 15 East
Indianapolis, IN 46204
Facsimile: (317) 685-7221
Attention: Secretary and General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

15. Effectiveness. This Agreement shall be effective as of the date first above written.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

ATTEST: SIMON PROPERTY GROUP, INC.

By:
- ---------- ----------

Secretary

WITNESS: INDEMNITEE

- ---------- ----------
Name

Exhibit 10.19

AGREEMENT OF LEASE

BETWEEN

BELLWETHER PROPERTIES OF MASSACHUSETTS,

LIMITED PARTNERSHIP

AND

THE LIMITED STORES, INC.

d/b/a "The Limited"

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AGREEMENT OF LEASE made as of AUG 27 1997, between BELLWETHER PROPERTIES OF MASSACHUSETTS, L.P. a Massachusetts business trust, having its principal place of business c/o CORPORATE PROPERTY INVESTORS, 3 Dag Hammarskjold Plaza (305 East 47th Street), New York, New York 10017, Attention: Corporate Secretary (the Landlord) and THE LIMITED STORES, INC. d/b/a "The Limited", a Delaware corporation, having an office at Three Limited Parkway, P.O. Box 16528, Columbus, OH 43216 Attn: Real Estate Department* (the Tenant).

RECITAL

Landlord hereby leases to Tenant and Tenant hereby hires and takes from Landlord, the Premises, for the Term, commencing on the Commencement Date, subject to the terms, covenants, conditions and provisions of this Lease. If the Commencement Date is not the first (1st) day of a month, Rent for the month in which the Commencement Date occurs shall be prorated to the end of the month, the first (1st) full monthly installment of Rent shall be due on the first (1st) day of the next month and after the expiration of the number of years in the Term, the Term shall expire on the last day of the same month in which the Commencement Date of the Term occurred, it being the intention of the parties that the Term expire on the last day of a month. When the Commencement Date has been determined, Landlord and Tenant shall execute, acknowledge and deliver a written statement in recordable form specifying the Commencement and expiration dates of the Term and, if there shall have been any changes in the Floor Space of the Premises, such statement shall reflect such change or changes. Said statement upon execution and delivery shall be deemed to be a part of this Lease.

*with a copy to:
The Limited, Inc.
Three Limited Parkway
P.O. Box 16000
Columbus, OH 43216
Attn: Corporate Real Estate Department

ARTICLE 1

Definitions

Whenever used in this Lease, the following terms shall have the meanings indicated below.

Premises	Store No. 1101/1102, Lower Level, as shown on Exhibit B.
Term	Ten (10) Years
Commencement Date	The earlier of (i) the date following the last day of Tenant's Work Period, or (ii) the day Tenant Opens for business in the Premises.
Size of Premises	5,250 square feet
Fixed Rent	$236,250.00 per year for the first sixty (60) full months plus the initial partial month, if any, at the beginning of the Term and; $262,500.00 per year for the remainder of the Term.
Percentage Rent Rate	Five (5%) Percent
Merchants' Association Dues	$9,187.50 per year initially or such other greater amount as shall be determined by the Shopping center Merchants' Association pursuant to Section 6.1L.
Security Deposit	None
Tenant's Work Period	The period of one hundred twenty (120) days after the date possession of the Premises is made available to Tenant; however, Tenant shall not be required to accept Possession prior to August 11, 1997.
Tenant's Trade Name	"The Limited"
Guarantor	None
Broker	None
Construction Barrier Fee	See Rider amending Section 6.1 F.
Number of Department Stores	Four (4)

Percentage of Advertising Required	None
Permitted Use	Tenant shall use the Premises for the use set forth below and for no other purpose: The operation of a retail store for the sale and display of women's clothing and apparel. In addition, the sale of men's and children's clothing and apparel and related accessories for men, women and children; provided such men's and children's clothing and apparel and related accessories shall be limited to forty-five (45%) percent of Tenant's sales area. Any other type or category of fashion merchandise may be sold or displayed but shall be limited to five (5%) percent of Tenant's sales area and no such merchandise shall become so prevalent (by display, advertising or otherwise) in the Premises so as to constitute Tenant's primary business therein. The nature of Tenant's operation at the Premises shall, throughout the Term of this Lease, be comparable to that of other fashion-oriented retail stores with first class business operations in Landlord's Shopping center.
Additional Rent	The Percentage Rent, Basement Rent, if any, common Area Rent, Tax Rent and Taxes, Merchants' Association dues and all other amounts, except Fixed Rent, payable by Tenant under this Lease.
Affiliate	Any Person which controls or is controlled by the Person in question or is controlled by the same Persons which shall then control the Person in question and any Person which is a member with the Person in question in a relationship of joint venture, partnership or other form of business association; the term "control" means, with respect to a corporation, the ownership of stock possessing, or the right to exercise, at least twenty-five (25%) percent of the total combined voting power of all classes of the controlled corporation, issued, outstanding and entitled to vote for the election of directors, whether such ownership be direct ownership or indirect ownership through another Person.
Common Areas	As defined in Section 4.1.
Common Area Operating Costs	As defined in Subsections 3.5B and 3.5C.
Common Area Rent	As defined in Subsection 3.5A.

Department Store	A retail store occupying not less than an aggregate of 50,000 square feet of Floor Space on one or more levels. for the sale in combination or solely, of a variety of goods and services such as wearing apparel, accessories, general merchandise, home furnishings, fittings, appliances, housewares, furniture, floor coverings and the like. Except for the purposes described in Section 3.2 and Subsection 6.1B, the term "Department Store" shall be deemed to include any other building, improvements or structure, not devoted primarily to retail use, such as an office building or hotel/motel, unless same is deemed by Landlord not to be part of the Shopping Center.
Floor Space	The space available for occupancy by each tenant within the exterior faces of the walls between the tenant's premises and any Common Area or, if the tenant's premises are enclosed by one or more walls abutting leaseable space, the space within such exterior faces and the center of such walls; if the tenant's premises are not surrounded by walls, then the space within and up to the lease line of the premises shall be included in the computation. For the purposes of the definition, store fronts shall not be deemed to be walls. No deduction or exclusion shall be made from Floor Space otherwise computed by reason of stairs, elevators, escalators, interior partitions or other interior construction or equipment.
Governmental Authority	The United States, the state, county, city, town, village and any water, sewer or school or other district covering the area in which the Shopping Center is located, and any political subdivision thereof or any local public or quasi-public authority, agency, department, commission, board, bureau or instrumentality of any of them including, with respect to matters pertaining to insurance, boards of fire underwriters, rating bureaus and the like, to the extent they have power to impose conditions on the issuance of policies or the coverage thereof.
Governmental Requirement	Any law, ordinance, code, order, rule or regulation of any Governmental Authority.

Gross Leaseable Area	The aggregate of all Floor Space in the Shopping Center excluding below ground level space, if any, ("Basement Space") not used as retail sales area and excluding for the purposes of the computation of Tax Rent pursuant to Section 3.4., Floor Space which is part of either a parcel or improvement which is separately assessed for the purpose of assessment of Taxes, to the extent the Taxes thereon are paid by the tenant or occupant thereof.
Gross Sales	As defined in Subsection 3.3B.
Landlord	The party named as Landlord herein until a sale, transfer or lease, and thereafter the Person or Persons, collectively, who shall, for the time being, be liable for the obligations of Landlord under the provisions of Subsection 9.16A of this Lease.
Lease Year	For the purposes of Percentage Rent only, the period of twelve (12) consecutive months from January 1 to December 31 of each year during the Term. If the date Tenant opens for business or the expiration of the Term does not coincide with the beginning or end of a Lease Year, the periods preceding or following the commencement or end of each full Lease Year, as the case may be, shall be deemed independent, partial Lease Years.
Necessary Approvals	Any permit, license, certificate or approval or other evidence of compliance with any Governmental Requirement necessary to the lawful occupancy of the Premises for the Permitted Use and the issuance of the insurance required to be carried by Tenant.
Percentage Rent	As defined in Subsections 3.3A and 3.3B
Person	A natural person, firm, partnership, association, business trust or corporation, as the case may be.
Rent	The Fixed Rent and the Additional Rent.
Retail Restriction Limit	As defined in Subsection 6.2A.
Shopping Center	Burlington Mall, shown on Exhibit A hereto, located in Burlington, Massachusetts, plus (i) any other parcels of

	land at any time designated by Landlord to be added thereto (but only so long as any such designation remains unrevoked) which are used for Shopping Center or related purposes, including, but not limited to, recharge or catch basins, sumps, if any, access and circulatory roads or ways, to and from any public street, parking, or the furnishings to the Shopping Center of any utility or other service, or for any other improvement appropriate or related to the operation or functioning of the Shopping Center; together with (ii) all present and future buildings on and improvements to any such parcels.
Tax Rent and Taxes	As defined in Section 3.4.
Tenant's Work	As set forth in Sections 2.1 and 2.2.
Exhibit A	Shopping Center.
Exhibit B	Premises.
Exhibit C	Utilities
Exhibit D (optional)	Food Court Area

ARTICLE 2

Construction

Section 2.1. Tenant's Work. Not later than the twentieth (20th) day after the execution and delivery of this Lease by Landlord, Tenant shall furnish to Landlord for Landlord's approval, in accordance with the Shopping Center Information Manual and Design Criteria, plans and specifications which shall provide for the complete remodeling (or finishing in the event the Premises have not been previously occupied) of the Premises. Tenant's plans and specifications shall provide for the installation of such water saving devices as low flow flush valves for toilets, self-closing faucets, flow restrictors for faucets and any other devices needed to comply with the Commonwealth of Massachusetts plumbing code in effect at the time Tenant's Work is performed. Tenant agrees, at its sole cost and expense, to construct and make such improvements in the Premises in accordance with the approved plans and specifications. Tenant has inspected the Premises, is familiar with their condition and accepts same "as is': and in their present condition and Landlord shall not be obligated to do any further construction or to make any additional improvements in the Premises. except as may otherwise be expressly provided herein. Tenant understands that Landlord's approval of its plans and specifications is primarily for conceptual purposes and such approval shall not constitute a representation or warranty of any kind with respect thereto, including, without limitation, the cost of Tenant's Work, compliance with Governmental Requirements or suitability of design. Tenant acknowledges receipt of the Shopping Center Tenant Information Manual and Design Criteria, the provisions of which are incorporated herein by reference.

Section 2.2. Performance of Tenant's Work. As soon as practicable after Landlord shall have approved Tenant's plans and specifications and possession of the Premises shall be made available to Tenant and Tenant shall have obtained all necessary approvals with respect to commencement of Tenant's Work, Tenant shall enter the Premises and shall proceed with due diligence and dispatch to make improvements and install fixtures and other equipment and a full stock of inventory therein, in accordance with the approved plans and specifications and all Governmental Requirements. Such work and installation shall not interfere with any work to be done by Landlord in other portions of the Shopping Center, shall be done with labor which is not incompatible with other labor employed at the Shopping Center without creating any conflict or work stoppage with, under or as a result of any labor agreement to which Landlord or its contractors may be a party, and in compliance with such rules and regulations as Landlord may reasonably make. Except for Landlord's negligence and willfull acts (subject, however, to the waiver of subrogation elsewhere set-forth in this Lease), Landlord shall have no responsibility or liability whatsoever for any loss of or damage to any fixtures or other equipment or inventory installed or left in the Premises, and Tenant's entry on and occupancy of the Premises shall be governed by and subject to all the provisions, covenants and conditions of this Lease other than those requiring payment of Rent. Prior to commencing any construction work in the Premises, Tenant shall obtain a building permit and furnish a copy of same to Landlord. Tenant shall

also obtain and furnish to Landlord, to be delivered not later than the end of Tenant's Work Period, lien waivers from all contractors, subcontractors and materialmen, and all licenses, certificates and approvals with respect to work done and installations made by Tenant that may be required from the Governmental Authorities with respect to Tenant's Work, use and occupancy. Tenant shall complete Tenant's Work and open for business to the public not later than the expiration of Tenant's Work Period. Landlord and Tenant agree that the timely performance of Tenant's obligations under this Article 2 is a material inducement to the execution and delivery of this Lease by Landlord.

Section 2.3. Remedies for Tenant's Failure or Delay to Submit Plans or Perform Work. If Tenant fails or omits to make timely submission to Landlord of any plans or specifications or delays in performing or completing Tenant's Work, such failure or delay shall constitute a default hereunder and shall be governed by Article 8 hererof.

Section 2.4. Ownership of Improvements. All installations, alterations, additions or improvements upon the Premises, made by either party, including all heating, ventilating and air conditioning equipment, electrical and plumbing equipment and fixtures, carpeting or other floor covering and wall coverings, pipes, ducts, conduits, wiring, paneling, partitions, railings, mezzanine floors, galleries and the like, shall, unless Landlord otherwise elects by giving Tenant notice not less than thirty (30) days prior to the expiration or other termination of this Lease, become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or sooner termination of the Term. None of the foregoing shall be deemed to include Tenant's trade fixtures, furniture and other personal property. Tenant shall not be required to remove at the end of the Term any installations made with Landlord's consent unless Landlord shall so specify at the time its consent is given.

Section 2.5. Failure to Open or to do Business. The parties covenant and agree that because of the difficulty or impossibility of determining Landlord's damages, should Tenant (i) subject to Unavoidable Delays, fail to open for business within the number of days allowed for Tenant's Work Period, or (ii) at any time during the Term, vacate, abandon or desert the Premises, or (iii) subject to Unavoidable Delays, at any time during the Term, cease operating its business therein, then, in any such event if Landlord does not terminate this Lease, Tenant shall pay to Landlord, in addition to Fixed and Additional Rent, one-thirtieth (1130) of the monthly installment of Fixed Rent, for each and every day the Premises and Tenant's business therein are not continuously and uninterruptedly operated by Tenant.

ARTICLE 3

Rent

Section 3.1. Payment. Tenant covenants and agrees, at all times during the Term, to perform promptly all of the obligations of Tenant set forth in this Lease and to pay when due all Rent, charges, costs and other sums (all of which shall be deemed to be Additional Rent) which, by the terms of this Lease are to be paid by Tenant. All Rent shall be paid in lawful money of the United States which shall be legal tender for payment of all debts and dues, public and private, at the time of payment, at the address of Landlord set forth in this Lease oral such other place as Landlord in writing may designate, without (except as may be otherwise herein expressly provided) any set-off or deduction whatsoever and without any prior demand or notice therefor.

Section 3.2. Fixed Rent. Tenant shall pay the annual Fixed Rent in equal monthly installments in advance on the first (1st) day of each calendar month included in the Term. If the Shopping Center shall, at any time during the Term of this Lease, contain in excess of the number of Department Stores set forth in Article 1, the Fixed Rent herein provided for shall automatically be increased by ten (10%) percent upon the date each additional Department Store is opened for business.

Section 3.3. Percentage Rent.

A. Tenant shall also pay, as "Percentage Rent" for each Lease Year included in the Term, payable as hereinafter provided, the amount, if any, by which Tenant's Gross Sales transacted during such Lease Year, multiplied by the Percentage Rent Rate, shall exceed the Fixed Rent payable for the same period; provided, however, that there shall be excluded from such computation any Fixed Rent payable for any part of such period during which Tenant was not open for business in violation of this Lease.

B. The term "Gross Sales" as used herein is defined to mean the total amount in dollars of the actual prices charged, whether for cash or on credit or trade-in or partly for cash, credit or trade-in, for all sales or leases of merchandise, food, beverages and services (including finance or service charges thereon), redeemed gift or merchandise certificates, irrespective of where sold, and all other receipts of business conducted at, in, on, about or from the Premises, including, but not limited to, all mail or telephone orders received or filled at, in, on, about or from the Premises, and including all deposits not refunded, all orders taken at, in, on, about or from the Premises, whether or not said orders are filled elsewhere; total receipts of sales through any vending machine or other coin or token operated device, other than not more than two (2) vending machines used exclusively by Tenant's employees, and total sales by any sublessee, concessionaire or licensee or any other occupant otherwise at, in, on, about or from the Premises, and sales and receipts occurring or arising as a result of solicitation off the Premises conducted by personnel operating from,

or reporting to, or under the supervision of any employee of Tenant located at the Premises. Provided that Tenant keeps proper evidence thereof, Gross Sales shall not, however, include (i) any sums collected and paid out for any retail sales tax or retail excise tax imposed by any Governmental Authority and paid directly by Tenant to that Governmental Authority and separately stated, (ii) any exchange of goods or merchandise between the stores or warehouses of Tenant where such exchange of goods or merchandise is made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale which had theretofore been made at, in, on, about or from the Premises, nor for the purpose of depriving Landlord of the benefits of a sale which otherwise would be made at, in, on, about or from the Premises (iii) the amount of returns to shippers or manufacturers, (iv) the amount of any cash or credit refund, limited to the sales prices, made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant, (v) sales of fixtures (after use thereof) which are not a part of Tenant's stock-in-trade, (vi) the amount of any discount on sales to employees of the Premises, (vii) to the extent that the amount thereof was previously included in Gross Sales, bad debts, not exceeding two (2%) percent of Gross Sales per Lease Year, (viii) to the extent such charges do not materially exceed Tenant's costs, separately stated charges for alterations, repairs, giftwrapping and delivery services rendered to Tenant's customers, and (ix) sales of gift certificates. Each layaway sale shall be treated as a sale (to the extent of the amount received) when Tenant shall receive any payment from its customer. Each sale upon installment or credit shall be treated as a sale for the full amount when Tenant shall receive any payment from its customer, and subject to the limitation set forth above, no deduction shall be allowed for uncollectible credit accounts. Each lease of merchandise shall be treated as a sale in the month in which made for a price equal to the total rent payable during the term of the lease. Notwithstanding anything contained in this Subsection with respect to inclusion in Gross Sales of all receipts of sales made through any vending machine or other coin or token operated device, the operation of any such device shall be subject to the prior written consent of Landlord, as provided in Subsection 6.2E hereof.

C. Tenant shall utilize, and cause to be utilized, cash registers equipped with sealed continuous totals or such other devices for recording sales as Landlord shall reasonably approve to record all sales, and Tenant shall keep at its principal office in the continental United States for at least thirty-six (36) months after expiration of each Lease Year full, true and accurate books of account and records conforming to generally accepted accounting principles showing all of the Gross Sales transacted at, in, on, about or from the Premises for such Lease Year, including all sales or similar tax reports and returns, dated cash register tapes, sales checks, sales books, bank deposit records, computer tapes, disc, chips, printouts or ether storage media and any other records normally maintained by Tenant and other supporting data. Landlord shall have the right, from time to time, to inspect Tenant's recordkeeping system and, in connection therewith, to make test audits of Gross Sales. Within fifteen (15) days after the end of each calendar month, or portion thereof, Tenant shall furnish to Landlord a statement signed and verified by Tenant (or by an authorized officer if Tenant be a corporation) of the Gross Sales transacted during such month or portion

thereof; and within sixty (60) days after the end of each Lease Year and within sixty (60) days after the end of the Term, Tenant shall furnish to Landlord a statement, hereinafter called the annual statement, certified to Landlord by an executive officer of Tenant, of Gross Sales transacted during the preceding Lease Year included in the Term. The certification by said officer shall expressly state that the Gross Sales shown on said statement conform with and are computed in compliance with the definition thereof contained in Subsection 3.3B hereof. In the event Gross Sales for each of two (2) Lease Years are misstated by more than two (2%) percent, thereafter the annual statement of Gross Sales must be certified by an independent certified public accountant Landlord shall have the right, from time to time, by its accountants or representatives, to audit Tenant's Gross Sales and, in connection with such audits, to examine all of Tenant's records (including sales or similar tax returns, an actual inventory of Tenant's stock-in-trade and all supporting data and any other records from which Gross Sales may be tested or determined) of Gross Sales disclosed in any statement given to Landlord by Tenant and Tenant shall make all such records readily available at Tenant's main office, for such examination. If any such audit discloses that the Gross Sales transacted by Tenant exceed those reported, Tenant shall forthwith pay to Landlord such additional Percentage Rent as may be so shown to be payable and, if the actual Gross Sales exceed the Gross Sales reported by Tenant by more than two (2%) percent, or if Tenant's records or systems do not comply with the requirements of this Subsection, Tenant shall also then pay the reasonable cost of such audit and examination, including travel, food and lodging and related expenses of Landlord's auditors. In the event Tenant has understated Gross Sales by four (4%) percent or more, Landlord may, in addition to any other remedies, terminate this Lease but Tenant shall remain liable hereunder as set forth in Article 8; provided, however, that Landlord shall not exercise its right to terminate this Lease if Tenant shall demonstrate to Landlord's reasonable satisfaction that such understatement was made inadvertently. Any information obtained by Landlord pursuant to the provisions of this Subsection shall be treated as confidential, except in any litigation or arbitration proceedings between the parties and, except further, that Landlord may disclose such information to prospective buyers, to prospective or existing lenders, in any registration statement filed with the Securities and Exchange Commission or other similar body or in compliance with subpoenas and judicial orders. In no event shall this Subsection be deemed to limit Landlord's rights of pre-trial discovery and disclosure in any action or proceeding.

D. If Tenant fails to submit a monthly statement of Gross Sales within fifteen (15) days following Landlord's request therefor, then until such statement is received by Landlord, Gross Sales for such month shall be deemed equal to Tenant's highest previously reported monthly Gross Sales (or, if Tenant has never previously reported, to the Gross Sales reasonably estimated by Landlord), and if such failure shall occur twice in any Lease Year, Landlord may, at Tenant's expense, conduct an audit of Tenant's Gross Sales as set forth in Subsection 3.3C above.

E. Percentage Rent shall be payable by Tenant not later than the fifteenth (15th) day of each calendar month for and in respect to the preceeding calendar month. Such payment shall be a sum equal to the amount by which Tenant's Gross Sales for the then current Lease Year, through the last day of the preceding month, multiplied by the Percentage Rent Rate, shall exceed the Fixed Rent payable for said period, less payments previously made with respect to such Lease Year. Upon receipt by Landlord of the certified annual statement of Gross Sales to be furnished as hereinabove provided, there shall be an adjustment between Landlord and Tenant with payment to or credit by Landlord, as the case may be, to the end that Landlord shall receive the entire amount of Percentage Rent payable under this Lease for the preceding Lease Year and no more.

Section 3.4. Tax Rent.

A. Tenant shall pay to Landlord, as Additional Rent, Tax Rent in an amount equal to the product obtained by multiplying Taxes by a fraction, the numerator of which shall be the Floor Space of the Premises excluding basement space, if any, not used as retail sales area, and the denominator of which shall be the portion of the Gross Leaseable Area of the Shopping Center which is included in the assessment which constitutes the basis for the Taxes, but excluding buildings or areas occupied by Department Stores, and stores occupying Gross Leaseable Area not fronting on the enclosed mall. Tax Rent shall be payable at least thirty (30) days prior to the due date of any Taxes or installment thereof; however, Landlord may, if it so elects, collect Tax Rent from Tenant on a monthly basis, in which event Tenant shall pay, with each monthly installment of Fixed Rent, one-twelfth (1/12) of the annual amount estimated by Landlord to be due hereunder. In the event Taxes for the then current tax year are not known, monthly installments shall be based on the preceding tax year with immediate adjustment as soon as current taxes become known. If at the time any Taxes or installments are required to be paid, the amount of Tenant's previously made monthly payments is insufficient to pay Tenant's share, Tenant shall pay such deficiency within ten (10) days after demand therefor. In the event of any excess, it shall be credited and applied to future Tax Rent payments, except that any excess in the last year of the Term shall be refunded at the end of the Term.

B. Should the taxing authority include in Taxes as a separately stated item the value of any improvements made by Tenant, or include machinery, equipment, fixtures, inventory or other personal property or assets of Tenant, then Tenant shall pay the entire tax attributable to such items.

C. Nothing herein contained shall be construed to include as a tax which shall be the basis of Tax Rent, any inheritance, estate, succession, transfer, gift, franchise, corporation, income or profit tax or capital levy that is or may be imposed upon Landlord, provided, however, that if, at any time during the Term, the method of taxation prevailing at the Commencement Date of this Lease shall be altered so that in lieu of or as a substitute for the

whole or any part of the taxes now levied, assessed or imposed on real estate as such, there shall be levied, assessed or imposed (i) a tax on the rents received from real estate, or (ii) a tax or license fee imposed on Landlord which is otherwise measured by or based, in whole or in part, upon the Shopping Center or any portion thereof, then the same shall be included in the computation of Tax Rent hereunder, computed as if the amount of such tax or fee so payable were that due if the Shopping Center were the only property of Landlord subject thereto.

D. For the purpose of this Section 3.4, the term 'Taxes" shall include all real estate taxes, assessments, license fees or charges, excise on rent, water and sewer rents, any sums including interest or any payments in lieu or in substitution thereof on any bonds or debt (except industrial revenue bonds or similar indebtedness incurred for construction of nonpublic facilities) incurred by any Governmental Authority and payable by Landlord in connection with the Shopping Center and other governmental impositions, payments and charges of every kind and nature whatsoever, extraordinary as well as ordinary, foreseeable and unforeseeable, and each and every installment thereof which shall or may during the Term of this Lease be levied, assessed, imposed, become due and payable, or liens upon or arising in connection with the use, occupancy or possession of or grow due or payable out of, or for, the Shopping Center, or any part thereof or any land, building or other improvements therein, including any and all fees or expenses incurred in connection with the institution, prosecution, conduct and maintenance of any negotiations, settlements, actions or proceedings with respect to the amount of any Taxes, less the contributions or payments, if any, paid to Landlord with respect to Taxes by Department Stores and stores occupying Gross Leaseable Area not fronting on the enclosed mall, such deduction to be credited to the year in which actually received. Taxes shall not include any of the foregoing relating to any parcel or improvement included in the Shopping Center which, except for insignificant portions thereof, comprises a separate tax lot or is separately assessed or valued for the purpose of real estate taxes to the extent the taxes thereon are paid by a single tenant or occupant thereof, and further excluding any charge such as a water meter charge, sewer rent, if any, based thereon, which is measured by the consumption by the actual user of the item or service for which the charge is made. Whether or not Landlord shall take the benefit of the provisions of any statute or ordinance permitting an assessment for public betterment or improvements to be paid over a period of time, Landlord shall, nevertheless, be deemed to have taken such benefit so that the term Taxes shall include only the current annual installment of any such assessment and the interest on unpaid installments. A tax bill or copy thereof submitted by Landlord to Tenant shall be conclusive evidence of the amount of taxes or installments thereof.

E. In the event Landlord shall obtain a tax refund as a result of tax reduction proceedings or other proceedings of similar nature, then Tenant shall, provided Tenant is not then in default beyond any opportunity to cure elsewhere set forth in this Lease, and after the final conclusion of all appeals or other remedies, be entitled to its pro rata share of the net refund obtained based upon Tax Rent paid by Tenant which is the subject of the

refund. As used herein, the term "net refund" means the refund plus interest, if any, thereon, less appraisal, engineering, expert testimony, attorneys', printing and filing fees and all other costs and expenses of the proceeding, to the extent such fees, costs and expenses have not been previously included in Taxes under Subsection 3.4D, and less an administrative fee to Landlord in the amount of not more than fifteen (15%) percent of the original refund. Tenant shall not have the right to institute or participate in any such proceedings, it being understood that the commencement, maintenance, settlement or conduct thereof shall be in the sole discretion of Landlord.

Section 3.5. Common Area Rent.

A. Tenant shall pay to Landlord as Additional Rent, an amount equal to the product obtained by multiplying Common Area Operating Costs for each fiscal year adopted by Landlord by a fraction, the numerator of which shall be the Floor Space of the Premises excluding basement space, if any, not used as retail sales area, and the denominator of which shall be the aggregate of all leased and occupied Floor Space in the Shopping Center, excluding the Floor Space of stores whose public entrances do not front on the enclosed mall, basement space, if any, not used as retail sales area and any buildings or areas occupied by Department Stores; provided, however, that the denominator of said fraction shall never be less than seventy (70%) percent of the Gross Leaseable Area of the Shopping Center, exclusive of Department Stores and stores whose public entrances do not front on the enclosed mall. Tenant shall pay, with each monthly installment of Fixed Rent, one-twelfth (1/12) of the annual amount estimated by Landlord to be due hereunder, subject to adjustment.

B. As used in this Lease, the term Common Area Operating Costs shall mean all costs, expenses and expenditures incurred by Landlord in maintaining, managing, operating, repairing, replacing and protecting the Common Areas, all in a manner consistent with the highest shopping center standards, including the cost of all work necessary to preserve and maintain the value, utility and appearance of the Common Areas. Common Area Operating Costs shall specifically include, without limitation, all costs, expenses and expenditures incurred in connection with the following: heating, ventilating, lighting and air conditioning the Common Areas and providing snow and ice removal; maintenance, repair and replacement of all parking lot surfaces, including striping, repaving and sealcoating; gardening and landscaping, including planting and replacing flowers, shrubbery and trees; painting and decorating non-leaseable areas; policing and regulating vehicular and pedestrian traffic; compliance with environmental, health and safety regulations and standards promulgated by applicable Governmental Authorities; providing offsite employee parking facilities, including transportation to and from such facilities; sanitary control, including extermination; maintenance, repair and replacement of sewer and storm drainage systems, waste disposal facilities, lift stations, retention ponds or basins and sump facilities; removal of rubbish, garbage and other refuse; contracted security personnel, security systems and all other security measures; acquisition (including rental fees), maintenance, repair and replacement of fixtures, machinery, equipment, vehicles and supplies used in the operation and maintenance of the Common Areas, and all personal property taxes and/or fees payable

with respect to such items; maintenance, repair and replacement of Shopping Center signs, curbs, walkways, ceilings, elevators, escalators and utility systems; maintenance, repair and replacement of all roofs over non-leaseable areas in the Shopping Center, acquisition, maintenance, repair and replacement of cost saving devices commonly used in properties comparable to the Shopping Center; music program services and loud speaker systems; cleaning of non-leaseable areas; maintenance, repair and replacement of decorations in non-leasable areas; water for fountains, if any; acquisition, maintenance, repair and replacement of seasonal decorations; salaries and other costs (including training costs, employee benefits and workers' compensation insurance) of Shopping Center personnel, such as security and maintenance people, the Shopping Center manager, assistant manager, bookkeeper, secretaries and office staff; resolution of disputes or litigation with Persons attempting to use the Common Areas for non-commercial purposes; professional and technical fees and all other disbursements incurred in connection with the performance of any of the foregoing; other similar direct costs of the type incurred in the operation of comparable properties; and fifteen (15%) percent of all of the foregoing costs to cover Landlord's administrative and overhead expenses. From the aggregate of the aforementioned costs and expenses, there shall be deducted the payments, if any, made with respect to common area charges by Department Stores, stores whose public entrances do not front on the enclosed mall and temporary kiosks, such deduction to be credited to the year for which such payments are applicable irrespective of the fiscal year in which such payments are actually received. With respect to costs which Landlord may elect to depreciate (or amortize) in lieu of including such costs in Common Area Operating Costs for the year in which they are incurred, only that portion of the depreciation (or amortization) allocable to the year for which Common Area Operating Costs are being determined shall be included in then current Common Area Operating Costs, it being understood, however, that interest (at a rate equal to the prime rate being charged from time to time by Citibank, N.A. during the year for which Common Area Operating Costs are being determined) on the then undepreciated (or unamortized) portion of such costs shall be included in Common Area Costs. In no event shall Common Area Operating Costs include the costs and expenses incurred by Landlord in constructing new buildings in the Shopping Center or expanding or improving leasable area or the costs and expenses incurred by Landlord for repairs and replacements with respect to which Landlord receives insurance proceeds or condemnation awards.

C. In addition to the costs and expenses enumerated in Subsection B above, Common Area Operating Costs shall also include the cost of acquiring, maintaining and administering such 'all risk" insurance (including rental income, flood and earthquake), boiler and machinery insurance, comprehensive general and umbrella liability insurance and such other insurance for the Shopping Center as Landlord may, from time to time, deem necessary. In lieu thereof or in combination therewith, Landlord shall have the right to self-insure in whole or in part. In the event Landlord shall self-insure in whole or in part, the costs attributable to the self-insured portion of the coverage shall be included in common Area Operating Costs, including the cost of administering Landlord's self-insurance program. From the aggregate of the aforesaid insurance costs and expenses, there shall be

deducted the payments, if any, made with respect to the cost of Landlord's insurance by Department Stores, stores whose public entrances do not front on the enclosed mall and temporary kiosks, such deduction to be credited to the year for which such payments are applicable, irrespective of the fiscal year in which such payments are actually received.

D. After the end of each fiscal year adopted by Landlord, Landlord shall furnish to Tenant a statement showing in reasonable detail the information relevant or necessary to the calculation and determination of Landlord's actual Common Area Operating Costs, as hereinabove defined, for the fiscal year in question. If the monthly charges paid by Tenant during such fiscal year, as hereinabove provided, shall be less than Landlord's said actual Common Area Operating Costs for such fiscal year as shown by such statement, multiplied by the same fraction referred to in Subsection 3.5 A, Tenant shall pay to Landlord the excess within thirty (30) days after service of such statement. If, however, the said monthly charges shall exceed Landlord's said actual costs multiplied by said fraction, Landlord shall, with the submission of said statement, credit or refund to Tenant the excess.

Section 3.6. Additional Rent. Unless another time shall be herein expressly provided, Additional Rent shall be due and payable within ten (10) days following demand or together with the next-succeeding installment of Fixed Rent, whichever shall first occur, and Landlord shall have the same remedies for failure to pay the Additional Rent as for a non-payment of Fixed Rent. Tenant's failure to object to any final statement, invoice or billing rendered by Landlord within a period of one hundred twenty (120) days after receipt thereof shall constitute Tenant's acquiescence with respect thereto and shall render such statement, invoice or billing an account stated between Landlord and Tenant.

Section 3.7. Rent for a Partial Month. For any portion of a calendar month included at the beginning or end of the Term, Tenant shall pay one-thirtieth (1/30) of each monthly installment of Rent for each day of such portion, payable in advance at the beginning of such portion, except that Percentage Rent for such portion shall be computed and paid as provided in Section 3.3 hereof.

Section 3.8. Interest. As of the tenth (10th) day following service of notice by Landlord that a payment of Rent is overdue, interest shall accrue on the overdue amount, retroactive to the original due date, at the lesser of the highest rate permitted to be paid by Tenant in the state in which the Shopping Center is located or an annual rate of four (4%) percent more than the prime interest rate of Citibank N.A., located in New York, New York.

Section 3.9. Taxes. Tenant shall pay, as Additional Rent, for any documentary stamps or other transfer fees or any other sales or use taxes or other taxes, impositions or levies of or required by any Governmental Authority, including interest or penalties thereon, arising out of or by reason of this Lease or the amount of Rent payable hereunder.

ARTICLE 4

Common Areas

Section 4.1. Common Areas. Landlord hereby grants to Tenant a non-exclusive license to use (i) the parking areas provided by Landlord in the Shopping Center for the accommodation and parking of vehicles of Tenant and its officers, agents and employees and customers while such customers are shopping in the Premises or in any other portion of the Shopping Center, (ii) the public conveniences of the Shopping Center, including any connecting passageways and lobbies used in conjunction with hotels and/or office buildings, and (iii) all other areas in the Shopping Center, including the so-called "mall", to be used in common by tenants of the Shopping Center, such parking areas, public conveniences and other common areas being hereafter collectively referred to as "Common Areas". Notwithstanding any of the provisions herein contained, Landlord retains and reserves the non-exclusive right to the use of the Common Areas.

A. Exhibit A sets forth the general layout of the Shopping Center, but shall not be deemed to be a warranty, representation or agreement on the part of Landlord that the Shopping Center will be or will continue to be exactly as indicated on said diagram, and Landlord reserves the right to (i) increase, eliminate, reduce or change the number, type, size, location, elevation, nature and use of any of the Common Areas or the buildings comprising the Shopping Center, (ii) make changes, additions, subtractions, alterations or improvements in or to such Common Areas, including, but not limited to, the construction of decked or subsurface parking, (iii) withdraw portions of the Shopping Center from Common Area or add Common Area to the Shopping Center, including non-contiguous parcels for parking and other related Shopping Center purposes and (iv) construct buildings, additional Department Stores, kiosks and other improvements in the Common Areas. Tenant shall have no rights with respect to the land or improvements below floor slab level or above the interior surface of the ceiling of the Premises or air rights above the Premises.

B. Landlord shall not, pursuant to Subsection 4.1 A, create any permanent, substantial, adverse interference with access to or visibility of the Premises from the covered mall upon which the front of the Premises abuts. However, this provision shall not preclude Landlord from installing carts or erecting kiosks or similar improvements anywhere in the covered mall, so long as any kiosks or similar improvements which are located in front of the Premises are approximately centered in the mall. Tenant's sole remedy in the event of Landlord's failure to comply with this Subsection 4.1 B shall be to terminate this Lease. In the event Tenant, as the result of Landlord's failure to so comply, shall exercise its right to terminate this Lease, Landlord shall pay, within ninety (90) days following the date Tenant vacates and surrenders the Premises, the then unamortized cost of the permanent leasehold improvements (excluding, inter alia, trade fixtures and equipment, furnishings, decorations, inventory and other items of personal property) initially made by Tenant pursuant to Article 2 of this Lease, assuming a useful life equal to the length of the original Term of this Lease and amortization on a straight line basis. Tenant shall, not later than sixty (60) days following the Commencement Date, deliver an affidavit of an officer of Tenant and a certifi-

cate of Tenant's architect accompanied by such bills, contracts, receipts, invoices, cancelled checks and the like as Landlord may reasonably require, specifying the cost of the Tenant's leasehold improvements, which amount shall, unless disputed by Landlord, thereupon be the basis for the amount to be paid by Landlord pursuant to this Subsection. Failure to timely deliver such affidavit, certificate and supporting data shall constitute a waiver of Tenant's rightto such payment.

C. Tenant, its officers, agents and employees shall park their vehicles only in areas from time to time designated by Landlord as the area for such parking, provided that such areas shall be located in or not more than one-half (1/2) mile from the perimeter boundary of the Shopping Center. Tenant shall, within ten (10) days following written notice from Landlord, furnish Landlord, or its authorized agent, the state automobile license numbers assigned to its automobiles and the automobiles of all its employees employed in the Premises. Tenant shall not at any time park any trucks or any delivery vehicles in the parking area. Landlord shall have the right, after service of two (2) or more notices to Tenant regarding improper parking, to levy an assessment payable by Tenant in a sum not to exceed $10.00 per day for each and every car belonging to Tenant, its agents, servants, contractors, licensees or employees which shall thereafter park in an area other than that designated by Landlord as a parking area for such vehicles. Such assessment shall be payable by Tenant on the next due date for Fixed Rent and shall be considered Additional Rent.

D. Common Areas shall be subject to such reasonable rules and regulations, including the right to impose parking charges or fees and to allocate parking areas on a uniform or non-discriminatory basis and to prohibit the use of the Shopping Center by such Persons as Landlord determines, as the same may be amended or modified, as Landlord may, from time no time, adopt as provided in this Lease.

E. Landlord reserves the right to close, if necessary, all or any portion of the Common Areas for the minimum length of time as may, in the reasonable opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of the right of the public therein, to close temporarily, if necessary, all or any part of the parking areas to discourage non-customer parking and to do and perform such other acts in and to the Common Areas as in the use of good business judgment of Landlord will improve the use thereof.

ARTICLE 5

Landlord's Additional Covenants

Section 5.1. Repairs by Landlord. Landlord shall keep the exterior walls, foundations, downspouts, gutters and roofs of the buildings, and the plumbing, electrical and other utility system serving but which are located outside of the Premises, in good order, condition and repair and shall make necessary structural repairs to the exterior walls of the buildings (excluding, however, repairs to windows, doors, saddles, plate glass, store fronts and air conditioning and heating installations and wiring, pipes and other utility installations located outside of the Premises which are used exclusively by Tenant), the dividing walls between the Premises and space occupied or to be occupied by others and the load-bearing walls and load-bearing columns, if any, within the Premises, provided that Landlord shall not be obligated hereby to do any work required to be done because of any damage caused by any act, omission or negligence of Tenant and its invitees, licensees, their respective officers, agents and employees or their customers. Except where Landlord has actual notice of the necessity for such repair, Landlord shall not be required to commence any such repair until after notice from Tenant that the same is necessary, which notice, except in case of any emergency, shall be in writing and shall allow Landlord ten (10) days in which to commence such repair. The fact that the costs incurred by Landlord in connection with any of the foregoing are includable in Common Area Operating Costs pursuant to Subsection 3.5B shall not affect Landlord's performance obligations under this Section 5.1. When necessary by reason of accident or other cause occurring in the Premises or elsewhere in the Shopping Center, or in order to make any repairs or alterations or improvements in or relating to the Premises or to other portions of the Shopping Center, Landlord reserves the right to interrupt the supply to the Premises of steam, condenser water or cooled air for air conditioning, electricity, water and gas and also to suspend the operation of the heating and air conditioning system, if any, until said repairs, alterations or improvements shall have been completed. If, as a result of Landlord's performance of its obligations or exercise of its rights under this Section 5.1, there is created a substantial and material interference with Tenant's ability to conduct its business in the Premises and Tenant therefor closes for more than three (3) consecutive business days, Tenant shall be entitled to an abatement of Fixed Rent for each day after the third (3rd) business day during which the condition continues. Other than the aforesaid, there shall be no abatement of Rent because of any such interruption or suspension; however, Landlord shall pursue such work with reasonable continuity, diligence and dispatch and in such a manner as (consistent with good practice) to cause a minimum of interference with Tenant's use of the Premises.

Section 5.2. Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent and performing Tenant's obligations in this Lease, shall peacefully and quietly have, hold and enjoy the Premises and the appurtenances throughout the Term without hindrance, ejection or molestation by any Person lawfully claiming under Landlord subject to the other terms and provisions of this Lease and to any agreements to which this Lease may be or become subject and subordinate.

ARTICLE 6

Tenant's Additional Covenants

Section 6.1. Affirmative Covenants. Tenant covenants, at its expense, at all times during the Term:

A. To use the Premises only for the Permitted Use: to operate its business in the Premises under Tenant's Trade Name (or such other trade name as is adopted by a majority of stores operating under the Trade Name); and to conduct its business at all times in a dignified manner and in conformity with the highest standards of practice obtaining among superior type stores, shops or concerns dealing in the same or similar merchandise and in such manner as to produce the maximum volume of Gross Sales and to help establish and maintain a high reputation for the Shopping Center.

B. To continuously and uninterruptedly use, occupy and operate for retail sales purposes, all of the Premises other than such minor portions thereof as are reasonably required for storage and office purposes; to use such storage and office space only in connection with the business conducted by Tenant in the Premises; to furnish and install all trade fixtures and permitted signs; to carry a complete stock of seasonal merchandise; to maintain an adequate number of trained personnel for efficient service to customers; to open for business and remain open during the entire Term from at least 10:00 A.M. to 10:00 P.M. Mondays through Saturdays and 12:00 P.M. to 6:00 P.M. on Sundays, and to light its display windows and signs during those hours and on those days when the covered mall is kept illuminated by Landlord (but Tenant shall not be obligated to keep the same illuminated beyond 11.00 P.M. on any day). Tenant shall, if not in conflict with any Governmental Requirements, and providing that (i) at least one Department Store is open on such days or for such hours and (ii) Landlord shall agree to cause the Shopping Center to remain open for such days or for such hours, also open for business on such days or for such additional hours.

C. To store in the Premises only such merchandise as is to be offered for sale at retail within a reasonable time after receipt; to store all trash and refuse in appropriate containers within the Premises so as not to be visible to the shopping public and to attend to the daily disposal thereof in the manner approved by Landlord; to keep all drains inside the Premises open; and to receive, deliver, load and unload goods, merchandise, supplies, fixtures, equipment, furniture and rubbish through proper service doors and at times established by Landlord, provided, however, that if Landlord shall furnish or designate trash removal service, Tenant shall accept and use such service and pay Landlord or the Person designated by Landlord, monthly for such service at a rate which shall be no greater than the prevailing competitive rate for equivalent service in the locale. If Landlord shall implement a refuse recycling program for the Shopping Center, Tenant shall participate in such a program and shall comply with all rules and regulations promulgated by Landlord in connection therewith, including, but not limited to, the sorting of refuse by type for deposit in designated containers.

D. Except for repairs hereunder to be made by Landlord, to take good care of the Premises and the fixtures and appurtenances therein and make all other necessary repairs and replacements thereto, of every kind whatsoever (including, without limitation, repairs and replacements to windows, doors, saddles, plate glass, store fronts, air conditioning and heating installations and plumbing inside the Premises or located outside but exclusively serving the Premises and any exterior installation peculiar to the conduct of Tenant's business such as, but not limited to, signs, displays or exterior devices of any nature) which repairs and replacements shall be in quality and class at least equal to the original work. If Tenant fails to make any such repairs or replacements, Landlord may after reasonable notice (other than in the case of an emergency) to Tenant make same for the account of Tenant, at Tenant's expense, which amount shall be considered Additional Rent and shall be due and payable by Tenant when billed by Landlord. Tenant shall not be required to make structural repairs unless the necessity therefor arises by reason of Tenant's Work, installations or alterations made by Tenant, the manner of Tenant's use or occupancy or any other cause created by Tenant.

E. To make all repairs, alterations, additions or replacements to the Premises, including appurtenances, equipment, facilities and fixtures therein, arising out of the manner of Tenant's use or occupancy of the Premises or necessary to satisfy any Governmental Requirement: to keep the Premises equipped with all safety appliances so required because of such use or occupancy; and otherwise to comply with the orders and regulations of any Governmental Authority. Tenant shall not be required to make structural alterations unless the necessity therefor arises by reason of Tenant's Work, installations or alterations made by Tenant, the manner of Tenant's use or occupancy or any other cause created by Tenant.

F. To pay promptly when due the entire cost of any work to the Premises, including equipment, facilities and fixtures therein, so that the Premises and all of Tenant's fixtures and equipment shall, at all times, be free of encumbrances or liens, including liens for labor and materials; to procure all Necessary Approvals before undertaking such work; to permit Landlord to post and keep posted on the Premises, sufficient, conspicuous notices stating that any improvements are not being made at Landlord's instance; to do all such work in a good and workmanlike manner acceptable to Landlord, employing materials of good quality; no perform such work in such a manner as to insure proper maintenance of good and harmonious labor relationships; to comply with any Governmental Requirement relating thereto. Tenant understands that as part of the rules and regulations promulgated by Landlord in connection with Tenant's Work, Landlord requires a construction barrier which fulfills Landlord's construction criteria to be erected around the mall exposure of the Premises. In the event that such a barrier is already in place at the time Tenant takes possession of the Premises to prosecute Tenant's Work, Tenant shall pay to Landlord, as consideration for Landlord having provided the barrier and thereby having relieved Tenant of responsibility for erecting same, an amount equal to the product of the multiplication of the sum set forth on page 1-1 by the number of linear feet constituting the length of the barrier. Said amount shall be payable to Landlord not later than ten (10) days following the date on

which Tenant commences Tenant's Work and shall constitute Additional Rent under the Lease. Tenant shall within ten (10) days after completion of any work performed by Tenant, file for record in the appropriate public records, a "notice of completion."

G. To defend and save Landlord harmless and indemnified from all injury, loss, claims or damage (including reasonable attorneys' fees and disbursements incurred by Landlord in conducting an investigation and preparing for and conducting a defense) to any Person (including Tenant's employees) or property, arising from, related to, or in any way connected with the use or occupancy of the Premises or the conduct or operation of Tenant's business, unless such injury, loss, claims or damage be attributable to the negligence or willful acts of Landlord or its agents, servants or employees.

H. To maintain with responsible companies approved by Landlord (said approval not to be unreasonably withheld), (i) commercial general liability insurance (or comparable coverage, including products liability and blanket contractual liability insurance) against all claims, demands or actions for personal injury, bodily injury or property damage arising from, related to, or in any way connected with Tenant's Work, Tenant's occupation of the Premises, or the conduct and operation of Tenant's business, or caused by actions or omissions to act, where there is a duty to act, of Tenant, its agents, servants and contractors, to the limits of not less than $3,000,000.00 per claim and in the aggregate, which limits may be provided by any combination of primary and umbrella or excess insurance, and which insurance shall be on an occurrence basis and shall be endorsed to name Landlord, its agents and employees as additional insureds; (ii) "All-Risk" property insurance, including such flood and earthquake coverage as Landlord may, from time to time, require covering all of Tenant's real and personal property values, such as fixtures and equipment, stock-in-trade, furniture, furnishings, finishes, improvements and betterments installed or made by or on behalf of Tenant in, on or about the Premises, to the extent of their replacement cost without deduction for depreciation, as well as loss of business income (so-called business interruption) coverage, to include the Fixed Rent and Additional Rent payable under this Lease; (iii) if there is air conditioning or refrigeration equipment valued in excess of $50,000.00, boiler and machinery coverage at replacement cost, or if there is a boiler or pressure vessel or other similar equipment in the Premises, boiler and machinery coverage in the minimum amount of $500,000.00; and (iv) workers' compensation, disability and such other similar insurance covering all persons employed by Tenant in connection with Tenant's Work and the operation of Tenant's business and with respect to whom death or bodily injury claims could be asserted against Tenant, Landlord or the Shopping Center. All of said insurance shall be in form and with deductibles reasonably satisfactory to Landlord and shall provide that it shall not be subject to cancellation, termination or change except after at least thirty (30) days' prior written notice to Landlord. In the case of boiler and machinery insurance, the policy or policies shall cover Landlord or any designee of Landlord as a loss payee and shall provide that losses sustained by Landlord shall be adjusted by and payable to Landlord. Certificates of insurance evidencing the coverage required pursuant to this Subsection H. together with certificates evidencing coverage on the part of Tenant's contractors, shall be deposited with Landlord not less than ten (10) days prior to the day Tenant begins Tenant's Work and upon renewals of said

policies not less than fifteen (15) days prior to the expiration of the term of such coverage. All such policies shall be delivered with satisfactory evidence of the payment of the premium therefor. Landlord and Tenant mutually agree that with respect to any loss which is covered by "All-Risk" property insurance then being carried by them respectively, or required to be carried, the party carrying or required to carry such insurance and suffering said loss, releases the other of and from any and all claims with respect to such loss, including amounts within the deductibles, and they further mutually agree that their respective insurance companies shall have no right of subrogation against the other on account thereof.

I. In the event of any action or proceeding arising out of or pursuant to this Lease, the successful party shall be entitled to recover its reasonable attorneys' fees and all other costs and expenses incurred in connection with the action or proceeding.

J. Within twenty (20) days following receipt of actual notice thereof, to cause to be discharged of record by bonding, payment or otherwise, any mechanic's or similar lien, judgment, encumbrance, security interest, chattel mortgage or notice thereof at any time filed in any public office against the Shopping Center or the Premises (including any fixtures or equipment located therein) or the owner of any interest therein for any work, labor, services, materials, fixtures, equipment or property claimed to have been performed at or furnished to the Shopping Center or Premises for or on behalf of Tenant or any agent or contractor of Tenant, or anyone holding the Premises through or under Tenant. Nothing contained in this Lease shall be construed as a consent on the part of Landlord to subject Landlord's estate in the Premises to any lien or liability under applicable law.

K. Upon the expiration or other termination of the Term to quit and surrender the Premises to Landlord, broom clean, in good order and condition, ordinary wear and tear and casualty damages excepted, and to remove all property of Tenant and each alteration, addition and improvement made by Tenant as to which Landlord shall have made the election provided for in Section 2.4 hereof, to repair all damage to the Premises caused by such removal and restore the Premises to the condition in which they were prior to the installation of the articles so removed. Any property not so removed and as to which Landlord shall not have made said election, shall be deemed to have been abandoned by Tenant and may be retained or disposed of by Landlord, as Landlord shall desire. However, Tenant shall be responsible for the cost of removal and disposal. If the last day of the Term falls on a day the Shopping Center is closed, the Term shall expire on the business day immediately preceding and Tenant's obligation to observe or perform this covenant shall survive the expiration or termination of the Term. Immediately upon the failure of Tenant to perform any covenant of this Subsection K. Landlord may, without notice, do so, and shall be entitled to receive from Tenant the then cost of performance of such convenant, such damages to be paid in addition to and separate and independently from damages accruing by reason of breach of any other covenant of this Lease.

L. (1) Tenant shall join the Shopping Center's Merchants' Association (the "Association") and remain a member thereof throughout the Term of this Lease and comply with its

rules and regulations and by-laws and promptly pay, when due, all dues and assessments levied or charged by the Association, which dues and assessments may be collected by the Association as third party beneficiary hereunder, or by Landlord as agent for and on behalf of the Association as if such dues and assessments were Additional Rent. The annual dues payable to the Association shall be the greater of (i) the amount set forth in Article 1, which amount shall be increased on each anniversary of the Commencement Date by ten (10%) percent of the amount payable by Tenant for the immediately preceding twelve (12) month period, or (ii) the amount established from time to time by the Association. Tenant shall participate in the Association's Shopping Center-wide sales and on-site promotions, as well as gift certificate, credit card and other marketing programs. If the Merchants' Association is, at Landlord's option, discontinued, Tenant shall participate in such substitute promotional and/or marketing programs as Landlord may, from time to time, establish and shall pay to Landlord, as Additional Rent, for deposit in the Promotion Fund (as defined in paragraph (6), an initial, annual amount equal to the Association dues payable by Tenant at the time of the discontinuance of the Association, said amount to be increased on each subsequent anniversary of the Commencement Date by ten (10%) percent of the amount payable by Tenant for the immediately preceding twelve (12) month period.

(2) Tenant shall, at Tenant's cost and expense, advertise in at least four (4) Association (or, if there is no Association, Landlord sponsored) catalogues, newspapers, magazines or similar publications (collectively, "Publications") every calendar year, each such advertisement to be the size specified for the relevant Publication in the Association's (or Landlord's) annual marketing plan for the Shopping Center. If, at the end of a calendar year, it is determined that Tenant has failed to advertise in four (4) such Publications, Tenant shall pay to Landlord, as Additional Rent, with respect to each failure to participate, a sum equal to the average cost of one (1) full-page color advertisement in a promotional catalogue. Said sum shall be deposited by Landlord in the Promotion Fund and used for the purposes described in paragraph (6).

(3) The Association (or, if there is no Association, then Landlord) may, from time to time, decrease the number of Publications in which Tenant is required to advertise each year or eliminate such advertising requirement entirely for a specified period. In such event, Tenant shall pay to the Association (or, if there is no Association, then to the Promotion Fund) an amount equal to the product of the multiplication of (i) the average cost for the then current year of a one-half (1/2) page color advertisement in a promotional catalogue, by (ii) the remainder resulting from the subtraction of the number of advertisements required of Tenant for the then current year from four (4). Such amount shall be used by the Association (or if there is no Association, then by Landlord) for the purposes described in paragraph (6).

(4) In the event Tenant shall place an advertisement in a Publication sponsored by the Association (or by Landlord) and shall then fail to pay the cost of such advertisement (whether to the Association or to the third-party publisher, as the case may be), Landlord shall have the right, but not the obligation, upon five (5) days' prior written notice to Ten-

ant, to pay such cost for and on behalf of Tenant. The amount so paid by Landlord shall constitute Additional Rent hereunder and Tenant shall reimburse Landlord in such amount within ten (10) days following Landlord's demand therefor.

(5) The failure of any other tenant or occupant of the Shopping Center to become a member of or contribute to the Association (or participate in Landlord's substitute promotional and/or marketing programs or contribute to the Promotion Fund) shall in no way release Tenant from its obligations to do so; nor shall the failure of any tenant or occupant to advertise in any Publication release Tenant from its obligation to so advertise.

(6) The Promotion Fund shall be used by Landlord to pay all costs and expenses (including the costs of administration) associated with the formulation and carrying out of an ongoing program for the promotion of the Shopping Center, which program may include, without limitation, special events, shows, displays, institutional advertising for the Shopping Center, promotional literature to be distributed within the general trade area of the Shopping Center, and other activities designed to attract customers to the Shopping Center.

(7) If the Shopping Center shall be expanded by adding a Department Store and/or ten (10%) percent or more to the gross leasable area of the Shopping Center (an "Expansion"), Tenant shall pay to Landlord's Promotion Fund a one-time charge for each such Expansion. Such Expansion charge shall be an amount equal to the annual Merchants' Association Dues payable by Tenant for the Lease Year immediately preceding the year in which work on the Expansion commences and shall be payable upon thirty (30) days' prior written notice from Landlord given at any time subsequent to the commencement of construction. A like amount shall also be payable by Tenant to Landlord's Promotion Fund in the event that the Shopping Center shall be substantially renovated. For purposes of this subparagraph, the term "substantial renovation" or any variation thereof shall be deemed to mean a redecoration of the covered mall portion of the common area of the Shopping Center to the extent of at least fifty (50%) percent thereof, including new flooring and the painting and/or recovering of the walls. The amount payable to Landlord's Promotion Fund in connection with a substantial renovation of the Shopping Center shall be due upon thirty (30) days' prior written notice from Landlord to Tenant, but in no event prior to commencement of the renovation. In the event of a contemporaneous Expansion and renovation of the Shopping Center, Tenant shall be assessed only the one-time Expansion charge.

(8) If the Shopping Center shall be expanded or renovated as aforesaid, Tenant, upon the request of Landlord or the Association (as the case may be), shall advertise in one additional Publication designed to publicize and/or coordinate with such Expansion or renovation. The provisions of paragraphs (2), (3) and (4) shall apply with respect to Tenant's advertisement in such additional Publication.

M. Tenant shall furnish to Landlord an annual statement at the end of each Lease Year showing the amounts spent by Tenant on white space advertising or other advertising media. Each such annual statement shall be made a part of the annual report required

to be furnished by Tenant under Section 3.3. If Tenant's annual statement shows that Tenant has expended for such advertising, during the preceding Lease Year, less than the Percentage of Advertising Required, Tenant shall, within thirty (30) days after the required delivery date of its annual statement, pay to the Merchants' Association (or substitute Promotion Fund) the difference between the amount actually expended for such advertising and the Percentage of Advertising Required. Dues or other payments made by Tenant to the Merchants' Association shall not be deemed an amount expended for advertising within the meaning of this Subsection M, but amounts expended pursuant to paragraph 6.1L(2) shall be deemed an expenditure for the purpose of this Subsection M. All expenditures made by Tenant for advertising in connection with Tenant's other stores, if any, within the trade area of the Shopping Center, may be included by Tenant to comply with this Subsection provided such advertising in all instances includes the Premises and is distributed to the geographical trade area in which the Shopping Center is located.

N. To refer to the Shopping Center by its name above stated in designating the location of the Premises in all newspaper or other advertising in the general trade area in which the Shopping Center is located. With respect to any advertisement in which the location of another similar business activity conducted by Tenant in the trade area shall be mentioned, Tenant shall also mention or cause to be mentioned the Trade Name and location of the business conducted at the Premises.

0. To obtain all Necessary Approvals.

P. To provide in accordance with Landlord's sign criteria, a suitable identification sign or signs, bearing Tenant's Trade Name, of such size, design and character as Landlord shall approve and install said sign or signs at a place or places designated by Landlord. Tenant shall maintain any such signs or other installations in good condition and repair.

Q. To conform to all reasonable rules and regulations which Landlord may make for management and use of the Shopping Center, requiring such conformance by Tenant and Tenant's employees. Such rules and regulations shall be uniform and shall not discriminate against Tenant.

R. To deliver to Landlord, within twenty (20) days after a request for same, all or any of the following items, in such form and containing such evidence of authenticity and regularity as Landlord may reasonably require.

(l) Balance sheet, annual report and related financial statements of Tenant, Guarantor, if any, Tenant's parent and all subsidiaries of Tenant for the previous annual period, same to have been prepared in accordance with generally accepted accounting principles.

(2) A list of all Affiliates, officers, directors and stockholders of Tenant, including name, title, number and type of shares owned.

(3) If Tenant or any Person from whom information as aforesaid is required to be

submitted is a corporation whose shares are traded on the "over the counter", American or New York Stock Exchanges then the provisions of paragraphs (1) and (2) above may be satisfied by submission of Tenant's most recent annual report and form 10K together with all other current filings with the Securities Exchange Commission or otherwise made pursuant to Federal securities laws.

(4) Certificates executed by the appropriate chief financial officers (or executives) of any entity from whom information is required pursuant to this Subsection to the effect that there has been no material adverse change in its financial status since the date of the most recent information provided to Landlord.

(5) A list of all stores operated by any of the Persons from whom information is required as aforesaid (including shareholders of such Persons) or their licensees, franchises, concessionaires or the like within a radius of five (5) miles of the Shopping Center.

Tenant represents that Tenant has the right, power and authority to execute and deliver this Lease, that such execution, delivery and performance of Tenant's obligations shall not cause, create or constitute a default or breach of or under any agreement to which Tenant is a party or by which it is bound. Tenant further represents that the information concerning its financial status, stockholders, parent, subsidiaries and Affiliates, if any, prior to the execution and delivery of this Lease is unchanged, true and correct, accurately represents the financial status of the Person for whom submitted and that there has been no material or adverse change in the financial status of Tenant or said Persons.

Section 6.2. Negative Covenants. Tenant convenants at all times during the Term and such further time as Tenant occupies the Premises or any part thereof:

A. Except for existing stores, Tenant shall not, nor shall any officer, director, shareholder, Affiliate, franchisee or licensee or the like of Tenant, directly or indirectly operate, manage or have any interest in any other store or facility for the sale at retail of merchandise or services similar to that which is permitted under "Permitted Use", within five (5) miles of the Shopping Center (the Retail Restriction Limit). For purposes of this Subsection A, the Retail Restriction Limit shall be measured along a straight line, the beginning of which is the point on the outer perimeter of the Shopping Center which is closest to such other store and the end of which is a point on the main entry doors of such other store. Without limiting Landlord's remedies in the event Tenant should violate this covenant, Landlord may include the Gross Sales of such other store in the Gross Sales transacted in the Premises, for the purpose of computing Percentage Rent due hereunder. In the event Landlord so elects, all of the provisions of Section 3.3 hereof shall be applicable to all records pertaining to such other store.

B. Unless specifically set forth in the Permitted Use, not to sell, display or distribute (i) any alcoholic liquors or beverages for consumption on or off the Premises or (ii) any pornographic or obscene or sexually erotic goods, wares, printed material or services or (iii) any drugs or other substances whose use or sale is prohibited or controlled by Govern-

mental Authority, including any merchandise which, although not per se violative of Governmental Requirements, is designed or may reasonably be inferred to have been designed for use in connection with such prohibited or controlled items.

C. Not to injure, overload, deface or otherwise harm the Premises or any part thereof or any equipment or installation therein; nor commit any nuisance; nor permit the emission of any objectionable noise or odor nor, unless specifically permitted by the Permitted Use, burn anything within the Shopping Center; nor permit the collection of trash or refuse contrary to rules and regulations established by Landlord or by any Person not approved or designated by Landlord; nor install or cause to be installed any automatic garbage disposal equipment; nor conduct business at, in, on, about or from all or any part of the Premises on any days or hours that Landlord does not open the Shopping Center for business to the public; nor make any use of the Premises or of any part thereof or equipment therein which is improper, offensive or contrary to any Governmental Requirement or to the rules and regulations of Landlord as such may be promulgated from time to time; nor use any advertising medium that may constitute a nuisance, such as loudspeakers, sound amplifiers or phonographs in a manner to be heard outside the Premises; nor conduct any auction, fire, "going out of business" or bankruptcy sales except under conditions approved by Landlord in writing; nor use or occupy the Premises, or suffer or permit them to be used or occupied in whole or in part, as a surplus store, salvage or "odd lot" store, or for any similar business or activity; nor do any act tending to injure the reputation of the Shopping Center; nor sell or display merchandise on, or otherwise obstruct, the Common Areas or anywhere else in the Shopping Center or distribute handbills or other advertising matter in the Shopping Center outside of the confines of the Premises; nor carry on or permit any business conduct or practice which, in Landlord's judgment, may harm the business reputation of Landlord or reflect unfavorably on the Shopping Center, Landlord or other tenants or which might confuse or mislead the public. Tenant shall, upon notice from Landlord, immediately discontinue any violation of the foregoing provisions.

D. Except for those which are interior, non-structural and do not affect the heating, ventilation, air conditioning, mechanical or utility systems of the Premises or Shopping Center and the aggregate cost of which does not exceed $15,000.00, not to make any repairs, installations, alterations or additions or improvements or work to the Premises without, on each occasion, obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld (it being understood that Landlord's withholding of consent shall not be deemed unreasonable where Tenant is unable to demonstrate, to Landlord's reasonable satisfaction, the ability to pay for the proposed work); nor attach interior signs, placards or other advertising media or other objects to the windows, doors, valances or ceiling or locate the same either outside of or within the Premises in such manner as to obstruct the view of Tenant's store from the mall area or from the outside other than in-substantially. If Landlord's consent is required, Tenant shall not commence any work as aforesaid until Tenant shall have filed with Landlord plans and specifications for such work and Landlord shall have approved same, said approval not to be unreasonably withheld. Tenant shall perform such work in accordance with such approved plans and specifications

using labor not incompatible with other labor at the Shopping Center and such as will not create any labor disputes or work stoppages. Any work performed by Tenant shall at all times be subject to Landlord's inspection and approval after completion to determine whether same complies with the requirements of the applicable provisions of this Lease. Tenant shall, preceding and during the course of any alteration, addition, enlargement, improvement or construction, post or permit Landlord to post and keep posted in conspicuous places on the Premises, and in addition, serve all Persons who are expected to perform work or supply materials, such notices as are now or hereafter permitted or required to be posted to protect Landlord from having its interest in the Premises made subject to a mechanics' or materialmen's lien arising from such alteration, enlargement, improvement or construction. Prior to commencing construction, Tenant shall give Landlord a list of names and addresses for all such Persons.

E. Except those for the sole use of Tenant's employees, not to operate any coin or token operated vending machine or similar device for the sale of any goods, wares, merchandise, food, beverage or services, including, but not limited to, pay telephones, pay lockers, pay toilets, scales, amusement devices and machines for the sale of beverages, foods, candy, cigarettes or toilet commodities, without the prior written consent or Landlord.

F. Unless Tenant shall first have received Landlord's written consent with respect thereto, not to assign, sell, mortgage, hypothecate, encumber, pledge, or in any manner transfer this Lease or any interest therein, or sublet the Premises or any part or parts thereof, or grant any concession or license or otherwise permit occupancy of all or any part thereof by anyone with, through or under it; nor shall Tenant grant or create any security interest or mortgage, hypothecate, encumber or pledge any equipment, or improvements located in or about the Premises. A transfer of any of Tenant's or Guarantor's stock or a transfer or change of "control" (as such term is defined under the heading "Affiliate" in Article I of this Lease) of Tenant or Guarantor, if Tenant or Guarantor is a corporation or a change in the composition of Persons owning any interest in any non-corporate Tenant shall be deemed an assignment for the purpose of this Subsection F. In the event of the occurrence of any of the foregoing events without Landlord's prior consent, this Lease shall, at Landlord's option, be deemed to have been cancelled, terminated and expired as of the date of the occurrence of said event. Neither the consent by Landlord to any of the foregoing, nor any references in this Lease to concessionaires or licensees shall be construed to relieve Tenant from obtaining the express consent of Landlord to any further act which is prohibited herein, nor shall the collection of Rent by Landlord from any assignee, subtenant or other occupant, after default by Tenant, be deemed a waiver of this covenant or the acceptance of the assignee, subtenant or occupant as Tenant or a release of Tenant from the further performance by Tenant of the covenants in this Lease on Tenant's part to be performed.

(1) The provisions of this Subsection 6.2F shall not be deemed to prohibit (i) transfers of stock among existing stockholders or among spouse, children or grandchildren of existing stockholders or inter vivos or testamentary transfers to trusts established for the benefit of such persons, (ii) a public offering of the stock of Tenant or Guarantor or (iii) the transfer

of outstanding voting stock registered under applicable securities laws of Tenant or Guarantor which are traded on a recognized national securities exchange. For the purposes of the preceding clause (iii), the term "voting stock" shall mean shares or stock regularly entitled to vote for the election of all directors of the corporation.

(2) Landlord shall not unreasonably withhold its consent to an assignment of this Lease or sublease of the entire Premises to a parent, Affiliate or wholly-owned subsidiary of Tenant or to any entity with which or into which Tenant may consolidate or merge and who shall assume for Landlord's benefit the performance of all of the terms, conditions and covenants of this Lease; provided, however, that the merged or consolidated entity shall have a net worth at least equal to the net worth of Tenant at the time of such consolidation or merger or at the time of the Commencement Date of this Lease, whichever shall be greater, and further provided that the assignee or sublessee shall use the Premises under the Trade Name and only for the Permitted Use.

(3) Except for the transactions described in paragraphs (1) and (2) of this Subsection, Tenant may not assign or sublet the Premises until Tenant completes Tenant's Work and opens for business. When Tenant requests Landlord's consent to a transaction other than the types of transactions described in paragraphs (1) and (2) of this Subsection, such requests shall include the name of the proposed transferee of stock, assignee or subtenant and its officers, directors and stockholders and such information as to the financial responsibility. business and reputation of the proposed assignee, transferee of stock or subtenant and its officers, directors and stockholders as Landlord may reasonably require. Upon the receipt of such request and information from Tenant, Landlord shall have the right, to be exercised in writing within thirty (30) days after such receipt, to cancel and terminate this Lease, as of the date set forth in Landlord's notice of exercise of such option, which effective date of termination in Landlord's said notice shall not be less than sixty (60) nor more than one hundred twenty (120) days following the service of such notice. Tenant shall have the right to negate Landlord's cancellation by withdrawing its request within ten (10) days after service of Landlord's notice, whereupon, this Lease and the occupancy hereunder shall continue unchanged and in full force and effect.

(a) In the event Landlord shall exercise such cancellation right, Tenant shall surrender possession of the Premises on the date set forth in Landlord's notice and in accordance with the provisions of this Lease relating to surrender of the Premises at the expiration of the Term. In no event shall the Premises be subdivided or partially sublet nor any request made for permission to do so.

(b) In the event Landlord shall not exercise its right to cancel this Lease as provided above, then Landlord's consent to such request shall not be unreasonably withheld in accordance with subparagraph (c) of this paragraph, (3), provided such consent to sublease or assignment is effected by a legal document in form and substance satisfactory to Landlord. In no event shall any assignment or subletting to which Landlord may have consented release or relieve Tenant from its obligations fully to perform all of the terms, convenants and condi-

tions of the Lease on its part to be performed. Any assignee or subtenant shall be bound by, subject to and deemed to have assumed performance of all of the terms, conditions and covenants of this Lease, including, but not limited to, the Permitted Use set forth in Article I and the Retail Restriction Limit and any and all defaults shall be cured prior to the assignment or subletting.

(c) In determining reasonableness, Landlord may take into consideration all relevant factors surrounding the proposed sublease and assignment, including, without limitation, the following:

(i) The business reputation of the proposed assignee or subtenant and its officers, directors and stockholders;

(ii) The nature of the business of the proposed assignee or subtenant in relation to the tenant mix or balance of the Shopping Center;

(iii) The source of the Rent due under this Lease, the financial condition and operating performance of the proposed assignee or subtenant and its guarantors, if any;

(iv) Restrictions, if any, contained in lease or other agreements affecting the Shopping Center;

(v) The extent to which the proposed assignee or subtenant and Tenant provide Landlord with assurance of future performance hereunder, including, without limitation, the payment of Percentage Rent; and

(vi) The number of other stores operated by the proposed assignee or subtenant in the vicinity in which the Shopping Center is located.

(4) This paragraph (4) shall not apply to any transactions described in paragraphs (1) and (2) above but shall apply to all other transactions. In the event Tenant shall assign its interest in this Lease or sublet the Premises, these the Fixed Rent specified in Article I shall be increased, effective as of the date of such assignment or subletting, to the greater of (i) the rentals payable by any such assignee or sublessee pursuant to such assignment or sublease, or (ii) an amount equal to the total of the Fixed Rent, plus Percentage Rent, required to be paid by Tenant pursuant to this Lease for the Lease Year immediately preceding such assignment or subletting. In no event shall the Fixed Rent, after such assignment or subletting, be less than the Fixed Rent specified in Article I. In addition to the foregoing, Tenant agrees that in the event or an assignment or subletting, Tenant shall pay to Landlord any and all consideration, money or thing of value received by Tenant or payable to Tenant in connection with the transaction, except Tenant shall not be required to pay to Landlord consideration received in connection with the sale of Tenant's trade fixtures, equipment, inventory or leasehold improvements.

(5) Except for transactions of the types described in paragraphs (1) and (2), in the event of any assignment or subletting, Landlord shall have the right to require that there be deposited with and held by Landlord, in addition to any other security then held by Landlord, an amount equal to three (3) months' rent ensuing.

(6) Use of the terms "assignments or "subletting" shall be deemed to include stock or share transfers as to corporations, and transfers of ownership interests in the case of non-corporate entities.

(7) Tenant shall pay to Landlord a reasonable fee and all reasonable expenses incurred by Landlord for the processing of any assignment, sublease or other transaction covered or affected by this Subsection 6.2F.

G. Not to permit commercial or piped in music to be played other than in the Premises or in a manner which can be heard outside the Premises or, except for work performed by its own employees during reasonable hours designated by Landlord, not to permit rubbish or garbage removal, window cleaning, janitorial or maintenance services in or about the Premises, except in each such case, by a Person, if any, designated by Landlord. Landlord agrees that the prices to be charged by the Person, if any, so designated to supply or perform any or all of the services referred to in this Subsection G shall be competitive.

H. Not to place or install or suffer to be placed or installed or maintain any graphics or sign in, upon or outside the Premises or in the Shopping Center unless it complies with Landlord's sign criteria and is approved by Landlord pursuant to Subsection P of Section 6.1, nor any awning, canopy, banner, flag, pennant, aerial, antenna or the like in or on the Premises. Tenant shall not place in the windows or at or near the entrance to the Premises any sign, graphics, decoration, lettering, advertising matter, shade or blind or other thing of any kind, other than neatly lettered signs of reasonable size placed on the floor thereof identifying articles offered for sale and the prices thereof, without first obtaining Landlord's written approval and consent in each instance, which consent shall not be unreasonably withheld. Tenant further agrees that Landlord shall have the right to disapprove and require the removal of any sign, graphics, lettering, lights, advertising or other forms of inscription located in the front five (5) feet of the Premises. Any signs, lights, lettering or other forms of inscription displayed without prior written approval of Landlord may be removed forthwith by Landlord. The cost of such removal shall be paid by Tenant and Tenant shall thereafter restore the Premises and the building to the condition existing immediately prior to the installation of the removed signs, lettering or inscription.

I. Not to place a load upon any floor of the Premises which exceeds the floor load per square foot area which such floor was designated to carry. If Tenant shall desire a floor load in excess of that for which the floor or any portion of the Premises is designed, upon submission to Landlord of plans showing the location of and the desired floor live load for the area in question, Landlord may, at its option, strengthen and reinforce the same, at Tenant's sole expense, so as to carry the live load desired. Business machines and mechanical equip-

ment used by Tenant which cause vibration or noise that may be transmitted to the building or to any occupiable space to such a degree as to be reasonably objectionable to Landlord or to any tenants in the building shall be placed and maintained by Tenant at its expense, in settings of cork, rubber or spring-type vibration eliminators sufficient to eliminate such vibration or noise.

ARTICLE 7

Destruction: Condemnation

Section 7.1. Fire or Other Casualty

A. Tenant shall give prompt notice to Landlord in case of fire or other damage to the Premises.

B. If (i) the Shopping Center or the building in which the Premises are located (whether or not the Premises were damaged) shall be damaged to the extent of more than twenty-five (25%) percent of the cost of replacement thereof, respectively, or (ii) the proceeds of Landlord's insurance recovered or recoverable as a result of' the damage described in subsection (i) preceding shall be substantially insufficient to pay fully for the cost of replacement of such buildings, or (iii) the Premises or the building shall be damaged as a result of a risk which is not covered by Landlord's insurance, Landlord may terminate this Lease by notice given within ninety (90) days after such event and upon the date specified in such notice, which shall be not less than thirty (30) nor more than sixty (60) days after the giving of said notice, this Lease shall terminate. If the Premises shall be damaged in whole or in part during the last two (2) years of the Term, then either Landlord or Tenant may terminate this Lease by notice given to the other within ninety (90) days after the occurrence of such damage, and upon the date specified in such notice, which shall not be less than thirty (30) nor more than sixty (60) days after the giving of said notice, this Lease shall terminate. If the casualty, or Landlord's repair and restoration work shall render the Premises untenantable, in whole or in part, then, a proportionate credit against Rent (except Percentage Rent, Tax Rent and that portion of Common Area Rent attributable to the cost of insurance) shall be allowed from the date when the damage occurred until the earlier of (i) the day after Landlord has substantially completed the work required to repair and restore the Premises, as set forth in Subsection C of this Section, or (ii) the date Tenant shall have opened for business, or (iii) the date of termination by Landlord, in the event Landlord elects to terminate this Lease. Said proportion shall be computed on the basis of the ratio which the amount of Floor Space rendered untenantable bears to the total Floor Space. If there is a credit against Fixed Rent, in computing the "break even" for Percentage Rent purposes, the amount of Fixed Rent less such credit shall be applied, or if the "break even" is expressed herein as a fixed dollar amount, such amount shall be proratably reduced.

C. If this Lease shall not be terminated as provided in Subsection B hereof, Landlord shall, at its expense, repair or restore the Premises with reasonable diligence and dispatch, to the condition obtaining immediately prior to the casualty except that Landlord shall not be required to repair or restore any of Tenant's leasehold improvements or betterments, furniture, furnishings, finishes, decorations or any other installations made by Tenant. Upon the completion by Landlord of repair or restoration, Tenant shall prepare the Premises for occupancy by Tenant in the manner obtaining immediately prior to the damage or destruction in accordance with plans and specifications approved by Landlord. All work of restoration or repair by Tenant shall be subject to the provisions of Article 2.

D. The provisions of this Section 7.1 shall supersede and are in lieu of the provisions of any present or future statute or law to the contrary of the state in which the Shopping Center is located.

E. The "cost of replacement", as such term is used in Subsection B hereof, shall be determined by the company or companies insuring Landlord against the casualty in question, or if there shall be no insurance, then, by an independent engineer selected and paid for by Landlord.

Section 7.2. Eminent Domain.

A. If twenty-five (25%) percent or more of the Floor Space of the Premises shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, either party may elect, by giving notice to the other not more than sixty (60 days) after the date on which title shall vest in such authority, to terminate this Lease, and, in either such event, the Term of this Lease shall cease and terminate as of the said date of title vesting. In case of any taking or condemnation, whether or not the Term of this Lease shall cease and terminate, the entire award shall be the property of Landlord and Tenant hereby assigns to Landlord all its right, title and interest in and to any such award. Tenant shall, however, be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for loss of lease, moving expense, fixtures and other equipment installed by it but only if such awards shall be made by the condemnation court in addition to the award made by it for the land and the building or part thereof so taken.

B. The current Rent (except Percentage Rent) in the case of any taking or condemnation, shall be apportioned as of the date of vesting of title and, if the Term of the Lease shall not have ceased and have been terminated as of said date, Tenant shall be entitled to a pro rata reduction in the Rent (except Percentage Rent) payable hereunder based on the proportion which the Floor Space of the space taken bears to the entire Floor Space of the Premises immediately prior to such taking.

C. If more than fifty (50%) percent of the Floor Space of the building, or if more than twenty-five (25%) percent of the total Floor Space in the Shopping Center shall be so taken or conveyed, or if so much of the parking facilities shall be so taken or conveyed that a reasonable number of parking spaces necessary, in Landlord's judgment, for the continued operation of the Shopping Center shall not be available for use by patrons of the Shopping Center, then, in, any such event, Landlord may, by notice in writing to Tenant delivered on or before the day of surrendering possession to the Governmental Authority, terminate this Lease, and Rent shall be paid or refunded as of the date of termination.

D. If this Lease is not terminated pursuant to the provisions of this Section 7.2, Landlord shall, at its expense, but only to the extent of an equitable proportion of the net

award or other compensation (after deducting legal and all other fees in connection with obtaining said award) for the portion taken or conveyed, of the building of which the Premises are a part (excluding award for land) make such repairs or alterations as are in Landlord's reasonable judgment necessary to constitute the building a complete architectural and tenantable unit.

ARTICLE 8

Defaults and Remedies

Section 8.1. Bankruptcy, Insolvency.

A. If (i) Tenant or Guarantor shall become insolvent or make an assignment for the benefit of creditors; or (ii) if there shall be filed against or by Tenant or Guarantor in any court, pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or for arrangement or reorganization or for the appointment of a receiver or trustee of all or portion of Tenant's or Guarantor's property and it is not discharged within thirty (30) days after filing; or (iii) in the case of a filing under Title 11 of the United States Code (the Federal Bankruptcy Act), if this Lease is not assumed within sixty (60) days after filing; then upon the occurrence of any of such foregoing events, this Lease shall, automatically and as a matter of law, be deemed to have been cancelled, terminated, expired and rejected in which event neither Tenant nor any Person claiming through or under Tenant by virtue of any statute or of an order of any court shall be entitled to acquire or remain in possession of the Premises, and Landlord shall have no further liability hereunder and Tenant or any such Person, if in possession, shall forthwith quit and surrender the Premises. If this Lease shall be so cancelled or terminated, Landlord, in addition to the other rights and remedies of Landlord by virtue of any other provision herein or elsewhere in this Lease contained or by virtue of any statute or rule of law, may retain and apply to damages incurred by Landlord, any Rent, Security Deposit or monies received by Landlord from Tenant or on behalf of Tenant.

B. In the event of the termination or rejection of this Lease pursuant to Subsection A hereof, Landlord shall be entitled to recover from Tenant an amount equal to the maximum allowed by any statute, law or rule of law in effect at the time when, and governing the proceeding in which, such damages are to be proved. If this Lease shall have been terminated pursuant to Section 8.2 or otherwise, prior to the occurrence of any of the events described in Subsection 8.1A above, then Landlord's rights under this Lease shall not be affected or prejudiced by this Section 8.1.

Section 8.2. Default.

A. If Tenant defaults in fulfilling any of the covenants or provisions of this Lease, including, without limiting the generality of the foregoing, the covenants for the payment of Rent when due or any part thereof or for the making of any other payment herein provided or for the performance of any other covenant on Tenant's part to be performed hereunder, and such default shall continue for ten (10) days in the case of a default in the payment of Rent or other monies, after service by Landlord of written notice upon Tenant specifying the nature of said default, or, twenty (20) days as to any other default except that if a non-monetary default or omission shall be of such a nature that the same cannot be reasonably cured or remedied within said twenty (20) days, if Tenant shall not in good faith have com-

menced the curing or remedying of such default within such twenty-day period, and shall not thereafter diligently proceed therewith to completion, or if any levy, execution or attachment shall be issued against Tenant or any of Tenant's property at the Premises, or if the Premises become abandoned, vacant or deserted, or if Tenant shall default with respect to any other lease between Landlord (or any Affiliate of Landlord) and Tenant (or any Affiliate of Tenant), Landlord may serve upon Tenant a written notice that this Lease and the Term will terminate on a date to be specified therein, which shall be not less than five (5) days after the giving of such notice, and upon the date so specified, this Lease and the Term shall terminate and come to an end as fully and completely as if such date were the date herein definitely fixed for the end and expiration of this Lease and the Term, and Tenant shall then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter set forth; provided, however, that if Tenant shall default (i) in the timely payment of any item of Rent or the timely reporting of Gross Sales as required by Section 3.3 hereof and any such default shall continue or be repeated for three (3) consecutive months or for a total of four (4) months in any period of twelve (12) months or (ii) in performance of any other particular convenant of this Lease more than four (4) times in any period of six (6) months, then, notwithstanding that such defaults shall have each been cured within the period after notice as above provided, any further similar default shall be deemed to be deliberate and Landlord thereafter may serve the said written five (5) days' notice of termination without affording to Tenant an opportunity to cure such further default.

B. If this Lease shall have been terminated pursuant to Section 8.1 or 8.2, or if Tenant has defaulted (beyond any opportunity to cure hereinabove set forth) in the payment of Rent or in observing any other term, condition or covenant, then, in any of such events, Landlord may institute summary proceedings, re-enter the Premises, dispossess Tenant and the legal representative of Tenant or other occupants of the Premises, and remove their effects and hold the Premises as if this Lease had not been made.

Section 8.3. Remedies of Landlord.

A. In case of any such default, re-entry, expiration and/or dispossess by summary proceedings or otherwise, (i) the Rent shall become due thereupon and be paid up to the time of such re-entry, dispossess and/or expiration; (ii) Landlord may relet the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the Term, and may grant commercially reasonable concessions including free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord, for the failure of Tenant to observe and perform Tenant's covenants herein contained, the maximum amount of damages recoverable or at Landlord's option, for each month of the period which would otherwise have constituted the balance of the Term, any deficiency between (x) the sum of (a) one (1) monthly installment of Fixed Rent, (b) one-twelfth (1/12) of the average annual Percentage Rent payable hereunder based upon the three (3) Lease Years immediately preceding (or the entire preceding portion of the Term if less than three

(3) Lease Years), (c) one twelfth (1/12) the Tax Rent that would have been payable for the year in question but for such re-entry or termination, (d) the current monthly Common Area Rent and (e) any other Rent or monies payable under this Lease, and (y) the net amount, if any, of the rents collected on account of the lease or leases of the Premises for each month of the period which would otherwise have constituted the balance of the Term. The failure of Landlord to relet the Premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing damages there shall be included such commercially reasonable expenses as Landlord may incur in connection with reletting, such as court costs, attorneys' fees and disbursements, brokerage fees, other costs and expenses incurred by Landlord and for putting and keeping the Premises in good order or for preparing the same for reletting as hereinafter provided. Any such damages shall, at Landlord's option, be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding or, at Landlord's option, in advance, discounted to the then present value. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Premises as Landlord in Landlord's reasonable judgment considers advisable and necessary for the purpose of reletting the Premises; and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Provided that Landlord makes the same effort to relet the Premises as other space in the Shopping Center, Landlord shall in no event be liable in any way whatsoever for failure to relet the Premises, or in the event that the Premises are relet, for failure to collect the rent under such reletting. Landlord shall not, in reletting the Premises, be required to prefer the letting of the Premises over any other space in the Shopping Center. Landlord shall have in addition to any statutory or other liens or rights, if any, and not in lieu thereof, a lien on all fixtures, equipment and leasehold improvements located at the Premises.

B. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy.

Section 8.4. Waiver of Trial by Jury: Tenant Not to Counter-Claim. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim or other claim brought by either of the parties hereto against the other on any matters not relating to negligently caused personal injury or property damage, but otherwise arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. Tenant further agrees that unless the failure to do so would constitute a waiver of its right to institute a separate action or proceeding against Landlord, it shall not interpose any

within thirty (30) days. If Landlord shall sell the Shopping Center, or shall lease the Shopping Center, in either case subject to this Lease, or shall otherwise assign or dispose of this Lease, Landlord may assign and turn over the Security Deposit or any balance thereof to Landlord's grantee, lessee or assignee, and Tenant hereby releases and relieves Landlord from any and all liability for the return of said deposit and shall look solely to said grantee, lessee or assignee; it being expressly agreed that this provision shall apply to each and every sale, conveyance or lease of the Shopping Center or assignment or disposition of this Lease. Landlord shall not be required to place the Security Deposit in an interest-bearing account and said fund shall be returned to Tenant without interest.

ARTICLE 9

Additional Provisions

Section 9.1. Notices from One Parry to the Other. Any notice or demand from Landlord to Tenant or from Tenant to Landlord shall be in writing and shall be deemed duly served if mailed by registered or certified mail, return receipt requested, addressed, if to Tenant, at the address of Tenant set forth herein, or to such other address as Tenant shall have last designated by notice in writing to Landlord, and if to Landlord, at the address of Landlord set forth herein or such other address as Landlord shall have designated by notice in writing to Tenant. Notice shall be deemed served when mailed.

Section 9.2. Brokerage. Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease other than the Broker, if any, named elsewhere in this Lease and covenants to pay, hold harmless and indemnify Landlord from and against any and all costs, expense or liability for any compensation, commissions and charges claimed by the Broker or by any other broker or agent with respect to this Lease or the negotiation thereof with whom Tenant had dealings.

Section 9.3. Estoppel Certificates. Each of the parties agrees that it will, at any time and from time to time, within twenty (20) business days following written notice by the other party herein specifying that it is given pursuant to this Section, execute, acknowledge and deliver to the party who gave such notice a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Rent and any other payments due hereunder from Tenant have been paid in advance, if any, and stating whether or not to the best knowledge of the signer of such certificate the other party is in default in performance of any covenant, agreement or condition contained in this Lease, and if so, specifying each such default of which the signer may have knowledge.

Section 9.4. Applicable Low and Construction. The laws of the state in which the Shopping Center is located shall govern the validity, performance and enforcement of this Lease. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. All negotiations, considerations, representations and understandings between the parties are incorporated in this Lease. Landlord or Landlord's agents have made no representations or promises with respect to the Shopping Center or the Premises, except as herein expressly set forth. Tenant further understands that this Lease and every other lease agreement with every other tenant or occupant of the Shopping Center is negotiated on its own merits and Landlord does not make any representation as to the similarity of the terms of this Lease with any other such lease or agreement. The headings of the several articles and sections contained herein are for convenience only and do not define, limit or construe the contents of such articles or sections, it being understood that the so-called "Recital" constitutes part of the agreement between Landlord and Tenant. Whenever herein

the singular number is used, the same shall include the plural, and the neuter gender shall include the masculine and feminine genders.

Section 9.5. Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or any third party, as creating the relationship of principal and agent or partnership or joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

Section 9.6. Limitations on Liability. Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to any Person or property sustained by Tenant resulting from any accident or occurence (unless, subject, however, to the waiver of subrogation provision hereof, caused by or resulting from the negligence or willful acts of Landlord) in or upon the Premises or any other part of the Shopping Center, including, but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drainor any other pipe or tank in, upon or about the building or the Premises; (vii) the escape of steam or hot water; (viii) water, snow, or ice being upon or coming through the roof, skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near the building or the Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other Persons or occupants of the Shopping Center.

Section 9.7. Landlord's Entry Rights. Landlord or Landlord's agents shall have the right to enter upon the Premises at all reasonable times to examine same and to make such repairs, alterations, improvements or additions to the Premises or to the building as may be necessary, and Landlord shall be allowed to take all materials into and upon the Premises that may be required therefor without the same constituting an eviction of Tenant, in whole or in part, and the Rent shall in nowise abate while such repairs, alterations, improvements or additions are being made by reason of loss or interruption of the business of Tenant because of the prosecution of any such work. However, if as the result of the exercise by Landlord of its rights under this Section 9.7, there is created a substantial and material interference with Tenant's ability to conduct business in the Premises, and Tenant therefore closes for more than three (3) consecutive business days, Tenant shall be entitled to an abatement of Fixed Rent for each day after the third (3rd) business day during which the condition continues. Except in emergencies such entry shall be during business hours and on reasonable oral notice to the Person then in charge of the Premises for Tenant. Landlord shall use all reasonable efforts not to unreasonably interfere with or interrupt the conduct and operation of Ten-

ant's business but in no event shall Landlord be required to incur any additional expenses for work to be done during hours or days other than regular business hours or days. Landlord or Landlord's agents shall also have the right to enter upon the Premises after notice as set forth above, at reasonable times to show them to prospective lessees or purchasers of the Shopping Center. During the one hundred eighty (180) days prior to the expiration of the Term, Landlord may show the Premises to prospective tenants. If, prior to the end of the Term, Tenant shall have removed all or substantially all of Tenant's property therefrom, Landlord may immediately enter, renovate and redecorate the Premises without elimination or abatement of Rent or the payment of other compensation to Tenant and such action shall have no effect upon this lease.

Section 9.8. Subordination.

A. This Lease is and all of Tenant's rights hereunder are subject and subordinate to (i) any ground or underlying (including operation) leases that now exist or may hereafter be placed on the Shopping Center or any part thereof, and (ii) any mortgages or deeds of trust that now exist or may hereafter be placed upon the Shopping Center or the interest under any ground or underlying leases and to any and all advances made thereunder and the interest thereon and to all renewals, replacements, amendments, modifications, consolidations and extensions of any of the foregoing. Tenant covenants and agrees that if any mortgagee of Landlord's interest in any underlying lease or any fee mortgagee succeeds to Landlord's interest under this Lease by foreclosure or otherwise, Tenant will, if requested, attorn to such mortgagee and will recognize such mortgagee as Tenant's landlord under this Lease. At the option of the landlord or any successor landlord thereunder, Tenant agrees that neither the cancellation nor termination of any ground or underlying lease to which this Lease is now or may hereafter become subject or subordinate, nor any foreclosure of a mortgage either affecting the fee title of the Premises or the ground or underlying lease, nor the institution of any suit, action, summary or other proceeding by the landlord or any successor landlord thereof, or any foreclosure proceeding brought by the holders of any such mortgage to recover possession of the leased property, shall by operation of law or otherwise result in the cancellation or termination of this Lease or the obligations of Tenant hereunder, and Tenant covenants and agrees to attorn to the landlord or to any successor to Landlord's interest in the Premises. Tenant shall execute and deliver in recordable form, whatever instruments may be required to acknowledge or further effectuate the provisions of this Subsection, and in the event Tenant fails to do so within twenty (20) days after demand in writing, such failure shall be deemed a material default hereunder. Any mortgagee or trustee under any such mortgage or deed of trust or the lessor under any such ground or underlying lease may elect that this Lease shall have priority over its mortgage, deed of trust or lease and upon notification of such election by such mortgagee, trustee or lessor to Tenant, this Lease shall be deemed to have priority over said mortgage, deed of trust or ground or underlying lease whether this Lease is dated prior to or subsequent to the date of said mortgage, deed of trust or lease. If the holder of any mortgage, deed of trust or security agreement shall forward to Tenant written notice of the existence

of such lien or lease, then Tenant shall, so long as such lien or lease continues, give to such lienholder or lessor the same notice and opportunity to correct any default as is required to be given to Landlord under this Lease but such notice of default may be given to Landlord and such lienholder or lessor concurrently.

B. If so requested by Tenant, Landlord shall use reasonable efforts to obtain non-disturbance and attornment agreements from any ground or underlying lessors or present or future mortgagees of Landlord's interest in the Premises, which efforts shall consist only of Landlord's making a written request for such agreements on behalf of Tenant. Tenant shall cooperate in all respects with Landlord's efforts, shall provide any information reasonably required by such mortgagees or lessors and shall pay such fees or expenses as may be requested by such parties in connection with such agreements. Landlord shall not be required to institute any legal action or proceeding in order to obtain said agreements. The foregoing shall not be deemed a condition to the effectiveness or continuing effectiveness of this Lease.

Section 9.9. Construction on Adjacent Premises or Buildings. If any construction, excavation or other building operation shall be about to be made or shall be made on any premises adjoining or above or below the Premises or on any other portion of the building or the Shopping Center, Tenant shall permit Landlord, or the adjoining owner, and their respective agents, employees, licensees and contractors, to enter the Premises and to strengthen, add to or shore the foundations, walls, columns or supporting members thereof, and to erect scaffolding and/or protective barricades around and about the Premises (but not so as to preclude entry thereto) and to do any act or thing necessary for the safety or preservation of the Premises. Except as may be expressly set forth to the contrary in this Section 9.9, Tenant's obligations under this Lease shall not be affected by any of the foregoing or any such construction or excavation work, shoring-up, scaffolding or barricading. Landlord shall not be liable in any such case for any inconvenience, disturbance, loss of business or any other annoyance arising from any such construction, excavation, shoring-up, scaffolding or barricades, but Landlord shall use its best efforts so that such work will cause as little inconvenience, annoyance and disturbance to Tenant as possible, consistent with accepted construction practice in the vicinity, and so that such work shall be expeditiously completed. It is understood by Tenant that shopping centers are at times expanded or reconfigured by the addition of new or reconfigured buildings, improvements or structures (including multi-level, decked or subsurface parking structures) and if the foregoing occurs, Landlord shall have the right of access to enter upon the Premises to perform construction work and shall use its reasonable efforts to complete all construction in the Premises as promptly as possible (considering the nature and extent of the construction and subject to prudent construction practices). Landlord shall have the right to require Tenant to temporarily curtail its business or to temporarily close the Premises if necessary in connection with the construction work. Accordingly, (i) if Landlord requires Tenant to temporarily suspend business or to temporarily close the Premises because of any such changes or (ii) if Tenant's use and occupancy of the Premises or Tenant's access to the covered mall in

front of the Premises is materially, adversely interfered with and Tenant temporarily closes for business, Tenant shall receive an abatement of Rent (except Percentage Rent) on a per diem basis for the number of days for which Tenant is required to close. Notwithstanding the foregoing, Tenant shall have no right to seek damages or to cancel and terminate this Lease because of the proposed expansion, nor shall Tenant have the right to restrict, inhibit or prohibit said expansion.

Section 9.10. Mall Expansion.

A. In the event Landlord shall add additional buildings to the Shopping Center or expand or reconfigure any of the buildings currently contained therein, Landlord shall have the right to relocate Tenant's operation to other premises (the "New Premises") in another part of the Shopping Center in accordance with the following provisions: the New Premises shall be substantially the same in size and configuration as the Premises described in this Lease and, to the extent reasonably possible, shall be located in an area having, in Landlord's reasonable judgment, comparable pedestrian traffic. Landlord shall deliver the New Premises to Tenant in a state substantially similar to the state then existing at the Premises described in this Lease, exclusive of trade fixtures and equipment, furnishings, decorations and other items of personal property. The cost of removing Tenant's trade fixtures and equipment, inventory and items of personal property from the Premises herein demised and installing them in the New Premises shall be borne by Landlord. Landlord shall give Tenant at least one hundred twenty (120) days' notice of Landlord's intention to relocate Tenant's operation to the New Premises. To the extent determined by Landlord to be practicable, Tenant's Work in the New Premises shall be prosecuted while Tenant is open for business in the Premises herein demised and the physical move shall take place during non-business hours, if reasonably possible, or during such other period as shall be mutually agreed upon by Landlord and Tenant. Rent (except Percentage Rent) shall abate for any period during which Tenant's operation shall be closed to the public as a result of the relocation and there shall be excluded from the computation set forth in Subsection 3.3A of this Lease the amount of Fixed Rent which would otherwise be payable for such period. The incidental costs incurred by Tenant as a result of the relocation, including, without limitation, costs incurred in changing addresses on stationery, business cards, directories, advertising and other such items, shall be paid by Landlord, in a sum not to exceed $1,500.00. Landlord shall not have the right to relocate Tenant's operation more than once during the Term. If the New Premises are smaller or larger than the Premises described in this Lease, Fixed Rent shall be adjusted to a sum computed by multiplying the Fixed Rent specified in Article I, by a fraction, the numerator of which shall be the total number of square feet of Floor Space in the New Premises and the denominator of which shall be the total number of square feet of Floor Space in the Premises described in this Lease. All other charges based upon Floor Space shall likewise be adjusted proportionately. The parties shall immediately execute an amendment to this Lease stating the relocation of Tenant to the New Premises and the modifications hereinabove required.

B. In the event Landlord shall not exercise the aforedescribed right to relocate Tenant's operation, then provided that as of the date Landlord substantially completes the addition, expansion and/or reconfiguration, not less than three (3) nor more than seven (7) years shall remain in the Term, Landlord shall have the right to require Tenant, at Tenant's sole expense, to construct a new storefront, in accordance with plans and specifications approved by Landlord. If Landlord shall elect to exercise said right, Tenant's construction work shall be completed not later than ninety (90) days following notice from Landlord that the addition, expansion and/or reconfiguration has been substantially completed.

C. In the event the New Premises described in Landlord's relocation notice are unacceptable to Tenant, Tenant shall have the right, as its sole and only remedy, exerciseable by written notice to Landlord given within thirty (30) days following receipt of Landlord's relocation notice, to terminate this Lease, such termination to be effective as of the proposed relocation date set forth in Landlord's notice. Failure by Tenant to timely exercise such right shall be deemed a waiver with respect thereto and confirmation that the New Premises are acceptable to Tenant. Such termination shall be Tenant's sole and only remedy in the event of Tenant's refusal to accept relocation to the New Premises, it being understood that should Tenant refuse for any reason to relocate, but fail to terminate this Lease in accordance with the foregoing, this Lease shall nevertheless expire on the date set forth in Landlord's relocation notice.

Section 9.11. Short Form Lease. Tenant agrees not to record this Lease. Either party shall, at the request of the other, execute, acknowledge and deliver, at any time after the date of this Lease, a memorandum or notice of lease prepared by the requesting party, but the provisions of this Lease shall control the rights and obligations of the parties.

Section 9.12. Binding Effect of Lease. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and permitted assigns. In particular the provisions of Subsection F of Section 6.2 shall bind the executors, administrators or other personal representatives of Tenant, if an individual. or its successors, if Tenant is a corporation or partnership. Each covenant, agreement, obligation or other provisions herein contained shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Lease unless otherwise expressly provided.

Section 9.13. Effect of Unavoidable Delays. The provisions of this Section shall be applicable if there shall occur, during the Term, or prior to the commencement thereof, any (i) strike(s), lockout(s) or labor dispute(s); (ii) inability to obtain labor or materials, or reasonable substitutes therefor; or (iii) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, or other conditions similar or dissimilar to those enumerated in this item (iii) beyond

the reasonable control of the party obligated to perform. If Landlord or Tenant shall, as the result of any of the above-described events, fail punctually to perform any obligation on its part to be performed under this Lease, then such failure shall be excused and not be a breach of this Lease by the party in question, but only to the extent occasioned by such event. If any right or option of either party to take any action under or with respect to this Lease is conditioned upon the same being exercised within any prescribed period of time and such named date, then such prescribed period of time and such named date shall be deemed to be extended or delayed, as the case may be, for a period equal to the period of the delay occasioned by any above-described event. Notwithstanding anything herein contained, the provisions of this Section shall not be applicable to or in determining the date of commencement of or the continuance of Tenant's obligation to pay Rent or its obligations to pay any other sums, moneys, costs, charges or expenses required to be paid by Tenant hereunder.

Section 9.14. No Oral Changes. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Section 9.15. Executed Counterparts of Lease. This Lease may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Lease.

Section 9.16. Landlord's Liability.

A. In the event of sale or transfer of all or any portion of the Shopping Center or any undivided interest therein, or in the event of the making of a lease of all or substantially all of the Shopping Center, or in the event of a sale or transfer of the leasehold estate under any such lease, the grantor, transferor or lessor, as the case may be, shall thereafter be entirely relieved of all terms, covenants and obligations thereafter to be performed by Landlord under this Lease to the extent of the interest or portion so sold, transferred or leased, provided that (i) any amount then due and payable to Tenant or for which Landlord or the then grantor, transferor or lessor would otherwise then be liable to pay to Tenant (it being understood that the owner of an undivided interest in the fee or any such lease shall be liable only for his or its proportionate share of such amount) shall be paid to Tenant; (ii) the interest of the grantor, transferor or lessor, as Landlord, in any funds then in the bands of Landlord or the then grantor, transferor or lessor in which Tenant has an interest, shall be turned over, subject to such interest, to the then grantee, transferee or lessee; (iii) notice of such sale, transfer or lease shall be delivered to Tenant and (iv) the grantee, transferee or lessee shall assume in writing all of Landlord's obligations under this Lease accruing from the date of the transaction.

B. Tenant agrees that it shall look solely to the estate and property of Landlord in the land and buildings comprising the Shopping Center and the income therefrom (subject to prior rights of the holder of any mortgage or deed of trust on any part of the Shopping Center) for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed or performed by Landlord; and no other assets of Landlord, its members or shareholders shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

C. Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder and, subject to Subsection 9.16B above, all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

Section 9.17. Managing Agent. Landlord has advised Tenant that it has appointed Pembrook Management, Inc. as managing agent of the Shopping Center (said managing agent and any successor or substitute managing agent is hereinafter referred to as Managing Agent). Tenant shall, until otherwise notified by Landlord, direct all payments of Rent required to be made pursuant to this Lease to the Managing Agent payable to the Landlord.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto executed this Lease as of the day and year first above written.

BELLWETHER PROPERTIES OF MASSACHUSETTS, LIMITED PARTNERSHIP

By: CPI - Burlington Corporation, its
General Partner

By: /s/ [ILLEGIBLE] AUG 27 1997

Senior Vice President

THE LIMITED STORES, INC.

By: /s/ George Sappenfield

George Sappenfield
Vice President Real Estate

(Tenant, if a corporation)

STATE OF OHIO)
) ss.:
COUNTY OF FRANKLIN)

On this 8th day of August, 1997, before me personally came George Sappenfield, to me known, who being by me duly sworn, did depose and say that George Sappenfield; that he is the Vice-President-Real Estate of The Limited Stores, Inc. the corporation described in and which executed the foregoing instrument; by order of the Board of Directors of the said corporation he signed his name thereto,

[SEAL] /s/ Mary C. Toomey

Notary Public
MARY C TOOMEY
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES MAY 21, 2002

(Tenant, if an individual or partnership)

STATE OF)
COUNTY OF) ss.:
)

On this day of , 19 , before me personally came to me known to be the individual described in and who executed the foregoing instrument and acknowledged that (s)he executed the same.

Notary Public

RIDERS TO LEASE AGREEMENT dated AUG 27 1997, by and between BELLWETHER PROPERTIES OF MASSACHUSETTS, LIMITED PARTNERSHIP as Landlord, and THE LIMITED STORES, INC., d/b/a "The Limited", as Tenant, for Store No. 1101 & 1102 at Burlington Ma1l, Burlington, MA

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In the event of any inconsistences between this Rider and the printed form of this Lease, the Riders shall be deemed to control.

Rider #1 - amending Recital

Tenant's Work Period shall commence upon receipt of written notice from Landlord granting Tenant possession of the Premises; however, Tenant shall not be required to accept possession prior to August 11, 1997.

Rider #2 - amending Article 1 - Size of Premises

Landlord and Tenant acknowledge that the Fixed Rent set forth on page 1-1 and all Additional Rent has been calculated assuming that the Premises shall consist of 5,250 square feet of Floor Space. As soon as practicable after the Commencement Date, the parties shall cause the Premises to be measured and the Floor Space of the Premises to be determined in accordance with the definition thereof set forth in Article 1. In the event the Floor Space of the Premises varies from 5,250 square feet, the Fixed Rent shall be adjusted on the basis of $45.00 per square foot per year for each of the first (1st) sixty (60) full months plus the initial partial month, if any, at the beginning of the Term; and $50.00 per square foot per year for the remainder of the Term. The Merchants' Association Dues set forth on page 1-1, the payment pursuant to Rider #44 E and all Additional Rent based on the Size of the Premises shall also be adjusted to reflect such variance. Landlord and Tenant shall execute, acknowledge and deliver a supplemental agreement specifying the adjusted annual Fixed Rent, Merchants' Association Dues, and payment pursuant to Rider #44 E.

Rider #3 - amending Article 1 - Term

Notwithstanding anything to the contrary contained in this Lease, if the Term of this Lease is scheduled to end on a day other than the 31st of January, the Term of this Lease is hereby automatically extended from such termination to the following January 31st.

Rider #4 - amending Article 1 - Lease Year

(A) Delete the definition of Lease Year in its entirety and insert the following in place thereof:

"For the purposes of Percentage Rent only, the period of twelve (12) consecutive months from January 1 to December 31 of each year during the Term. If the date Tenant opens for business does not coincide with the beginning of a Lease Year, then Percentage Rent for that portion of a Lease Year from the date Tenant opens for business to the December 31 next ensuing (the "initial partial Lease Year") shall be calculated as follows: The aggregate Gross Sales from the date Tenant opens for business to the expiration of the three hundred and sixty-fifth (365th) day thereafter shall be determined and then multiplied by a fraction, the numerator of which is the number of days in the initial partial Lease Year, and the denominator of which is 365. The product of said multiplication shall be deemed Tenant's Gross Sales for the initial partial Lease Year, and Tenant shall pay for such initial partial Lease Year the amount by which five (5%) percent of the Gross Sales attributed to such period shall exceed the Fixed Rent payable for such period. If the expiration date of the Term does not coincide with the end of a Lease Year, then Percentage Rent for that portion of a Lease Year from the January 1st immediately preceding the expiration of the Term to the expiration date of the Term (the "final partial Lease Year") shall be the amount by which five (5%) percent of the Gross Sales for the final partial Lease Year shall exceed the Fixed Rent payable for such period. The foregoing notwithstanding, the parties understand that the Tern of this Lease shall be measured from the Commencement Date and each twelve (12) month anniversary thereof."

(B) Delete each occurrence of "January 1" and insert "February 1".

(C) Delete each occurrence of "December 31" and insert "January 31".

Rider #5 - amending Article 1 - Shopping Center

Line 6, delete "or related".

Rider #6 - amending Section 2.1

(A) Provided that the area thereof does not count for purposes of computing floor area ratios with respect to any Governmental Requirements or automobile parking requirements with respect to any Governmental Requirements or under any agreement with a Department Store, Tenant has the right, subject to Landlord's approval of plans and specifications (not to be unreasonably withheld) to install, use and maintain a double-decked stock grid system in the stock area of the Premises; such system shall not be construed for any purpose as a mezzanine or additional leased or leasable area.

(B) Page 2-1, line 1, delete "twentieth (20th)" and insert "thirtieth (30th) ".

(C) Page 2-1, line 18, delete "design" and substitute the following in place thereof: "the installation of Tenant's Work".

(D) As part of Tenant's Work, Tenant shall perform the work required to integrate the two (2) portions of the Premises in accordance with Tenant's plans to be approved by Landlord.

(E) (i) All construction, improvements, additions, property and fixtures required by Tenant to occupy the Premises, except for Tenant's point-of-sale equipment, security systems, free-standing display racks and goods held for sale to the public (the "Leasehold Improvements"), shall at all times be the sole property of Landlord, and Tenant shall have absolutely no ownership interest in the Leasehold Improvements. Any funds designated in this Lease as a construction contribution, either by way of a cash payment, Rent reduction, Rent credit, Rent abatement or the like, shall be paid or credited by Landlord to Tenant as set forth in this Lease and shall be used exclusively toward the design and construction of the Leasehold Improvements located in the Premises. It is the intention of Landlord and Tenant that the Leasehold Improvements shall constitute

"leasehold improvements" within the meaning of Section 168(i) (8) of the Internal Revenue Code of 1986, as amended.

(ii) It is understood and agreed that Landlord has, pursuant to other provisions of this Lease, certain rights to approve plans and specifications for the initial installation of the Leasehold Improvements. Landlord acknowledges and agrees that Landlord's approval of the plans and specifications indicates that the Leasehold Improvements, upon installation in accordance with the approved plans and specifications, are acceptable to Landlord.

(iii) Any Rent Abatement, Rent reduction, Rent credit or the like, provided by Landlord to Tenant hereunder, has been provided by Landlord to Tenant in respect of a construction contribution and shall be used by Tenant exclusively toward the design and construction of Leasehold Improvements, as that term is defined above.

Rider #7 - amending Section 2.2

(A) Landlord agrees to give Tenant prior written notice of any rules or regulations with respect to the performance of Tenant's Work.

(B) Page 2-1, lines 28-29, after the words "shall not" insert the word "materially".

(C) Page 2-1, line 37, after the first word "Premises" insert "subject to the waiver of subrogation elsewhere set forth herein except in the case of Landlord's negligence, including that of its agents and employees."

(D) Page 2-2, lines 1-2, delete "to be delivered not later than the end of Tenant's Work Period.

Rider #8 - amending Section 2.4

(A) The term "trade fixtures" as used in this Lease shall include but not be limited to, removable decorations, mirrors, decorative hardware and decorative lighting fixtures, merchandise, signs and personal property (including, but not limited to, counters, shelving and showcases).

(B) Page 2-2, line 19, after "shall" insert "remain Tenant's property but may not be removed and upon termination of this Lease".

Rider #9 - amending Section 2.5

Page 2-2, line 30, after "within" insert "thirty (30) days after".

Rider #10 - amending Section 3.1

Page 3-1, line 7 after the word "designate" insert the following: "thirty (30) days in advance".

Rider #11 - amending Section 3.2

It is understood that the automatic Ten Percent (10%) increase of Fixed Rent set forth in this Section 3.2 shall become effective on the first day of the 13th month following the opening date of such additional Department Store.

Rider #12 - amending Section 3.3 B

(A) The following additional items shall be deleted from Gross Sales:

(i) finance or service or layaway charges if separately stated but not credit card fees or discounts which shall be included;

(ii) insurance proceeds and bulk sales not in ordinary course of business;

(iii) sales of fixtures, equipment, furnishings and similar property not in the ordinary course of Tenant's business and provided same are not part of Tenant's inventory;

(iv) sales from vending machines which are in non-sales areas and are intended for use of Tenant's employees only, however, it is understood that Tenant's right to install vending machines shall be governed solely as provided in Article 6.

(B) Page 3-1, lines 29-30, delete "(including finance or service charges thereon)".

(C) Page 3-2, line 2, delete "Provided that Tenant keeps proper evidence thereof".

(D) Page 3-2, line 3, before "imposed" insert or "or value added tax".

(E) Page 3-2, lines 14 and 15, delete "(vi) the amount of any discount on sales to employees of the Premises not exceeding two (2%) percent of Gross Sales per Lease Year" and insert "(vi) sales to employees to the extent that such Sales do not exceed 4% of Gross Sales per Lease Year".

(F) It is understood that Tenant's records shall contain data to support exclusions from Gross Sales.

Rider #13 - amending Section 3.3 C

(A) Provided the Tenant in possession is the Tenant named on the Recital Page or any of its Affiliates, this Section is deleted in its entirety and the following inserted in place thereof:

"C. Tenant shall utilize, and cause to be utilized, cash registers equipped with sealed continuous totals or such other devices for recording sales as Landlord shall approve to record all sales, and Tenant shall keep at it principal office in the continental United States and, make available at such office for at least twenty-four (24) months after expiration of each Lease Year full, true and accurate books of account and records conforming to generally accepted accounting principles showing all of the Gross Sales transacted at, in, on, about or from the Premises for such Lease Year, including all tax reports and returns, sales check, sales books, computer tapes and printouts and any other records normally maintained by Tenant and other supporting data. Landlord shall have the right, from time to time, to make test audits of Gross Sales. Within twenty (20) days after the end of each calendar month, or portion thereof, Tenant shall furnish to Landlord a statement signed and verified by Tenant (or by an authorized employee if Tenant be a corporation) of the Gross Sales transacted during such month or portion thereof; and within sixty (60) days after the end of each Lease Year and within sixty (60) days after the end of the Lease Term, Tenant shall furnish to Landlord a statement, hereinafter called the annual statement, certified to Landlord by an independent certified public accountant, of Gross Sales

transacted during the preceding Lease Year included in the Term. The certification by said certified public accountant shall expressly state that the Gross Sales shown on said statement conform with and are computed in compliance with the definition thereof contained in Section 3.3 B hereof. In the event the Tenant in possession is the Tenant named on Page 1 or an Affiliate of the Guarantor (if any), the annual statement of Gross Sales may be certified by a financial officer of the Tenant, however, it is agreed that in the event Gross Sales for any Lease Year are misstated by more than 5% then Gross Sales shall thereafter be certified by an independent certified public accountant Landlord shall have the right, from time to time, by its accountants or representatives, to audit Tenant's Gross Sales and, in connection with such audits, to examine all of Tenant's records (including tax returns, an actual inventory of Tenant's stock in trade and all supporting data and any other records from which Gross Sales may be tested or determined) of Gross Sales disclosed in any statement given to Landlord by Tenant and Tenant shall make all such records readily available at Tenant's main office, for such examination. If any such audit discloses that the Gross Sales transacted by Tenant exceed those reported, Tenant shall forthwith pay to Landlord such additional Percentage Rent as may be so shown to be payable and, if the Gross Sales exceed the Gross Sales reported by Tenant by more than three percent (3%), or if Tenant's records or systems do not comply with the requirements of this Section, Tenant shall also then pay the reasonable cost of such audit and examination, including travel, food and lodging, and related expenses of Landlord's auditors, in the event the audit or any part thereof is conducted more than fifty (50) miles from the Shopping Center. In the event Tenant has understated Gross Sales by eight percent (8%) or more Landlord may, in addition to any other remedies, cancel and terminate this Lease but Tenant shall remain liable hereunder as set forth in Article 8. Any information obtained by Landlord pursuant to the provisions of this Section shall be treated as confidential, except in any litigation or arbitration proceedings between the parties and, except further, that Landlord may disclose such' information to prospective buyers, to prospective or existing lenders, in any registration statement filed with the Securities and Exchange Commission or other similar body or in compliance with subpoenas and judicial orders. In no event shall this Section be deemed to limit Landlord's rights of pre-trial discovery and disclosure in any action or proceeding."

(B) Landlord hereby approves the Tenant's use of a point of sale data system at the Premises.

(C) It is understood that Landlord's audit requests and audits shall be at reasonable times during business hours and upon ten (10) days prior written notice to Tenant.

(D) It is understood that Landlord shall only be permitted to review non-consolidated tax returns or other records and in no event shall Landlord be permitted to audit records of Tenant's other stores, however, it is understood that this provision is not intended to limit Landlord's rights of discovery and inspection in any litigation which may ensue between Landlord and Tenant. Tenant shall keep separate books and records of Gross Sales for the Premises.

(E) It is understood that audits shall take place at Tenant's corporate headquarters provided they are located within the continental United States.

(F) Any overpayment of Percentage Rent disclosed by an audit shall be promptly refunded to Tenant.

Rider #14 - amending Section 3.3 D

(A) Page 3-3, line 35, after "If" insert "Tenant's time to submit has expired and".

(B) Page 3-3, lines 38-39, delete "(or, if...by Landlord)";

Rider #l5 - amending Section 3.3 E

Delete the entire Section 3.3 E and substitute the following:

"Percentage Rent for each Lease Year shall become due and payable on the first to occur of (i) sixty (60) days after the last day of each Lease Year, or (ii) on the 20th day of the month immediately following the month during which Tenant has attained Gross Sales for the then current Lease Year, in an amount sufficient to entitle Landlord to the payment by Tenant of Percentage Rent in accordance with the formula set forth in Section 3.3 A; thereafter, for each succeeding month remaining in the then current Lease Year, Tenant shall pay Percentage Rent simultaneously with the submission of each monthly statement of

Gross Sales, on all additional Gross Sales during the said Lease Year. Upon the receipt by Landlord of the certified annual statement of Gross Sales to be furnished as hereinabove provided, there shall be an adjustment between Landlord and Tenant with payment to or repayment by Landlord, as the case may be, to the end that Landlord shall receive the entire amount of Percentage Rent payable under this Lease for the preceding Lease Year and no more. Gross Sales of any Lease Year and Percentage Rent due thereon shall have no bearing on or connection with Gross Sales of any other Lease Year."

Rider #16 - amending Section 3.4 A

(A) Landlord shall, from time to time, when requested by Tenant by written notice, provide Tenant within thirty (30) days after the request for said notice, a copy of the most recent paid tax bill, however, submission of said tax bill shall not be a condition precedent to Tenant's obligation to make the payments required under this Section 3.4.

(E) Landlord agrees that Landlord's billing for Tax Rent under this Section shall show in reasonable detail the manner of computation of Tenant's share. If and when requested, Landlord shall provide copies of the tax bills upon which the taxes are based.

Rider #17 - amending Section 3.4 C

Tenant's obligation hereunder shall not include penalties imposed for late payment of any real estate tax or assessment levied.

Rider #18 - amending Section 3.4 D

Page 3-5, line 36, delete the word "conclusive".

Rider #19 - amending Section 3.5 A

(A) Page 3-6, line 20, delete "seventy (70%)" and insert "seventy-five (75%)".

(B) Landlord's estimate of monthly Common Area Rent shall be reasonable.

Rider #20 - amending Section 3.5 B

(A) Tenant shall have the right, after reasonable notice to inspect, at Landlord's principal office, Landlord's records with respect to Common Area Operating Costs.

(B) Any fees or charges collected for parking in the Shopping Center shall be applied toward the reduction of the expenses of operating and maintaining the Common Areas prior to the computation of Tenant's pro rata share of such expenses to the extent such charges are actually received by Landlord.

(C) Common Area Operating Costs shall not include the cost of construction of new improvements in or to the Shopping Center.

Rider #21 - amending Section 3.5 C

If Landlord elects to self-insure, Landlord shall at its sole cost and expense be responsible for the repair or restoration of any damage caused by a hazard which would be covered by an insurance policy of the type against which Landlord is self-insuring to the same extent as if Landlord actually carried said insurance.

Rider #22 - amending Section 3.5 D

Page 3-8, at the beginning of Section 3.5 D, insert "Within a reasonable time".

Rider #23 - amending Section 3.6

Page 3-8, line 22, delete "one hundred twenty (120)" and insert "one hundred eighty (180)".

Rider #24 - amending Section 3.8

(A) Page 3-8, lines 33-34, delete "retroactive to the original due date."

(B) Page 3-8, lines 35-36, delete "four (4%) percent more than the prime interest rate of Citibank N.A. located in New York, New York" and substitute "at the rate of one (1%) percent per month."

Rider #25 - amending Section 3.9

At the beginning of this Section add "Subject to the provisions of Section 9.11".

Rider #26 - amending Section 4.1 B

(A) Any cart located in front of the Premises selling food products shall only be allowed to sell those food products which are wrapped and intended for consumption outside of the Shopping Center.

(B) Page 4-1, line 40, delete beginning with "Tenant shall..." through the end of the Section.

Rider #27 - amending Section 4.1 C

The restriction on employee parking shall only apply to employees while they are working in the Premises.

Rider #28 - amending Section 4.1 D

All rules and regulations referred to or set forth in this Lease or otherwise imposed by Landlord shall be nondiscriminatory, uniformly applied to all retail tenants, and not conflict with any of the provisions of this Lease. All such rules and regulations which are not set forth in this Lease shall not become effective until Tenant receives written notice thereof from Landlord.

Rider #29 - adding Section 4.2

Maintenance of Common Areas. Landlord agrees to keep or cause the Common Areas and the Shopping Center to be maintained in a condition comparable to other similar properties in the locale. It is understood that Landlord shall not be responsible under this provision for any failure by any tenant or occupant of the Shopping Center to maintain its property (including any part thereof which is a Common Area) in any particular manner.

Rider #30 - amending Section 5.1

(A) Notwithstanding anything contained in this Lease, Landlord shall not be relieved of its obligation to make repairs or its liability for failure to do so, or Tenant's failure to

provide notice of the need of repair when Tenant does not have notice or actual knowledge of the need and Landlord has actual knowledge of such a need.

(B) Page 5-1, line 11, after "Tenant" insert "except to the extent covered or required to be covered by Landlord's casualty insurance".

(C) Page 5-1, line 26, delete "substantial and".

Rider #31 - amending Section 5.2

Delete this Section in its entirety and insert the following in place thereof:

"Landlord covenants that Tenant, on paying the Rent and performing Tenant's obligation in this Lease, shall peacefully and quietly have, hold and enjoy the Premises and the appurtenances throughout the Term without hindrance, ejection or molestation by any person subject to the other terms and provisions of this Lease".

Rider #32 - addition of Section 5.3

Landlord shall maintain in effect a policy or policies of insurance covering that portion of the Shopping Center owned or leased by Landlord, in an amount not less than eighty (80%) percent of full replacement cost (exclusive of the cost of excavations, foundations and footings) from time to time during the Lease Term or the amount of such insurance which Landlord's mortgage lender may require Landlord to maintain, whichever is the greater, providing protection against any peril generally included within the classification "Fire and Extended Coverage". Landlord's obligation to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policy of insurance.

Rider #33 - amending Section 6.1 A

(A) Page 6-1, line 6, after "Name" insert "in the Northeastern United States".

(B) Page 6-1, line 7, delete "dignified" and insert "professional" and delete "obtaining".

(C) Page 6-1, line 8, delete "superior" and insert similar".

(D) Page 6-1, line 9, after "Sales" insert "consistent with profitable operations".

Rider #34 - amending Section 6.1 B

(A) It is understood that Tenant's lights shall only be required to be kept illuminated from one-half hour before until one-half hour after. Tenant's required opening and closing.

(B) Tenant shall not be required to remain open on evenings later than 6:00 p.m. unless at least two (2) Department Stores are open on such evening.

Rider #35 - amending Section 6.1 C

Page 6-1, line 31, after "inside" insert "and serving".

Rider #36 - amending Section 6.1 D

(A) Page 6-2, line 5, after "inside" insert "and serving".

(B) Page 6-2, line 14, after "occupancy" insert "which is in violation of this Lease."

Rider #37 - amending Section 6.1 E

(A) Notwithstanding anything contained in this Lease to the contrary, there shall be no obligation on the part of Tenant to comply with any of the laws, directions, rules or regulations referred to which may require structural alterations, structural changes, structural repairs, and/or structural additions all of which shall be the obligation of Landlord unless made necessary by Tenant's Work or the negligence or default of Tenant, or Tenant's manner of use or occupancy in violation of this Lease, or other act or omission, in which event, Tenant shall comply at its expense.

(B) Page 6-2, line 24, after "occupancy" insert "which is in violation of this Lease."

Rider #38 - amending Section 6.1 F

Page 6-2, lines 41-43 and page 6-3, line 1, delete the words beginning with "an amount equal ... under the Lease." and insert "the actual cost incurred by Landlord in constructing said barrier, as evidenced by a separate invoice rendered to Landlord by its contractor, which amount shall constitute Additional Rent and shall be payable to Landlord contemporaneously with Tenant's first payment of Fixed Rent under the Lease."

Rider #39 - amending Section 6.1 G

As to the liability claim covered by Tenant's liability insurance, Landlord shall (i) notify Tenant of the claim or demand for which indemnity is sought; (ii) tender to Tenant the defense of such demand or claim; and (iii) otherwise comply with all of the terms set forth in this Section. With respect to the indemnity obligations undertaken by Tenant in this Section, Tenant shall, at its own cost, defend or cause to be defended by any suit, claim or demand against the Landlord alleging such acts or omission or seeking damages which are payable under the terms of this Section, even if any of the allegations of such suit, claim or demand are groundless, false or fraudulent; but the Tenant may make or cause to be made such investigation and such settlement of any suit, claim or demand as Tenant or its insurers shall have deemed expedient. Unless Tenant shall decline to so defend or fail to pay any judgment, whose enforcement is not stayed, Landlord shall not, except at its own cost, incur any expense in connection with any claim or demand for which indemnity may be sought hereunder. The Landlord shall cooperate with the Tenant or its insurer and, upon the Tenant's request, assist in making settlements in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization (other than an employee of Landlord) who may be liable to the Landlord because of acts or omissions with respect to which indemnity is afforded under this Section. The Landlord shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. In no event shall Landlord be required to incur any cost or expense in complying with its obligations hereunder, all of which shall be paid by Tenant. Landlord's failure to comply with this provision shall not release Tenant from its obligations, however, subject to Section 6.3, Landlord shall be responsible to Tenant for any damages caused by Landlord's failure to comply.

To the extant of any payment made hereunder the Tenant or, if applicable, its insurer, shall be subrogated to all of the Landlord's rights of recovery therefor, against any person or organization (other than an employee or agent of the Landlord) and the Landlord shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Landlord shall do nothing after loss to prejudice such rights.

Rider #40 - amending 6.1 H

(A) Delete this Section in its entirety and insert the following in place thereof:

"H. To maintain with responsible companies licensed in the State of Massachusetts (i) comprehensive general liability insurance against all claims, demands or actions for injury or death of Person or property to the limit of not less than $2,500,000 per occurrence and/or in the aggregate, including products liability and independent contractor's coverage, with broad form endorsement, arising from, related to, or in any way connected with the conduct and operation of Tenant's business in the Premises, or caused by actions or omissions to act, where there is a duty to act, of Tenant, its agents, servants and contractors, which insurance shall name Landlord, its agents, servants, employees, as additional insureds; (ii) if there is a boiler or major refrigeration equipment or pressure object or other similar equipment in the Premises, steam boiler, air conditioning and machinery insurance written on broad form basis to the limit of $300,000; (iii) "All-Risk, with extended coverage, vandalism, malicious mischief, sprinkler leakage and if Premises are in a flood zone flood endorsements attached as Landlord reasonably may, from time to time, approve or require, covering all fixtures and equipment, stock in trade, furniture, furnishings, improvements or betterments installed or made by Tenant in, on or about Premises to the extent of at least eighty percent (80%)- of their replacement value, without deduction for depreciation, but in any event in an amount sufficient to prevent Tenant from becoming a co-insurer under provisions of applicable policies; (iv) workmen's compensation, disability and such other similar insurance covering all persons employed in connection with Tenant's Work and with respect to whom death or bodily injury claims could be asserted against Tenant, Landlord or the Premises. All of said insurance shall be in form and with deductibles satisfactory to Landlord and shall provide that it shall not be subject to cancellation, termination, or change

except after at least thirty (30) days' prior written notice to Landlord. In the case of boiler and machinery insurance, the policy or policies shall cover Landlord as an additional insured and shall provide that losses sustained by Landlord shall be adjusted by and payable to Landlord or Tenant, as their interests appear. All policies required pursuant to this Paragraph H or duly executed duplicates of same, shall be deposited with Landlord not less than ten (10) days prior to the day Tenant begins Tenant's Work and upon renewals of said policies not less than fifteen (15) days prior to the expiration of the term of such coverage. All such policies shall be delivered with satisfactory evidence of the payment of the premium therefor. Landlord and Tenant mutually agree that with respect to any loss which is covered by insurance then being carried by them respectively or required to be carried or self-insuring the party carrying or self-insured or required to carry such insurance and suffering said loss, releases the other of and from any and all claims with respect to such loss; and they further mutually agree that they, if they are self-insuring, and their respective insurance companies shall have no right of subrogation against the other on account thereof. it is the intention of the parties that if Tenant is self-insuring, Tenant shall have no claim against Landlord for damages suffered which would have been covered by Tenant's insurance but for the right given to Tenant to self-insure".

(B) In lieu of delivering duplicate policies, Tenant may deliver certificates of same provided such certificates properly identify the coverages, the insured parties and the form of applicable policy.

(C) Provided the Tenant is the Tenant named on the Recital Page and has a net worth of at least $20,000,000.00 it shall have the right to self-insure for any loss or damage of the type covered by standard "All-Risk" insurance and they further agree to release and hold Landlord harmless from any liability for any such loss or damage. Tenant shall at its sole expense, without regard to fault on the part of any Person, make and perform any repairs or restorations which are required as a result of a casualty which would be covered by insurance of the type described in Paragraph 6.1 H (iii).

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Rider #41 - amending Section 6.1 I

Notwithstanding the provisions of this Lease to the contrary, the term "attorneys' fees" wherever used in this Lease, shall mean only the reasonable charges for services actually performed and rendered, of independent outside legal counsel who are not the employees of the party in question.

Rider #42 - amending Section 6.1 J

Page 6-4, line 14, delete "twenty (20)" and insert "thirty (30)".

Rider #43 - amending Section 6.1 K

(A) Page 6-4, line 26, after the words "wear and tear" insert the following: "repairs which are the obligations of Landlord, takings by eminent domain".

(B) Tenant shall not be obligated to fill holes and make other restorations resulting from normal removal of Tenant fixtures.

(C) Page 6-4, line 27, before "property" insert "personal".

(D) Page 6-4, line 38, delete "without" and insert "after reasonable" in place thereof.

Rider #44 - amending Section 6.1 L

(A) Landlord agrees to require this or a similar provision in substantially all other leases for retail space at the Shopping Center which are hereinafter entered into.

(B) The Promotion Fund Charge and the Media Fund Charge shall be subject to increases from year to year, but in no event shall the Promotion Fund Charge and the Media Fund Charge be increased in the aggregate by more than fifty cents ($.50) per square feet of Floor Space every twelve months.

(C) Page 6-5, lines 6 and 16, delete "ten (10%) percent" and insert "by the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, all Items, Series A, 1982-84 equals 100, as published by the United States Department of Labor (or if not published the most closely comparable index), over the index in effect on the date of this

Lease or the first (1st) day of each succeeding twelve-month period."

(D) Page 6-5, line 11, delete "shall participate" and insert "agrees to cooperate".

(E) Notwithstanding the provision of Section 6.1 L, the requirement that Tenant participate in four (4) Shopping Center-wide promotions shall be deemed waived. However, in consideration of waiving said requirement, Tenant agrees to pay to the Merchant's Association the sum $4,935.00 per annum payable in quarterly installments, which amounts shall be increased every twelve (12) months by the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, all Items, Series A, 1982-1984 = 100, as published by the United States Department of Labor (or if not published the most closely comparable index) over the index in effect on the date of this Lease or the first day of each succeeding 12-month period. In the event Tenant fails to pay such sum at any time during the Term, then the requirements of Section 6.1 L shall be reinstated as set forth therein.

(F) Subsections (7) and (8) are hereby deleted in their entirety.

Rider #45 - deleting Section 6.1 M

This Section is hereby deleted in its entirety.

Rider #46 - amending Section 6.1 N

It is understood that this paragraph only refers to advertising which designates the location of the Premises.

Rider #47 - amending Section 6.1 R

(A) Page 6-7, line 34, delete "twenty (20)" and insert "thirty (30)".

(B) Subsections (1), (2), (4) and (5) are hereby deleted.

Rider #48 - amending Section 6.2 A

(A) Page 6-8, lines 26 and 29, delete "officer, director, shareholder, franchisee or licensee or the like."

(B) Page 6-8, line 30, after "facility" insert "with the same trade name as used by Tenant in the Premises".

(C) Page 6-8, line 32, delete "five (5)" and insert "three (3) ".

(D) Page 6-8, lines 34-35, delete "Shopping Center...store" and insert "building in the Premises is located" and lines 35-36, delete "a point...store" and insert "the point on the outer perimeter of the building in which Tenant's other store is located."

(E) The Retail Restriction Limit shall not apply to any existing or future stores of Tenant, or any Affiliate of Tenant, operating under a different trade name and having a different merchandise mix.

Rider #49 - amending Section 6.2 C

(A) Page 6-9, line 9, before "approved" insert reasonably".

(B) Page 6-9, line 10, delete "or designated".

(C) Page 6-9, line 14, delete "improper, offensive or" and before "rules" insert "reasonable".

(D) Page 6-9, line 24, delete the semi-colon after "Premises;" and substitute a period, and delete the remainder of the sentence which ends on line 27 with the word "public".

(E) Landlord agrees that rules and regulations pursuant to this Section shall be reasonable and shall be uniform as to retail tenants.

Rider #50 - amending Section 6.2 D

(A) Page 6-9, lines 35-37, delete "(it being .... work)".

(B) This provision shall not be deemed to prohibit professionally prepared signs similar to those being utilized at the date of this Lease in other "The Limited" stores.

(C) The $15,000.00 amount referred to in this Section is hereby amended to $25,000.00

(D) Delete the last sentence of the paragraph.

Rider #51 - amending Section 6.2 F

(A) In Section 6.2 F, page 6-10, line 26, before "A transfer" insert "Subject to paragraph (l) below".

(B) In Section 6.2 F (1), page 6-11, line 2, after "exchange" insert "over-the-counter".

(C) Subparagraph (2) is hereby deleted and the following inserted in place thereof:

(2) Landlord's consent shall not be required for the assignment of this Lease or subletting or transfer of stock to or from Affiliates of Tenant; or to any entity with which or into which the Tenant may consolidate or merge or to a transferee in connection with a transfer of all or substantially all of the assets and business of the Tenant, as a going concern and who in any of the foregoing events shall assume for Landlord's benefit the performance of all of the terms, conditions and covenants of this Lease; provided, however, that the merged or consolidated entity or transferee shall have a net worth at least equal to the net worth of the Tenant, at the time of such consolidation or merger; and further provided that the assignee or sublessee or transferee, whether pursuant to consent of the Landlord or by reason of an assignment of the Lease to a subsidiary or merger or transfer of assets or consolidated corporation shall, nevertheless, use the Premises under the Trade Name and only for the purposes stated in the "Permitted Use" clause."

(D) Tenant shall have the right to grant licenses or concessions for the sale of such merchandise as may be permitted under the terms of this Lease under the following conditions:

(i) Gross Sales from any such license or concession shall be included in Gross Sales for the purpose of determining the Percentage Rent payable by Tenant herein;

(ii) There shall not, at any time, be more than one such licensee or concessionaire;

(iii) The total space to be occupied by such single licensee or concessionaire shall not exceed twenty percent (20%) of Tenant's Floor Space;

(iv) Landlord shall have all of the rights and remedies with respect to the auditing and verification of Gross Sales of such licensee or concessionaire as set forth in Article 3 of this Lease and any such license or concession agreement shall specifically contain such rights;

(v) Gross Sales of the licensee or concessionaire shall be certified by Tenant as provided in Article 3;

(vi) A duplicate executed copy of any such license or concession agreement shall be delivered to Landlord within five (5) days after the execution and delivery thereof; and

(vii) The entire Premises shall, at all times, be operated as a single unit under Tenant's Trade Name.

(E) In Section 6.2 F (5), page 6-13, line 4, delete "three (3)" and insert "two (2)".

(F) In Section 6.2 F (7), add the following at the end of the sentence:

"except for a transaction pursuant to subparagraphs (l) and (2)."

Rider #52 - amending Section 6.2 G

Notwithstanding anything to the contrary contained in the Lease, Tenant shall have the .right to install its own music system and shall not be obligated to utilize any system provided by Landlord. Tenant shall be responsible for copyright law compliance and infringements and the indemnity in Section 6.lG shall apply.

Rider #53 - amending Section 6.2 H

Section 6.2 H is hereby deleted and the following inserted:

"Not to place, install or maintain any graphics or sign upon or outside the Premises unless it complies with Landlord's sign criteria and is approved by Landlord pursuant to Subsection P of Section 6.1, nor install any awning, canopy, aerial, antenna or the like in or on the Premises without Landlord's prior consent. Without first obtaining Landlord's consent, which consent shall not be unreasonably withheld, Tenant shall not

place in the windows or in the front three (3) feet of the Premises any sign, graphics, decoration, lettering, advertising matter, shade or blind or other thing of any kind other than neatly lettered signs of reasonable size and number, placed on the floor or on a display fixture, advertising articles for sale and the prices thereof. Landlord shall have the right to require the removal of any sign, graphics, lettering, lights, advertising, etc. which does not conform to the foregoing, and the cost of removal shall be paid by Tenant".

Rider #54 - amending Section 7.1 B

(A) If as a result of fire, casualty or condemnation all Department Stores cease opening for business and at least two (2) present or new Department Stores do not open or reopen for business within one (1) year after the last of all Department Stores ceased opening or if Landlord does not substantially complete restoration of the Premises within one (1) year after the casualty, Tenant may, as Tenant's sole remedy as to Landlord, cancel and terminate this Lease unless prior to notice of such cancellation at least two (2) Department Stores commence business or Landlord substantially completes the restoration of the Premises to the extent required herein.

(B) Landlord's right to terminate hereunder shall be available only provided Landlord terminates leases as to which Landlord has a right to terminate, of all other tenants in the Building.

(C) If after a fire or casualty Tenant's store is not damaged but Landlord elects to cancel and terminate this Lease then Landlord shall pay to Tenant the unamortized cost of the original permanent leasehold improvements made by Tenant to the Premises during Tenant's Work Period, exclusive of Tenant's personal property and trade fixtures, removable decorations, mirrors, decorative hardware, decorative lighting fixtures, merchandise, signs, counter shelving and showcases, all of which shall be removed by Tenant. Tenant shall, within thirty'(30) days after Tenant opens for business in the Premises, deliver to Landlord an affidavit signed by a financial officer of Tenant certifying in detail and by category the cost of Tenant's leasehold improvements as defined above. Tenant shall, if requested, submit to Landlord copies of contracts, agreements, invoices, purchase orders, cancelled checks and such other information upon which the affidavit is based as Landlord may

require. Landlord shall have the right to dispute Tenant's cost figures. The failure of Tenant to timely submit the foregoing affidavit and information shall constitute a waiver by Tenant of its rights under this paragraph C. The unamortized value shall be the unamortized cost of the permanent leasehold improvements as shown on Tenant's federal income tax returns.

(D) Page 7-1, line 11, before "damaged" insert "substantially".

(E) Page 7-1, line 12, after "insurance" insert "required hereunder".

(F) Page 7-1, line 16, delete "two (2)" and insert "three (3)".

(G) Page 7-1, line 17, delete "ninety (90)" and insert "sixty (60)".

(H) Page 7-1, lines 18-19, delete "and upon... (60) days after" and insert "such termination to be effective on the 30th day following the date of"

Rider #55 - amending Section 7.2 C

If any part of the Shopping Center (including without limitation, the Common Areas) is taken by condemnation occurring during the last three (3) years of the Lease Term, so as to render the Shopping Center or remaining portion thereof unsuitable for use as a regional retail shopping center, Landlord or Tenant shall have the right to terminate this Lease upon notice in writing to the other within one-hundred twenty (120) days after possession is taken by the condemning authority. This Lease shall terminate as of the day of the aforesaid notice or the day possession is taken by the condemning authority, whichever is later and Tenant shall pay Rent and perform all of its other obligations under this Lease up to that date with a proportionate refund by Landlord of any Rent as may have been paid in advance for a period subsequent to the date of termination.

If by reason of a taking by way of eminent domain of the Premises or the building of which the Premises are a part or of other parts of the Shopping Center, the Premises is rendered substantially unusable for Tenant's use by reason of diminished

access, Tenant may cease its operations until reasonable access is available or during such period until accessibility is restored, the payment of Fixed Rent hereunder shall abate.

Rider #56 - amending Section 7.2 D

Insert the following at the end of this Section: "However, if as a result of the insufficiency of the award Landlord does not make restoration to substantially the pre-existing condition, Tenant may cancel this Lease."

Rider #57 - amending Section 8.1 A

(A) Page 8-1, line 3, delete "or Guarantor".

(B) Page 8-1, line 4, delete "or Guarantor".

(C) Page 8-1, line 7, delete "or Guarantor's".

(D) Page 8-1, line 10, delete "sixty (60)" and insert "ninety (90)".

Rider #58 - amending Section 8.2 A

(A) Page 8-2, line 3, after the words "Tenant's property" insert "in the Premises and the same shall not have been discharged within one hundred twenty (120) days."

(B) Page 8-2, lines 4-6, delete "or if Tenant shall default with respect to any other lease between Landlord (or any Affiliate of Landlord) and Tenant (or any Affiliate of Tenant)."

(C) Page 8-2, line 12, delete the word "default" and insert "have defaulted and Landlord shall have served written notice thereof."

(D) Page 8-2, line 14, delete "three (3)" and substitute "four (4)".

(E) Page 8-2, line 15, delete "four (4)" and substitute "six (6)".

(F) Page 8-2, line 19, delete "five (S)" and insert "ten (10)".

(G) Page 8-2, line 39, delete "the maximum... or at Landlord' s option".

Rider #59 - amending Section 8.4

(A) Page 8-4, line 2, after "any" insert "noncompulsory".

(B) Page 8-4, line 4, after "Landlord" insert "or asserting defenses".

Rider #60 - amending Section 8.6

In the event Landlord fails to observe its repair obligations pursuant to Section 5.1, Tenant may make such repairs and hold Landlord accountable for the cost thereof. Landlord's failure to make such repairs shall not be deemed an acknowledgment by Landlord that such repairs were Landlord's responsibility and Tenant shall not be permitted to withhold, deduct or offset any rents coming due under this Lease on account of such repairs made by Tenant.

Rider #61 - amending Section 8.7

Section 8.7 is hereby deleted and the following inserted in place thereof:

"Effect of Waivers of Default. No consent or waiver, express or implied, by either party to or of any breach of any covenants, condition or duty of the other shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty of the breaching party unless in writing signed by the consenting or waiving party."

Rider #62 - deleting Section 8.8

This Section 8.8 is hereby deleted in its entirety.

Rider #63 - addition of Section 8.9

Landlord's Default. In the event Landlord shall neglect or fail to perform or observe any of the provisions, covenants or conditions contained in this Lease on its part to be performed or observed (a) within the ten (lO) days after written notice in the case of default of the payment of money, and (b) in all other cases within thirty (30) days after written notice of default,

unless more than thirty (30) days shall be required because of the nature of the default, in which case if Landlord shall fail to proceed diligently to cure such default after notice, Landlord shall, subject to limitations of liability contained in Article 9, be responsible to Tenant for Landlord's breach, however, in no event may Tenant deduct or offset or reduce any amounts due hereunder against any Rent due Landlord hereunder unless and until Tenant obtains, in a court of competent jurisdiction in the State where the Premises are located, a final, unstayed and unappealable judgment.

Rider #64 - amending Section 9.1

(A) Page 9-1, line 4, before "address" insert "box number" and delete "herein" and insert "on the Recital Page" in place thereof.

(B) Notices shall be deemed served when received unless the failure to complete delivery is as a result of the failure of the party receiving the notice to claim said notice or to make an agent available for the receipt of said notice.

Rider #65 - amending Section 9.2

This Section is hereby deleted and the following inserted in place thereof: "Brokerage". Landlord and Tenant warrant that they have had no dealings with any broker or agent in connection with this Lease and each party covenants to pay, hold harmless and indemnify the other from and against any and all costs, expenses or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or the negotiation thereof with whom it had dealings."

Rider #66 - amending Section 9.3

Page 9-1, line 17, delete "twenty (20)" and insert "thirty (30)".

Rider #67 - amending Section 9.6

Page 9-2, line 15 after the word "negligence" insert the words "or breach of this Lease", and after "Landlord" insert "its agents or employees."

Rider #68 - amending Section 9.7

(A) Page 9-2, line 34, after the word "and " insert "subject to the provisions of Section 5.1".

(B) Page 9-2, line 37, delete "substantial and".

(C) Page 9-3, line 5, the reference to "one hundred eighty (180) days" is hereby amended to "ninety (90) days".

Rider #69 - amending Section 9.8

(A) This Lease shall only be subordinate to first mortgages made to an institutional lender, as such term is hereafter defined.

(B) As used herein, the term "institutional lenders" shall mean a mortgage made to a commercial bank, savings bank, savings and loan association, trust company, insurance company, real estate investment trust, pension fund, charitable, educational or eleemosynary institution.

(C) Page 9-3, line 35, the reference to "twenty (20)" is hereby amended to "thirty (30)".

Rider #70 - amending Section 9.9

(A) Section 9.9 is hereby deleted and the following inserted:

"Section 9.9. Construction on Adjacent Premises or Buildings. If any construction, excavation or other building operation shall be about to be made or shall be made on any premises adjoining or above or below the Premises or on any other portion of the Building or the Shopping Center, Tenant shall permit Landlord, or the adjoining owner, and their respective agents, employees, licensees and contractors, to enter the Premises and to strengthen, add to or shore the foundations, walls, columns or supporting members thereof, and to erect scaffolding and/or protective barricades around and about the Premises (but not so at to preclude entry thereto) and to do any act or thing necessary for the safety or preservation of the Premises. Tenant's obligations under this Lease shall not be affected by any of the foregoing or any such construction or excavation work, shoring-up, scaffolding or barricading.

Landlord shall not be liable in any such case for any inconvenience, disturbance, loss of business or any other annoyance arising from any such construction, excavation, shoring-up, scaffolding or barricades, provided Landlord will not cause any material inconvenience, annoyance and disturbance to Tenant. It is understood by Tenant that shopping centers are at times expanded' or reconfigured by the addition of new or reconfigured buildings, improvements or structures (including multi-level, decked or subsurface parking structures) and if the foregoing occurs, Landlord shall have the right of access to enter upon the Premises to perform construction work and shall use its reasonable efforts to complete all construction in the Premises as promptly as possible (considering the nature and extent of the construction and subject to prudent construction practices). Landlord shall have the right to require Tenant to temporarily curtail its business or to close the Premises if necessary in connection with the construction work. Accordingly, (i) if Landlord requires Tenant to temporarily suspend business or to close the Premises because of any such changes or (ii) if Tenant's use and occupancy of the Premises or Tenant's access to the covered mall in front of the Premises is materially, adversely and unreasonably interfered with, and Tenant temporarily closes for business, Tenant shall receive an abatement of Rent on a per diem basis for the number of days for which Tenant is required to close. Notwithstanding the foregoing, Tenant shall have no right to seek damages or to cancel and terminate this Lease because of the proposed expansion nor shall Tenant have the right to restrict, inhibit or prohibit said expansion."

(B) Unless the reason for the entry is to satisfy any emergency condition Landlord shall give prior notice to Tenant of its intention to enter the Premises pursuant to this Section. Such notice may be given to the employee in charge of the Premises, either orally or in writing. Tenant shall be responsible for any damages which may arise by reason of failure to perform access to the. Premises.

(C) Landlord shall give Tenant reasonable prior notice before entering the Premises to perform construction work.

(D) Landlord shall not require Tenant to close the Premises between November 1 and December 31 of any given Lease Year during the Term of this Lease.

(E) If the square footage of the Premises is reduced as a result of the exercise by Landlord of its rights under this Section, the Fixed Rent and Additional Rent shall be proportionately reduced in accordance with the reduction in square footage.

(F) Landlord shall at its sole cost and expense restore the Premises to its original condition, prior to Landlord's exercise of its rights hereunder.

Rider #71 - amending Section 9.10

This Section is hereunder deleted in its entirety and the following shall be substituted in lieu thereof:

Landlord shall have the right to relocate Tenant's operation to other premises (the "New Premises") in another part of the Shopping Center in accordance with the following:

(A) Notwithstanding the foregoing to the contrary or any other provision herein to the contrary, the Landlord shall have the right to relocate the Tenant's operation to another premises only in the event of an expansion or reconfiguration of the Shopping Center which substantially affects the surrounding areas of the Premises or the Premises.

(B) The New Premises shall be substantially the same in size, approximate frontage on the enclosed mall, and configuration as the Premises described in this Lease. In addition, the New Premises shall be located on a main enclosed mall of the Shopping Center in an area comparable in location to the present location on the enclosed mall of the original Premises described herein. It is understood that unless the Premises are presently in such a location, the New Premises shall not be in an area within fifty (50) lineal feet (50') of a Department Store or located in a mall area without a Department Store as an anchor.

(C) Landlord shall deliver the New Premises to Tenant and Tenant shall construct therein a new store substantially similar to the stores Tenant ii then constructing in other similar enclosed mall locations. Upon completion of Tenant's construction, Landlord shall reimburse Tenant for the full cost of Tenant's Work (in an amount not to exceed the original cost of Tenant's improvements constructed in the original Premises herein

demised), exclusive of trade fixtures and equipment, furnishings, decorations and other items of personal property. It shall be a condition precedent to Tenant's right to receive such sum for the New Premises that Tenant shall', not later than sixty (60) days following the completion of Tenant's Work, deliver an affidavit of an officer of Tenant and a certificate of Tenant's architect accompanied by a list of invoices and expenses specifying the cost of Tenant's leasehold improvements, which shall thereupon be a basis for the amount to be paid by Landlord pursuant to this provision.

(D) The cost of moving Tenant's trade fixtures and equipment, inventory and items of personal property into the New Premises shall be borne by Landlord.

(E) Landlord shall give Tenant at least on hundred eighty (180) days' prior notice of Landlord's intention to relocate Tenant's operation to the New Premises.

(F) The physical move shall take place during non-business hours if reasonably possible or during such other period as shall be mutually agreed upon by Landlord and Tenant.

(G) Fixed Rent and all other rents and charges payable hereunder shall abate for any period during which Tenant's operation shall be closed to the public as a result of the relocation.

(H) Tenant shall not in any event be required to cease its operation during the months of November or December. In addition, subject to Unavoidable Delays, Tenant shall not in any event by required to cease its operations in the Premises herein demised for a period of greater than ninety (90) days prior to Tenant's opening for business in the New Premises.

(I) The incidental costs, incurred by Tenant as a result of the relocation, including, without limitation, costs incurred in changing addresses on stationery, business cards, directories, advertising and other such items, shall be paid by Landlord,' in a sum not to exceed One Thousand Five Hundred Dollars ($1,500.00).

(J) Landlord shall not have the right to relocate Tenant's operation more than once during the Term.

(K) If the New Premises are smaller or larger than the Premises described in this Lease, Fixed Rent shall be adjusted to a sum computed by multiplying the Fixed Rent specified in Article 1, by a fraction, the numerator of which shall be the total number of square feet of Floor Space in the New Premises and denominator of which shall be the total number of square feet of Floor Space in the Premises described in this Lease. In the event a specific annual minimum sales base for purposes of paying Percentage Rent is set forth herein, then in the event of an adjustment of Fixed Rent, the annual minimum sales base shall be proportionately adjusted. All other charged based upon Floor Space shall likewise be proportionately adjusted. The parties shall immediately execute an amendment to this Lease stating the relocation of Tenant to the New Premises and the modifications hereinabove required.

(L) It is understood that Landlord's right to relocate pursuant to this Section is a significant inducement of Landlord to enter into this Lease and further, in the event of any dispute arising out of or relating to this Rider, Tenant shall, nevertheless, be required to vacate and surrender the Premises as of the date set forth in Landlord's notice reserving, however, the right to seek damages through arbitration based upon the contention to the effect that Landlord did not comply with this Rider.

(M) Tenant shall have the right, by notice to Landlord served not later than ninety (90) days after the service of Landlord's notice. of intention to relocate to cancel and terminate this Lease as of the date set forth in Landlord's notice and if Tenant alleges that Landlord has failed to comply with the provisions herein with regard to whether the New Premises proposed by Landlord is "comparable" to the location of the Premises herein demised, the parties hereto agree that Tenant's sole and only remedy shall be to institute the arbitration proceeding described below alleging failure to comply with the provisions of this Rider. Failure by Tenant to timely reject the proposed New Premises shall be deemed an acceptance thereof and a waiver by Tenant of any right to seek damages or other remedies.

(N) Tenant shall have the right to dispute the comparability of the New Premises relative to the existing Premises by final and binding arbitration before a panel of three neutral arbitrators who shall be acknowledged experts in the

shopping center industry. Notice of intent to arbitrate shall be given within the ninety (90) day period following Landlord's notice of its intention to relocate Tenant and the parties shall prosecute the arbitration proceeding with diligence and dispatch. The arbitrators shall consider only whether or not the New Premises is substantially the same in size, approximate frontage on the enclosed mall, and configuration as the Premises described in this Lease and whether the New Premises is in an area comparable in location to the Premises described in this Lease considering visibility, traffic flow, market segment and such other factors as the arbitrators' customarily use to aid them in making their decision. The fees and expenses of the American Arbitration Association, the fees and expenses of conducting the arbitration shall be borne equally by the parties except that the arbitrators shall have the right as part of their award to assess all or any part of the above against either of the parties. The arbitration shall be conducted under rules and regulations of the American Arbitration Association and the hearings shall take place in the county or city where the Shopping Center is located.

(0) Despite the existence of any dispute between Landlord and Tenant, Tenant shall cease operations within the Premises herein demised one-hundred and eighty (180) days following the initial relocation notification to Tenant and Landlord may repossess the Premises for its own purposes.

(P) If the arbitration panel by a majority vote decides that Landlord has not offered Tenant a comparable location of substantially the same size and character as the Premises described in this Lease, the Tenant shall be entitled to damages equal to the present value of Tenant's lost pre-tax profits from the date Tenant was required to cease operations in the Premises until the, end of the Term of this Lease calculated in the manner described below and discounted at the interest rate then in effect for 1O year U.S. Treasury Bills. Landlord agrees that in the event Tenant prevails in such proceeding that Tenant shall be entitled to the foregoing described damages as agreed final and liquidated damages. Tenant's lost profits for the remaining Term of this Lease shall be calculated by taking the average annual pre-tax profits from Tenant's operation at the Premises for the Tenant's previous three (3) full fiscal years (or if the period of Tenant's occupancy has not yet continued for three (3) full fiscal years, then the average annual profits from the Commencement Date to the date of Landlord's initial relocation notice shall be determined) and multiplying the average annual

profit by a fraction the numerator of which shall be the number of months for which lost profits are to .be paid and the denominator of which shall be twelve (12). Tenant's profits shall be calculated using the generally accepted accounting procedures that are consistent with those used in all other stores operated by Tenant."

Rider #72 - amending Section 9.13

(A) Page 9-7, lines 10-11, delete "or in determining the date of commencement of or the continuance of".

(B) The following is inserted at the end of this Section or Landlord's obligation to pay any sums, monies, costs, charges or expenses required to be paid by Landlord hereunder".

Rider #73 - amending Section 9.16 A

Page 9-7, line 41, delete "accruing from the date of the transaction" and insert "therefore or thereafter accruing" in place thereof.

Rider #74 - amending Section 9.16 B

Page 9-8, line 4, before "for the collection", insert "and the rents, issues and profits derived therefrom."

Rider #75 - amending Section 9.17

The address for Landlord's Managing Agent for this Lease: Pembrook Management, Inc., One Burlington Mall, Burlington, MA 01803.

Rider #76 - amending Exhibit C

(A) Section B(2), lines 7-8, delete "not tore than ten (10%) percent greater than" and insert "approximately comparable to".

(B) Section B(3), add:

If an interruption or impairment of service is the result of an occurrence solely within Landlord's control, and there is created a substantial and material interference with Tenant's ability to conduct its business for more than three (3)

consecutive days, Tenant shall be entitled to an abatement of Fixed Rent for each day after the third (3rd) business day during which the condition continues.

(C) Section B(4), add:

If the discontinuance of services is due solely to the exercise of Landlord's discretion, then Landlord shall pay the new hook-up charges.

EXHIBIT "A"

BURLINGTON MALL
SITE PLAN

[GRAPHIC OMITTED]

EXHIBIT "B"

BURLINGTON MALL
LEASE PLAN LOWER LEVEL

[GRAPHIC OMITTED]

Exhibit C
Utilities

A. TENANT'S OBLIGATIONS

Tenant shall arrange for the furnishing of all utilities to be used by Tenant in the Premises and shall pay for all utilities used in the Premises, including, but not limited to, all heating, ventilating, air conditioning, water, gas and electricity. Tenant shall, if necessary in connection with Tenant's Work, provide the necessary mains, feeders, ducts and conduits to bring water, gas, electricity and condenser water for air conditioning to the Premises, at a location satisfactory to Landlord; it being understood that Tenant shall install, at Tenant's expense, all outlets, risers, wiring, piping, duct work or other means of distribution of such service within the Premises in accordance with Governmental Requirements and plans and specifications approved by Landlord. Tenant covenants and agrees that at all times its use of any of such services shall never exceed the capacity of the mains. feeders, ducts and conduits bringing the same to the Premises or of the outlets, risers, wiring, piping, duct work or other means of distribution of such service to or within the Premises.

B. LANDLORD'S RIGHT TO PROVIDE UTILITIES

1. Landlord may. at its option and its own cost and expense, construct and operate a system (hereinafter referred to as the Central System) for the production and/or distribution to the Premises of electricity. gas, heat and cooling agents o and/or domestic hot and cold water (hereinafter referred to collectively as Services). In such event. Tenant shall, upon notice from Landlord, discontinue use of any other means of obtaining those Services. Landlord shall, at Landlord's expense, perform all work necessary to discontinue and disconnect Tenant's existing systems for such Services and to install the central System. Landlord shall be permitted access into the Premises (including any utility areas) for such purpose.

2. If Landlord shall elect to supply any Services, Tenant shall purchase such Services as are tendered by Landlord and, upon being billed by Landlord, shall pay charges therefor (hereinafter referred to as Utility Rent), computed at rates (including any established minimum charges) which shall not exceed the rates which would be charged to Tenant for such Services by the public utility agency or agencies serving the locale in which the Shopping center is located or, with respect to those services which are not provided by a public utility, at rates which are not more than ten (10%) percent greater than the average cost per square foot of providing such services to comparable users in the vicinity of the Shopping Center. Utility Rent shall be deemed Additional Rent and in the event Tenant shall fail to pay the Utility Rent due Landlord within ten (10) days following Landlord's billings, Landlord in addition to any other remedy available to Landlord, may discontinue furnishing the Premises upon five (5) days prior written notice; however, no such discontinuation shall be deemed an eviction or render Landlord liable to Tenant for damages or relieve Tenant of performance of its obligations hereunder.

3. The Services which Landlord elects to provide or cause to be provided to the Premises pursuant to this Exhibit C may be furnished by an agent or contractor of Landlord, and Tenant shall accept the same therefrom to the exclusion of all other suppliers. Landlord shall not be liable to Tenant in damages or otherwise if all or any of such Services are interrupted, impaired or terminated because of failures, repairs, installations or improvements; nor shall any such interruption, impairment or termination release Tenant from the performance of any of its obligations hereunder.

4. Provided substitute sources of supply are available, Landlord may, upon thirty (30) days notice to Tenant, cease to supply any Service, without any responsibility to Tenant except to connect Tenant's distribution facilities therefor with another source of supply. Landlord agrees that the charges to Tenant for the supply of substitute Services, if not provided by a public utility agency, shall be computed at the rates described' in paragraph 3.2 hereof.

Exhibit 10.28

FORM OF
REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of August __, 1998 (the "Agreement"), by and among Simon Property Group, Inc. (the "Company") and the persons set forth on Schedule A (the "Rights Holders"). The Rights Holders and their respective successors-in-interest and permitted assigns are hereinafter sometimes referred to as the "Holders."

Upon execution of the Sixth Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") of Simon Property, L.P., a Delaware limited partnership (the "Operating Partnership"), dated as of the date hereof, among the Company, SPG Properties, Inc., SD Property Group, Inc. and its limited partners (the "Limited Partners"), the Limited Partners have the right at any time to exchange all or any portion of their units of partnership interest ("Units") in the Operating Partnership for shares ("Shares") of the Company's common stock, par value $.0001 per share (the "Common Stock"), or cash, at the election of the Company, and, except as provided herein, any Shares issued upon such exchange will not be registered under the Securities Act of 1933, as amended (the "Securities Act").

Upon execution of this Agreement and upon consummation of the transactions contemplated by the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), by and among Simon DeBartolo Group, Inc. (the predecessor to SPG Properties, Inc.), Corporate Property Investors, Inc. (the predecessor to the Company) and Corporate Realty Consultants, Inc., the Company has agreed to provide certain registration rights with respect to the Shares held by certain former stockholders of Corporate Property Investors, Inc.

In consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Securities Subject to this Agreement. The securities entitled to the benefits of this Agreement are (a) the Shares issued by the Company to the Holders, (b) the Shares issued by the Company to the Holders upon conversion of the Series A Convertible Preferred Stock, par value $.0001 per share ("Series A Preferred Stock"), of the Company, and (c) the Shares issued by the Company to the Holders upon exchange of the Units pursuant to the Partnership Agreement (collectively, the "Registrable Securities") but, with respect to any particular Registrable Security, only so long as it continues to be a Registrable Security. Registrable Securities shall include any securities issued as a dividend or distribution on account of Registrable Securities or resulting from a subdivision of the outstanding shares of Registrable Securities into a greater

number of shares (by reclassification, stock split or otherwise). For the purposes of this Agreement, a security that was at one time a Registrable Security shall cease to be a Registrable Security when (a) such security has been effectively registered under the Securities Act of 1933, as amended (the "Securities Act"), other than pursuant to Section 4 of this Agreement, and either (i) the registration statement with respect thereto has remained continuously effective for 150 days or (ii) such security has been disposed of pursuant to such registration statement, (b) such security is sold to the public in reliance on Rule 144 (or any similar provision then in force) under the Securities Act, (c) such security has been otherwise transferred, [except in connection with the exercise of the EJDC Option (as defined in the Partnership Agreement), and (i) the Company has delivered a new certificate or other evidence of ownership not bearing the legend set forth on the Shares upon the initial issuance thereof (or other legend of similar import) and (ii) in the opinion of counsel to the Company reasonably acceptable to the Holders and addressed to the Company and the holder of such security, the subsequent disposition of such security shall not require the registration or qualification under the Securities Act, or (d) such security has ceased to be outstanding.

Notwithstanding anything to the contrary herein, any Limited Partner may exercise any of its rights hereunder prior to its receipt of Shares, provided that such Holder, simultaneously with the delivery of any notice requesting registration hereunder, shall deliver an Exercise Notice to the Company requesting (i) exchange of Units exchangeable into such number of Shares as such Limited Partner has requested to be registered, or (ii) conversion of the Series A Preferred Stock into such number of Shares as such Holder has requested to be registered. Any such Exercise Notice so delivered shall be (a) conditioned on the effectiveness of the requested registration in connection with which it was delivered and (b) deemed to cover only such number of Units as are exchangeable into the number of Shares actually sold pursuant to the requested registration. Any Shares to be issued in connection with any such Exercise Notice shall be issued upon the closing of the requested registration. In the event that the Company elects to issue all cash in lieu of Shares upon the exchange of the Units covered by any such Exercise Notice, the registration requested by the Limited Partner that delivered such Exercise Notice, if a Demand Registration, shall not constitute a Demand Registration under Section 2.1 hereof.

Nothing contained herein shall create any obligation on the part of the Company to issue Shares, rather than cash, upon the exchange of any Units.

2. Demand Registration.

2.1. Request for Registration. At any time, each Holder (or, with respect to each Holder that is a member of the DeBartolo Group, the DeBartolo Representative) may make a written

request per 12-month period (specifying the intended method of disposition) for registration under the Securities Act (each, a "Demand Registration") of all or part of such Holder's Registrable Securities (but such part, together with the number of securities requested by other Holders to be included in such Demand Registration pursuant to this Section 2.1, shall have an estimated market value at the time of such request (based upon the then market price of a share of Common Stock of the Company) of at least $10,000,000). Notwithstanding the foregoing, the Company shall not be required to file any registration statement on behalf of any Holder within six months after the effective date of any earlier registration statement so long as the Holder requesting the Demand Registration was given a notice offering it the opportunity to sell Registrable Securities under the earlier registration statement and such Holder did not request that, all of its Registrable Securities be included; provided, however, that if a Holder requested that all of its Registrable Securities be included in the earlier registration statement but not all were so included through no fault of the Holder, such Holder may, but shall not be obligated to, require the Company to file another registration statement pursuant to a Demand Registration (subject, in the event of a Demand Registration for less than all such remaining Registrable Securities, to the same $10,000,000 limitation set forth above) exercised by such Holder within six months of the effective date of such earlier registration statement. Within ten days after receipt of a request for a Demand Registration, the Company shall give written notice (the "Notice") of such request to all other Holders and shall include in such registration all Registrable Securities that the Company has received written requests for inclusion therein within 15 days after the Notice is given (the "Requested Securities"). Thereafter, the Company may elect to include in such registration additional shares of Common Stock to be issued by the Company. In such event for purposes only of Section 2.3 (other than the first sentence thereof) and not for purposes of any other provision or Section hereof (including, without limitation, Section 3), (a) such shares to be issued by the Company in connection with a Demand Registration shall be deemed to be Registrable Securities and (b) the Company shall be deemed to be a Holder thereof. All requests made pursuant to this Section 2.1 shall specify the aggregate number of Registrable Securities to be registered.

2.2. Effective Registration and Expenses. A registration shall not constitute a Demand Registration under Section 2.1 hereof until it has become effective. In any registration initiated as a Demand Registration, the Company shall pay all Registration Expenses (as defined in Section 8) incurred in connection therewith, whether or not such Demand Registration becomes effective, unless such Demand Registration fails to become effective as a result of the fault of one or more Holders other than the Company, in which case the Company will not be required to pay the Registration Expenses incurred with respect to the offering of such Holder or Holders' Registrable

Securities. The Registration Expenses incurred with respect to the offering of such Holder or Holders' Registrable Securities shall be the product of (a) the aggregate amount of all Registration Expenses incurred in connection with such registration and (b) the ratio that the number of such Registrable Securities bears to the total number of Registrable Securities included in the registration.

2.3. Priority on Demand Registrations. The Holder making the Demand Registration may elect whether the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of a firm commitment underwritten offering or otherwise; provided, however, that such Holder may not elect that such offering be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act. In any case in which an offering is in the form of a firm commitment underwritten offering, if the managing underwriter or underwriters of such offering advise the Company in writing that in its or their opinion the number of Registrable Securities proposed to be sold in such offering exceeds the number of Registrable Securities that can be sold in such offering without adversely affecting the market for the Company's common stock, the Company will include in such registration the number of Registrable Securities that in the opinion of such managing underwriter or underwriters can be sold without adversely affecting the market for the Company's common stock. In such event, the number of Registrable Securities, if any, to be offered for the accounts of Holders (including the Holder making the Demand Registration) shall be reduced pro rata on the basis of the relative number of any Registrable Securities requested by each such Holder to be included in such registration to the extent necessary to reduce the total number of Registrable Securities to be included in such offering to the number recommended by such managing underwriter or underwriters. In the event the Holder making the Demand shall receive notice pursuant to this Section 2.3 that the amount of Registrable Securities to be offered for the account of such Holder shall be reduced, such Holder shall be entitled to withdraw the Demand by written notice to the Company within seven (7) days after receipt of such notice, with the effect that such Demand shall be deemed not to have been made.

2.4. Selection of Underwriters. If any of the Registrable Securities covered by a Demand Registration are to be sold in an underwritten offering, the Holders, in the aggregate, that own or will own a majority of the Registrable Securities that the Company has been requested to register (including the Requested Securities but excluding any securities to be issued by the Company), shall have the right to select the investment banker or investment bankers and manager or managers that will underwrite the offering; provided, however, that such investment bankers and managers must be reasonably satisfactory to the Company.

3. Piggyback Registration. Whenever the Company proposes to file a registration statement under the Securities Act with respect to an underwritten public offering of Common Stock by the Company for its own account or for the account of any stockholders of the Company (other than a registration statement filed pursuant to either Section 2 or 4 hereof), the Company shall give written notice (the "Offering Notice") of such proposed filing to each of the Holders at least 30 days before the anticipated filing date. Such Offering Notice shall offer all such Holders the opportunity to register such number of Registrable Securities as each such Holder may request in writing, which request for registration (each, a "Piggyback Registration") must be received by the Company within 15 days after the Offering Notice is given. The Company shall use all reasonable efforts to cause the managing underwriter or underwriters of a proposed underwritten offering, if any, to permit the holders of the Registrable Securities requested to be included in the registration for such offering to include such Registrable Securities in such offering on the same terms and conditions as the common stock of the Company or, if such offering is for the account of other stockholders, the common stock of such stockholders included therein. Notwithstanding the foregoing, if the managing underwriter or underwriters of a proposed underwritten offering advise the Company in writing that in its or their opinion the number of Registrable Securities proposed to be sold in such offering exceeds the number of Registrable Securities that can be sold in such offering without adversely affecting the market for the Common Stock, the Company will include in such registration the number of Registrable Securities that in the opinion of such managing underwriter or underwriters can be sold without adversely affecting the market for the Common Stock. In such event, the number of Registrable Securities, if any, to be offered for the accounts of Holders shall be reduced pro rata on the basis of the relative number of. any Registrable Securities requested by each such Holder to be included in such registration to the extent necessary to reduce the total number of Registrable Securities to be included in such offering to the number recommended by such managing underwriter or underwriters. The Company shall pay all Registration Expenses incurred in connection with any Piggyback Registration.

4. Shelf Registration. Following the Effective Time, the Company shall use reasonable efforts to qualify for registration on Form S-3 for secondary sales. The Company agrees that, upon the request of any Holder, the Company shall promptly after receipt of such request notify each other Holder of receipt of such request and shall cause to be filed on or as soon as practicable thereafter, but not sooner than 35 days after the receipt of such notice from such Holder, a registration statement (a "Shelf Registration Statement") on Form S-1, Form S-3 or any. other appropriate form under the Securities Act for an offering to be made on a delayed or continuous basis pursuant to Rule 415 thereunder or any similar rule that may be adopted by the Securities and Exchange Commission (the "Commission") and

permitting sales in any manner not involving an underwritten public offering (and shall register or qualify the shares to be sold in such offering under such other securities or "blue sky" laws as would be required pursuant to Section 7(g) hereof) covering up to the aggregate number of (a) Shares to be issued to such Holder and all other Holders who request that the shares to be issued to them upon the exchange of Units held by them be included in the shelf registration statement upon the exchange of Units so that the Shares issuable upon the exchange of such Units will be registered pursuant to the Securities Act and (b) the Shares to be issued to them upon the conversion of Series A Preferred Stock held by them be included in the shelf registration statement upon the conversion of Series A Preferred Stock so that the Shares issuable upon the conversion will be registered pursuant to the Securities Act, and (c) Registrable Securities held by such Holders. The Company shall use its reasonable efforts to cause the Shelf Registration Statement to be declared effective by the Commission within three months after the filing thereof. The Company shall use its reasonable efforts to keep the Shelf Registration Statement continuously effective (and to register or qualify the shares to be sold in such offering under such other securities or "blue sky" laws as would be required pursuant to Section 7(g) hereof) for so long as any Holder holds any Shares, Units that may be exchanged for Shares under the Partnership Agreement or Series A Preferred Stock that may be converted into Shares or until the Company, has caused to be delivered to each Holder an opinion of counsel, which counsel must be reasonably acceptable to such Holders, stating that such Shares or Shares issued upon such exchange or conversion may be sold by the Holders pursuant to Rule 144 promulgated under the Securities Act without regard to any volume limitations and that the Company has satisfied the informational requirements of Rule 144. The Company shall file any necessary listing applications or amendments to existing applications to cause the Shares issuable upon exchange of Units or conversion of Series A Preferred Stock to be listed on the primary exchange on which the Common Stock is then listed, if any. Notwithstanding the foregoing, if the Company determines that it is necessary to amend or supplement such Shelf Registration Statement and if the Company shall furnish to the Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company it would be significantly disadvantageous to the Company and its stockholders for any such Shelf Registration Statement to be amended or supplemented, the Company may defer such amending or supplementing of such Shelf Registration Statement for not more than 45 days and in such event the Holders shall be required to discontinue disposition of any Registrable Securities covered by such Shelf Registration Statement during such period. Notwithstanding the foregoing, if the Company irrevocably elects prior to the filing of any Shelf Registration Statement to issue all cash in lieu of Shares upon the exchange of Units by the Holder requesting the filing of such Shelf Registration

Statement, the Company shall not be obligated to file such Shelf Registration Statement.

5. Rights of Other Stockholders. The Company shall not grant any person, for so long as any securities convertible into or exchangeable for Registrable Securities are outstanding, any rights to have their securities included in any registration statement to be filed by the Company if such rights are greater than the rights of the Holders granted herein without extending such greater rights to the Holders. Subject to the penultimate sentence of Section 2.3 and the last sentence of Section 3, to the extent the securities of such other stockholders are entitled to be included in any such registration statement and the managing underwriter or underwriters believe that the number of securities proposed to be sold in such offering exceeds the number of securities that can be sold in such offering without adversely affecting the market for the Company's common stock, the number of securities to be offered for the accounts of such other stockholders shall be reduced to zero before the number of securities to be offered for the accounts of the Holders is reduced.

6. Holdback Agreements.

6.1. Restrictions on Public Sale by Holders of Registrable Securities. Each Holder (a) participating in an underwritten offering covered by any Demand Registration or Piggyback Registration or (b) in the event the Company is issuing shares of its capital stock to the public in an underwritten offering, agrees, if requested by the managing underwriter or underwriters for such underwritten offering, not to effect (except as part of such underwritten offering or pursuant to Article XII of the Partnership Agreement) any public sale or distribution of Registrable Securities or any securities convertible into or exchangeable or exercisable for such Registrable Securities, including a sale pursuant to Rule 144 (or any similar provision then in force) under the Securities Act, during the period (a "Lock-Out Period") commencing 14 days prior to and ending no more than 90 days subsequent to the date (an "Execution "Date") specified in the Lock-Out Notice (as defined below) as the anticipated date of the execution and delivery of the underwriting agreement (or, if later, a pricing or terms agreement signed pursuant to such underwriting agreement) to be entered into in connection with such Demand Registration or Piggyback Registration or other underwritten offering. The Execution Date shall be no fewer than 21 days subsequent to the date of delivery of written notice (a "Lock-Out Notice") by the Company to each Holder of the anticipated execution of an underwriting agreement (or pricing or terms agreement), and the Execution Date shall be specified in the Lock-Out Notice. The Company may not deliver a Lock-Out Notice unless it is making a good faith effort to effect the offering with respect to which such Lock-Out Notice has been delivered. Notwithstanding the foregoing, the Company may not (a) establish Lock-Out Periods in

effect for more than 208 days in the aggregate within any of the consecutive fifteen-month periods commencing on August 7, 1997 and (b) cause any Lock-Out Period to commence (i) during the 45-day period immediately following the expiration of any Lock-Out Period, such 45-day period to be extended by one day for each day of delay pursuant to Section 7(a); provided, however, that in no event shall such extension exceed 90 days; provided, further, however, that such 90-day limit on extensions shall terminate on December 31, 1998; or (ii) if the Company shall have been requested to file a Registration Statement pursuant to Section 2 during such 45-day period (as extended), until the earlier of (x) the date on which all Registrable Securities thereunder shall have been sold and (y) 45 days after the effective date of such Registration Statement. Notwithstanding the foregoing, any Lock-Out Period may be shortened at the Company's sole discretion by written notice to the Holders, and the applicable Lock-Out Period shall be deemed to have ended on the date such notice is received by the Holders. For the purposes of this Section 6.1, a Lock-Out Period shall be deemed to not have occurred, and a Lock-Out Notice shall be deemed to not have been delivered, if, within 30 days of the delivery of a Lock-Out Notice, the Company delivers a written notice (the "Revocation Notice") to the Holders stating that the offering (the "Aborted Offering") with respect to which such Lock-Out Notice was delivered has not been, or shall not be, consummated; provided, however, that any Lock-Out Period that the Company causes to commence within 45 days of the delivery of such Revocation Notice shall be reduced by the number of days pursuant to which the Holders were subject to restrictions on transfer pursuant to this Section 6.1 with respect to such Aborted Offering.

6.2. Restrictions on Public Sale by the Company. If, but only if, the managing underwriter or underwriters for any underwritten offering of Registrable Securities made pursuant to a Demand Registration so request, the Company agrees not to effect any public sale or distribution of any of its securities similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or S-8 or any successor or similar forms thereto) during the 14 days prior to, and during the 180-day period beginning on, the effective date of such Demand Registration.

7. Registration Procedures. Whenever the Holders have requested that any Registrable Securities be registered pursuant to Section 2 or 3, the Company shall use its reasonable efforts to effect the registration of Registrable Securities in accordance with the intended method of disposition thereof as expeditiously as practicable, and in connection with any such request, the Company shall as expeditiously as possible:

(a) in connection with a request pursuant to Section 2, prepare and file with the Commission, not later than 40 days (or such longer period as may be required in order for

the Company to comply with the provisions of Regulation S-X under the Securities Act) after receipt of a request to file a registration statement with respect to Registrable Securities, a registration statement on any form if or which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof and, if the offering is an underwritten offering, shall be reasonably satisfactory to the managing underwriter or underwriters, and use its best efforts to cause such registration statement to become effective; provided, however, that if the Company shall within five (5) Business Days after receipt of such request furnish to the Holders making such a request a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company it would be significantly disadvantageous to the Company and its stockholders for such a registration statement to be filed on or before the date filing would be required, the Company shall have an additional period of not more than 45 days within which to file such registration statement (provided that only one such notice may be given during any 12 month period); and provided, further, that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall (a) furnish to the counsel selected by the Holder making the demand, or if no demand, then, by the Holders, in the aggregate, that own or will own a majority of the Registrable Securities covered by such registration statement, copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel, and (b) notify each seller or prospective seller of Registrable Securities of any stop order issued or threatened by the Commission or withdrawal of any state qualification and take all reasonable actions required to prevent such withdrawal or the entry of such stop order or to remove it if entered;

(b) in connection with a registration pursuant to Section 2, prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 150 days (or such shorter period that will terminate when all Registrable Securities covered by such registration statement have been sold, but not before the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder, if applicable), and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended method of disposition by the sellers thereof set forth in such registration statement;

(c) notify each seller of Registrable Securities and the managing underwriter, if any, promptly, and (if requested by any such Person) confirm such advice in writing,

(i) when the prospectus or any supplement thereto or amendment or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment, when the same has become effective,

(ii) of any request by the Commission for amendments or post-effective amendments to the registration statement or supplements to the prospectus or for additional information,

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation or threatening of any proceedings for that purpose,

(iv) if at any time during the distribution of securities by the managing underwriter the representations and warranties of the Company to be contained in the underwriting agreement cease to be true and correct in all material respects, and

(v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) use its reasonable efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or any state qualification or any order preventing or suspending the use of any preliminary prospectus, and use its reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement or any state qualification or of any order preventing or suspending the use of any preliminary prospectus at the earliest possible moment;

(e) if requested by the managing underwriter or a seller of Registrable Securities, promptly incorporate in a prospectus supplement or post-effective amendment to the registration statement such information as the managing underwriter or a seller of Registrable Securities reasonably request to have included therein relating to the plan of distribution with respect to the Registrable Securities, including, without limitation, information with respect to the amount of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment promptly after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(f) furnish to each seller of Registrable Securities and the managing underwriter one signed copy of the registration statement and each amendment thereto as filed with the Commission, and such number of copies of such registration statement, each amendment (including post-effective amendments) and supplement thereto (in each case including all documents incorporated by reference and all exhibits thereto whether or not incorporated by reference), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as each seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(g) use reasonable efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller or underwriter reasonably requests in writing and to do any and all other acts and things that may be reasonably necessary or advisable to register or qualify for sale in such jurisdictions the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (a) qualify generally to do business in any jurisdiction where it is not then so qualified, (b) subject itself to taxation in any such jurisdiction, (c) consent to general service of process in any such jurisdiction or (d) provide any undertaking required by such other securities or "blue sky" laws or make any change in its charter or bylaws that the Board of Directors determines in good faith to be contrary to the best interest of the Company and its stockholders;

(h) use reasonable efforts to cause the Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the seller or sellers thereof or the underwriters, if any, to consummate the disposition of such Registrable Securities;

(i) notify each seller of such Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and prepare and file with the Commission a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) enter into customary agreements (including an underwriting agreement in customary form, if the offering is an underwritten offering) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities and in such connection:

(i) make such representations and warranties to the underwriters in form, substance and scope, reasonably satisfactory to the managing underwriter, as are customarily made by issuers to underwriters in primary underwritten offerings on the form of registration statement used in such offering;

(ii) obtain opinions and updates thereof of counsel, which counsel and opinions to the Company (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter, addressed to the managing underwriter, covering the matters customarily covered in opinions requested in primary underwritten offerings on the form of registration statement used in such offering and such other matters as may be reasonably requested by the managing underwriter;

(iii) obtain so-called "cold comfort" letters and updates thereof from the Company's independent public accountants addressed to the managing underwriter in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with primary underwritten offerings and such other matters as may be reasonably requested by the managing underwriter;

(iv) cause the underwriting agreements to set forth in full the indemnification provisions and procedures of Section 9 (or such other substantially similar provisions and procedures as the managing underwriter shall reasonably request) with respect to all parties to be indemnified pursuant to said Section; and

(v) deliver such documents and certificates as may be reasonably requested by the Participating Holder or Holders to evidence compliance with the provisions of this Section 7(j) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

The above shall be done at the effectiveness of such registration statement (when consistent with customary industry practice), each closing under any underwriting or similar agreement as and to the extent required thereunder and from time to time as may reasonably be requested by the sellers of Registrable Securities, all in a manner consistent with customary industry practice.

(k) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement, the counsel referred to in clause (a) of Section 7(a) and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees and agents to supply all information reasonably requested by any such Inspector in connection with such registration statement. Records that the Company determines, in good faith, to be confidential and that it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (a) the disclosure of such Records is, in the reasonable judgment of any Inspector, necessary to avoid or correct a misstatement or omission of a material fact in the registration statement or (b) the release of such Records is ordered pursuant to a subpoena or other order from a court or governmental agency of competent jurisdiction or required (in the written opinion of counsel to such seller or underwriter, which counsel shall be reasonably acceptable to the Company) pursuant to applicable state or federal law. Each seller of Registrable Securities agrees that it will, upon learning that disclosure of such Records are sought by a court or governmental agency, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(l) if such sale is pursuant to an under-written offering, use reasonable efforts to obtain a "cold comfort" letter and updates thereof from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the holders, in the aggregate, of a majority of the Registrable securities being sold and the managing underwriter or underwriters reasonably request;

(m) otherwise use reasonable efforts to comply with the Securities Act, the Exchange Act, all applicable rules and regulations of the Commission and all applicable state securities and real estate syndication laws, and make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act;

(n) use reasonable efforts to cause a1 Registrable Securities covered by the registration statement to be listed on each securities exchange, if any, on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(o) cooperate with the sellers of Registrable Securities and the managing underwriter to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriter may reasonably request at least 2 business days prior to any sale of Registrable Securities to the underwriters;

(p) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter;

(q) prior to the filing of any document which is to be incorporated by reference into the registration statement or the prospectus (after the initial filing of the registration statement) provide copies of such document to the sellers of Registrable Securities, the underwriters and their respective counsel, make the Company representatives available for discussion of such document with such persons and, to the extent changes may be made to such document without the consent of a third party (other than the Company's accountants or any affiliate of the Company), make such changes in such document prior to the filing thereof as any such persons may reasonably request to the extent and only to the extent that such changes relate to a description of a DeBartolo Group Holder or the Plan or Distribution being effected by a DeBartolo Group Holder; and

(r) participate, if so requested, in a "road show" in connection with the sale of the Registrable Securities but only to the extent reasonably requested by the managing underwriter, if such sale is pursuant to an underwritten offering.

The Company may require each seller or prospective seller of Registrable Securities as to which any registration is being effected to furnish to the Company such information regarding the distribution of such securities and other matters as may be required to be included in the registration statement.

Each holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Paragraph (i) of this Section 7, such holder shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Paragraph (i) of this Section 7, and, if so directed by the Company, such holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such

registration statement shall be maintained effective pursuant to this Agreement (including the period referred to in Paragraph (b) of this Section 7) by the number of days during the period from and including the date of the giving of such notice pursuant to Paragraph (i) of this Section 7 to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Paragraph (i) of this Section 7.

The Company shall keep the sellers of Registrable Securities to be offered in a given registration advised of the status of any registration in which they are participating. In addition, the Company and each such seller of Registrable Securities may enter into understandings in writing whereby such seller of Registrable Securities will agree in advance as to the acceptability of the price or range of prices per share at which the Registrable Securities included in such registration are to be offered to the public. Furthermore, the Company shall establish pricing notification procedures reasonably acceptable to each such seller of Registrable Securities and shall, as promptly as practicable after learning the same from the managing underwriter, use reasonable efforts to give oral notice to each such seller of Registrable Securities of the anticipated date on which the Company expects to receive a notification from the managing underwriter (and any changes in such anticipated date) of the price per share at which the Registrable Securities included in such registration are to be offered to the public.

8. Registration Expenses. The Company shall pay all expenses incident to its performance of or compliance with this Agreement, including, without limitation, (a) all Commission, stock exchange and National Association of Securities Dealers, Inc. registration, filing and listing fees, (b) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), (c) all printing, messenger and delivery expenses, (d) all fees and disbursements of the Company's independent public accountants and counsel and (e) all fees and expenses of any special experts retained by the Company in connection with any Demand Registration or Piggyback Registration pursuant to the terms of this Agreement, regardless of whether such registration becomes effective; provided, however, that the Company shall not pay the costs and expenses of any Holder relating to underwriters' commissions and discounts relating to Registrable Securities to be sold by such Holder (but such costs and expenses shall be paid by the Holders on a pro rata basis), brokerage fees, transfer taxes, or the fees or expenses of any counsel, accountants or other representatives retained by the Holders, individually or in the aggregate. All of the expenses described in this Section 8 that are to be paid by the Company are herein called "Registration Expenses."

9. Indemnification; Contribution.

9.1. Indemnification by the Company. The Company agrees to indemnify, to the fullest extent permitted by law, each Holder and each secured creditor referred to in Section 12.4(c) (ii) hereof (a "Secured Creditor"), each of their respective officers, directors, agents, advisors, employees and trustees, and each person, if any, who controls such Holder or Secured Creditor (within the meaning of the Securities Act), against any and all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, except insofar as the same are caused by or contained in any information with respect to such Holder or Secured Creditor furnished in writing to the Company by such Holder or Secured Creditor expressly for use therein or by such Holder's or Secured Creditor's failure to deliver a copy of the prospectus or any supplements thereto after the Company has furnished such Holder or Secured Creditor with a sufficient number of copies of the same or by the delivery of prospectuses by such Holder or Secured Creditor after the Company notified such Holder or Secured Creditor in writing to discontinue delivery of prospectuses. The Company also shall indemnify any underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holders.

9.2. Indemnification by Holders. In connection with any registration statement in which a Holder is participating, each such Holder shall furnish to the Company in writing such information and affidavits with respect to such Holder as the Company reasonably requests for use in connection with any such registration statement or prospectus and agrees to indemnify, severally and not jointly, to the fullest extent permitted by law, the Company, its officers, directors and agents and each person, if any, who controls the Company (within the meaning of the Securities Act) against any and all losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue or alleged untrue statement or omission is contained in or omitted from, as the case may be, any information or affidavit with respect to such Holder so furnished in writing by

such Holder specifically for use in the Registration Statement. Each Holder also shall indemnify any underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Company.

9.3. Conduct of Indemnification Proceedings. Any party that proposes to assert the right to be indemnified under this Section 9 shall, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 9, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve it from any liability that it may have to any indemnified party under the foregoing provisions of this Section 9 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. If the indemnifying party assumes the defense, the indemnifying party shall have the right to settle such action without the consent of the indemnified party; provided, however, that the indemnifying party shall be required to obtain such consent (which consent shall not be unreasonably withheld) if the settlement includes any admission of wrongdoing on the part of the indemnified party or any decree or restriction on the indemnified party or its officers or directors; provided, further, that no indemnifying party, in the defense of any such action, shall, except with the consent of the indemnified party (which consent shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability with respect to such action. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (a) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (b) the indemnified party has reasonably concluded (based on advice of

counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available in the indemnifying party, (c) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (d) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time from all such indemnified party or parties unless (a) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (b) an indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (c) a conflict or potential conflict exists (based on advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the, reasonable fees and expenses of such additional counsel or counsels. An indemnifying party will not be liable for any settlement of any action or claim effected without its written consent (which consent shall not be unreasonably withheld).

9.4. Contribution. If the indemnification provided for in this Section 9 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, to the extent such indemnification is unavailable, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified parties in connection with the actions that resulted in such losses, claims, damages, liabilities or expenses. The relative fault of such indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the

losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 9.3, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 9.4 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person.

If indemnification is available under this Section 9, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 9.1 and 9.2 without regard to the relative fault of said indemnifying parties or indemnified party.

10. Participation in Underwritten Registrations. No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting agreements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

11. Rule 144. The Company covenants that it shall use its reasonable efforts to file the reports required to be filed by it under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder if and when the Company becomes obligated to file such reports (or, if the Company ceases to be required to file such reports, it shall, upon the request of any Holder, make publicly available other information), and it shall, if feasible, take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time or (ii) any similar rules or regulations hereafter adopted by the Commission. Upon the written request of any Holder, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

12. Miscellaneous.

12.1. Remedies. Each Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of

its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

12.2. Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of all Holders.

12.3. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by certified or registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, or, if mailed, five days (or, in the case of express mail, one day) after the date of deposit in the United States mail, as follows:

(i) if to the Company, to:

Simon Property Group, Inc.
Merchants Plaza
115 West Washington Street
Suite 15 East
Indianapolis, Indiana 46204

Attention: David Simon
James M. Barkley, Esq.
Facsimile No.: (317) 685-7221

with a copy to:

Willkie Farr & Gallagher
787 Seventh Avenue
New York, New York 10019
Attention: Richard L. Posen, Esq.
Facsimile: (212) 728-8111

(ii) if to any Holder, to the most current address of such Holder given by such Holder to the Company in writing.

Any party may by notice given in accordance with this Section 12.3 to the other parties designate another address or person for receipt of notice hereunder.

12.4. Successors and Assigns.

(a) This Agreement shall inure to the benefit of and be binding upon the Holders and their respective successors and assigns and the successors and assigns of the Company; provided, however, that, except as otherwise provided in Sections 12.4(b) and (c) hereof, no Holder may assign its rights hereunder

to any person who is not a permitted transferee of such Holder pursuant to the terms of the Partnership Agreement; provided further, that, except as otherwise provided in Section 12.4(b) or (c) hereof, no Holder may assign its rights hereunder to any person who does not acquire all or substantially all of such Holder's Registrable Securities or Units, as the case may be, or, (i) in the case of the Simon Family Entities, to any person who does not acquire at least $10,000,000 worth of the Simon Family Entities' Registrable Securities or Units and (ii) in the case of the DeBartolo Group to any person who does not acquire at least $10,000,000 worth of DeBartolo Group's Registrable Securities or Units.

(b) Affiliates. It is understood that JCP Realty, Inc. ("JCP") and Brandywine Realty, Inc. ("Brandywine") are affiliates and that under the terms of the Partnership Agreement, Limited Partners have the right to assign their partnership interests, in whole or in part, to their affiliates. The provisions of this Agreement shall inure to the benefit of all such affiliates and, for all purposes of this Agreement, a party to this Agreement (other than the Company) and all of its affiliates which at the time in question are Limited Partners of the Operating Partnership shall be deemed to be one party, with the consequence that (i) they may aggregate their Units for the purpose of exercising their rights under this Agreement and (ii) to assign the benefits of this Agreement to a third party which is not an affiliate of them, except as otherwise provided with respect to the Simon Family Entities in Section 12.4(a) above, they must together assign to such third party all or substantially all of the aggregate amount of Units held by all of them.

(c) Transfer of Exchange and Registration Rights. (i) The rights of each DeBartolo Group Holder to make a request and to cause the Company to register Registrable Securities owned by such Holder under Section 2 hereof and the right to cause the Company to include Registrable Securities in a registration for the account of the Company under Section 3 hereof (the "Rights") may be assigned, from time to time and reassigned, in whole or in part, to a transferee or assignee receiving (except as provided in Section 12.4(c) (ii) below) at least three percent (3%) of the outstanding shares of Common Stock or Units exchangeable into at least such number of shares of Common Stock (the "Three Percent Requirement") in connection with a transfer or assignment of shares of Common Stock received upon exchange of Units in connection with a substantially contemporaneous resale of all such Units or Units which is not prohibited under any other agreement to which the transferor or assignor is a party or any pledge of Units or Common Stock which is not prohibited under any other agreement to which the transferor or assignor is a party, provided that (x) such transfer may otherwise be effected in accordance with applicable securities law, (y) the Company is given written notice of such assignment prior to such assignment or promptly thereafter, and (z) the transferee or assignee by

written agreement acknowledges that he is bound by the terms of this Agreement. From and after the occurrence of any such transfer, the defined term "Holder" shall include such transferees or assignees.

(i) The Rights granted to each member of the DeBartolo Group hereunder may be assigned pursuant to this Section 12.4(c) to a secured creditor to whom such Holder has pledged Units (or other securities exchangeable or convertible into Registrable Securities) or Registrable Securities prior to the date hereof, which pledge shall be permitted hereunder, and the Three Percent Requirement shall not apply to any such assignment. Such rights may, to the extent provided in the pledge, security or other agreement or instrument pursuant to which such rights have been assigned and to the extent permitted by the Securities Act and the rules and regulations thereunder, be exercised by any such secured creditor even though it does not become an assignee of the pledged Units of such Holder pursuant to Section 12.4(c)(i) hereof. Each of the Estate of Edward J. DeBartolo, Edward J. DeBartolo, Jr., The Edward J. DeBartolo Corporation and each corporate or other person or legal entity, other than Marie Denise DeBartolo York specified on Schedule B to the Stockholders Agreement does hereby grant the rights, as described in the two preceding sentences, to the institution from time to time serving as the Administrative Agent under (A) the Second Amended and Restated New Facility Credit Agreement, dated as of March 31, 1994, by and among DeBartolo, Inc. and The Edward J. DeBartolo Corporation, as the Borrowers, Wells Fargo Bank, N.A., as the Issuing Bank, the Co-Lenders from time to time party thereto, and Wells Fargo Realty Advisors Funding, Incorporated, as the Administrative Agent (and its successors and assigns),] as such agreement may be modified, supplemented or amended from time to time and (B) [the Second Amended and Restated Restructuring Facility Credit Agreement, dated as of March 31, 1994, by and among DeBartolo, Inc. and The Edward J. DeBartolo Corporation, as the Borrowers, the Co-Lenders from time to time party thereto, and Wells Fargo Realty Advisors Funding, Incorporated, in its capacity as the Administrative Agent (together with its successors and assigns),] as such agreement may be modified, supplemented or amended from time to time. Upon notice to the Company by any such secured creditor that it has become authorized to exercise such Rights, no further written instrument shall be required under this Agreement; provided that such secured creditor provides the Company at the time it exercises any rights with such indemnification and certifications as are reasonably satisfactory to the Company in form and substance as to its authorization to exercise such rights. It is further expressly understood and agreed that (i) the Company shall not be required in any way to determine the validity or sufficiency, whether in form or in substance, of any certification from a secured creditor that it is authorized to exercise Rights so transferred to it, (ii) the Company shall have no liability to any Holder for acting in accordance with any such certification and (iii) no further indemnification to the Company shall be

required pursuant to this Section 12.4(c). The Company shall not be required in any way to determine the validity or sufficiency, whether in form or in substance, of any written instrument referred to in the second sentence of this Section 12.4(c)(ii), and it shall be sufficient if any writing purporting to be such an instrument is delivered to the Company and purports on its face to be correct in form and signed or otherwise executed by such Holder. The Company may continue to rely on such written instrument until such time, if any, that it receives a written instrument from the secured creditor named therein (or its successor) revoking, or acknowledging the revocation or other termination of, the authority granted by such written instrument.

(ii) The rights of each of JCP and Brandywine to make a request and cause the Company to register Registrable Securities owned by such Holder under Section 2 hereof and the right of such Holder to cause the Company to include Registrable Securities in a registration for the account of the Company under Section 3 hereof (the "JCP Rights") may be assigned (i) to a secured creditor to whom such Holder has pledged Units or, if such Holder has not previously exercised the right provided for in the first sentence of Section 9.3(c) of the Operating Partnership Agreement, to any Person to whom the secured creditor has transferred the pledged Units pursuant to Section 9.3(c) of the Operating Partnership Agreement (such secured creditor or such transferee being referred to as the "Assignee"), in each case subject to the further terms and provision of this Section 12.4(c)(iii). The JCP Rights may be exercised by the Assignee after the Assignee has become a substitute Limited Partner of the Operating Partnership and only if the Assignee provides the Company at the time it exercises the JCP Rights with such indemnification and certifications as are reasonably satisfactory to the Company in form and substance as to its authorization to exercise such JCP Rights. It is further expressly understood and agreed that (i) the Company shall not be required in any way to determine the validity or sufficiency, whether in form, or in substance, of any certification from the Assignee that it is authorized to exercise the JCP Rights so transferred to it, (ii) the Company shall have no liability to such Holder for acting in accordance with any such certification and (iii) except as set forth above in this paragraph, no further indemnification to the Company shall be required pursuant to this Section 12.4(c).

12.5. Mergers, Etc. In addition to any other restriction on mergers, consolidations and reorganizations contained in the articles of incorporation, by-laws, code of regulations or agreements of the Company, the Company covenants and agrees that it shall not, directly or indirectly, enter into any merger, consolidation or reorganization in which the Company shall not be the surviving corporation unless all the Registrable Securities and all of the outstanding shares of Common Stock of the Company and Units are exchanged or purchased upon substantially equivalent economic terms for cash or freely marketable securities of the surviving corporation unless the

surviving corporation shall, prior to such merger, consolidation or reorganization, agree in a writing to assume in full and without modification other than conforming changes necessary to reflect the new issuer of the Registrable Securities all of the obligations of the Company under this Agreement, and for that purpose references hereunder to "Registrable Securities" shall be deemed to include the securities which holders of Common Stock would be entitled to receive in exchange for Registrable Securities pursuant to any such merger, consolidation, sale of all or substantially all of its assets or business, liquidation, dissolution or reorganization.

12.6. Intentionally Omitted.

12.7. Intentionally Omitted.

12.8. Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

12.9. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

12.10. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

12.11. Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, it being intended that all of the rights of the Holders shall be enforceable to the full extent permitted by law.

12.12. Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. Upon execution by any of the parties hereto, such party waives all of its rights under the Registration Rights Agreement, dated as of August 9, 1996, by and among certain of the parties hereto. There are no restrictions, promises, warranties or undertakings other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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

SIMON PROPERTY GROUP, INC.

By:

Name:
Title:

MELVIN SIMON & ASSOCIATES, INC.

By:

Name:
Title:

JCP REALTY, INC.

By:

Name:
Title:

BRANDYWINE REALTY, INC.

By:

Name:
Title:

MELVIN SIMON

HERBERT SIMON

DAVID SIMON

DEBORAH J. SIMON

CYNTHIA J. SIMON SKJODT

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

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

MELVIN SIMON & ASSOCIATES, INC.

By:

Name:
Title:

PENN SIMON CORPORATION

By:

Name:
Title:

NACO SIMON CORP.

By:

Name:
Title:

SANDY SPRINGS PROPERTIES, INC.

By:

Name:
Title:

SIMON ENTERPRISES, INC.

By:

Name:
Title:

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

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

By:

Name:
Title:

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

Melvin Simon

Herbert Simon

David Simon

THE EDWARD J. DeBARTOLO, CORP.

By:

Name:
Title:

ESTATE OF EDWARD J. DeBARTOLO

By:

Name:
Title:

By:

Name:
Title:

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

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Cynthia R. DeBartolo

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

DeBARTOLO, INC.

By:

Name:
Title:

NATIONAL INDUSTRIAL DEVELOPMENT CORP.

By:

Name:
Title:

GREAT LAKES MALL, INC.

By:

Name:
Title:

RUES PROPERTIES, INC.

By:

Name:
Title:

CHELTENHAM SHOPPING CENTER
ASSOCIATES

By:

Name:
Title:

STICHTING PENSIOENFONDS VOOR DE
GEZONDHEID GEESTELIJKE EN
MAATSCHAPPELIJKE BELANGEN

By:

Name:
Title:

KUWAIT FUND FOR ARAB ECONOMIC
DEVELOPMENT

By:

Name:
Title:

ARAB FUND FOR ECONOMIC AND SOCIAL
DEVELOPMENT

By:

Name:
Title:

KUWAIT INVESTMENT AUTHORITY AS
AGENT FOR GOVERNMENT OF KUWAIT

By:

Name:
Title:

STATE STREET BANK AND TRUST COMPANY

By:

Name:
Title:

Exhibit 10.33

SIXTH AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

OF

SIMON PROPERTY GROUP, L.P.

ARTICLE I

Definitions; Etc.

ARTICLE II

Continuation of Partnership

ARTICLE III

Term

ARTICLE IV

Contributions to Capital

ARTICLE V

Representations, Warranties and Acknowledgment

ARTICLE VI

Allocations, Distributions and Other Tax and Accounting Matters

ARTICLE VII

Rights, Duties and Restrictions of the General Partners

ARTICLE VIII

Dissolution, Liquidation and Winding-Up

ARTICLE IX

Transfer of Partnership Interests and Related Matters

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

THIS SIXTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, dated as of August __, 1998, is made by and among SD PROPERTY GROUP, INC., an Ohio corporation as a non-managing general partner ("SD Property"), SPG PROPERTIES, INC., a Maryland corporation as a non-managing general partner ("SPG Properties" and together with SD Property, the "Non-Managing General Partners"), SIMON PROPERTY GROUP, INC., a Delaware corporation as managing general partner (the "Managing General Partner"), and those parties who have executed this Agreement as limited partners and whose names and addresses are set forth on Exhibit A hereto as limited partners (the "Limited Partners").

WITNESSETH:

WHEREAS, the Agreement of Limited Partnership of Simon DeBartolo Group, L.P. (the "Partnership") was last amended and restated in its entirety by the Fifth Amended and Restated Limited Partnership Agreement, dated August 9, 1996; and

WHEREAS, concurrently with the execution hereof, SPG Merger Sub, Inc., a Maryland corporation and a wholly-owned subsidiary of the Managing General Partner merged into Simon DeBartolo Group, Inc. ("SDG"), pursuant to the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), among SDG, Corporate Property Investors (the predecessor to the Managing General Partner) and Corporate Realty Consultants, Inc. (renamed SPG Realty Consultants, Inc. ("SPG Realty")); and

WHEREAS, concurrently with the execution hereof, the Partnership and SPG Realty will enter into an Agreement of Limited Partnership of SPG Realty Consultants, L.P. (the "SRC Partnership"), pursuant to which the Partnership will become a limited partner of the SRC Partnership and receive SRC Partnership Units, which the Partnership will, in turn, distribute pro rata to all Limited Partners other than any General Partner who also holds SRC Partnership Units, whereupon such Limited Partners shall become limited partners of the SRC Partnership; and

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

WHEREAS, the Managing General Partner is concurrently herewith, in exchange for the contribution to the Partnership and its subsidiaries of substantially all of its assets and liabilities, becoming the managing general partner and a Limited Partner of the Partnership, holding Units in the amount set forth in Exhibit A; and

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

ARTICLE I

Definitions; Etc.

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

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

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

"Additional Units" shall have the meaning set forth in Section 9.4 hereof.

"Adjustment Date" shall have the meaning set forth in Section 4.3(b) hereof.

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

"Affected Gain" shall have the meaning set forth in Section 6.1(g) hereof.

"Affiliate" shall mean, with respect to any Partner (or as to any other Person the affiliates of which are relevant for purposes of any of the provisions of this Agreement) (i) any member of the Immediate Family of such Partner or Person; (ii) any partner, trustee, beneficiary or shareholder of such Partner or Person; (iii) any legal representative, successor or assignee of such

Partner or any Person referred to in the preceding clauses (i) and (ii); (iv) any trustee or trust for the benefit of such Partner or any Person referred to in the preceding clauses (i) through (iii); or (v) any Entity which, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Partner or any Person referred to in the preceding clauses (i) through (iv).

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

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

"Bankruptcy" shall mean, with respect to any Partner, (i) the commencement by such Partner of any proceeding seeking relief under any provision or chapter of the federal Bankruptcy Code or any other federal or state law relating to insolvency, bankruptcy or reorganization, (ii) an adjudication that such Partner is insolvent or bankrupt, (iii) the entry of an order for relief under the federal Bankruptcy Code with respect to such Partner, (iv) the filing of any petition or the commencement of any case or proceeding against such Partner under the federal Bankruptcy Code unless such petition and the case or proceeding initiated thereby are dismissed within ninety (90) days from the date of such filing or commencement, (v) the filing of an answer by such Partner admitting the allegations of any such petition, (vi) the appointment of a trustee, receiver or custodian for all or substantially all of the assets of such Partner unless such appointment is vacated or dismissed within ninety (90) days from the date of such appointment but not less than five (5) days before the proposed sale of any assets of such Partner, (vii) the execution by such Partner of a general assignment for the benefit of creditors, (viii) the convening by such Partner of a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts, (ix) the failure of such Partner to pay its debts as they mature, (x} the levy, attachment, execution or other seizure of substantially all of the assets of such Partner where such seizure is not discharged within thirty (30) days thereafter, or (xi) the admission by such Partner in writing of its inability to pay its debts as they mature or that it is generally not paying its debts as they become due.

"Capital Account" shall have the meaning set forth in Section 4.8(a) hereof.

"Capital Contribution" shall mean, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property other than money contributed to the Partnership with respect to the Partnership Units held by such Partner (net of

liabilities secured by such property which the Partnership assumes or takes subject to).

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

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

"Closing Price" on any date shall mean the last sale price per share, regular way, of the Shares or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, of the Shares in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Shares are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Shares are listed or admitted to trading or, if the Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System for the Shares or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Shares selected from time to time by the Board of Directors of the Managing General Partner.

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

"Computation Date" shall have the meaning set forth in Section 11.3 hereof.

"Consent of the DeBartolos" shall mean consent of those Limited Partners who are "DeBartolos" as defined herein. EJDC (in such capacity the "DeBartolo Designee") is hereby granted authority by those Limited Partners who are DeBartolos to grant or withhold consent on behalf of the DeBartolos whenever the Consent of the DeBartolos is required hereunder. The DeBartolos shall have the right, from time to time, by written notice to the Partnership signed by DeBartolos who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the DeBartolos, to substitute a new Person as the DeBartolo Designee for the Person who is then acting as such. The Partnership, the Partners and all Persons dealing with the Partnership shall be fully protected in

relying on any written consent of the DeBartolos which is executed by the Person who is then acting as the DeBartolo Designee. In the event that at any time there is no DeBartolo Designee, the consent of the DeBartolos shall be given by those DeBartolos who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the DeBartolos.

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

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

"Contributed Funds" shall have the meaning set forth in Section 4.3(b) hereof.

"Contribution Current Per Share Market Price" on any date shall mean the average of the Closing Prices for a period of not less than five consecutive Trading Days nor more than thirty consecutive Trading Days ending on such date, such period determined in the sole and absolute discretion of the Managing General Partner.

"Contribution Date" shall have the meaning set forth in Section 9.4 hereof.

"Contribution Deemed Partnership Unit Value" as of any date shall mean (i) the Contribution Current Per Share Market Price as of the Trading Day immediately preceding such date, minus (ii)

the Deemed Partnership Unit Value (as defined in the SRC Partnership agreement); provided, however, that Contribution Deemed Partnership Unit Value shall be adjusted as described in Section 11.7(d) hereof in the event of any stock dividend, stock split, stock distribution or similar transaction.

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

"Covered Sale" shall have the meaning set forth in Section 6.2(d) hereof.

"Current Per Share Market Price" on any date shall mean the average of the Closing Prices for the five consecutive Trading Days ending on such date.

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

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

"Depreciation" shall mean for each Partnership Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to a Partnership asset for such year or other period, except that if the Gross Asset Value of a Partnership asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such

beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"Development Land" shall mean any vacant land suitable for development as a Project.

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

"Effective Time" shall have the meaning set forth in the Merger Agreement.

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

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

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

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

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

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

"Gross Asset Value" shall have the meaning set forth in Section 4.8(b) hereof.

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

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

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

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

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

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

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

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

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

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

"Limited Partner Liability" shall mean, with respect to each Limited Partner, each liability (or portion thereof) included in the basis of such Limited Partner (other than as an "excess nonrecourse liability" within the meaning of Regulations Section l.752-3(a)(3)) for federal income tax purposes.

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

"Liquidation Agent" shall mean such Person as is selected as the Liquidation Agent hereunder by the Managing General Partner, which Person may be the Managing General Partner or an Affiliate of the Managing General Partner, provided such Liquidation Agent agrees in writing to be bound by the terms of this Agreement. The

Liquidation Agent shall be empowered to give and receive notices, reports and payments in connection with the dissolution, liquidation and/or winding-up of the Partnership and shall hold and exercise such other rights and powers as are necessary or required to permit all parties to deal with the Liquidation Agent in connection with the dissolution, liquidation and/or winding-up of the Partnership.

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

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

"Major Decisions" shall have the meaning set forth in Section 7.3(b) hereof.

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

"Managing General Partner" shall mean Simon Property Group, Inc., a Delaware corporation.

"Merger Agreement" shall have the meaning set forth in the Recitals hereto.

"Minimum Gain" shall have the meaning set forth in Section 6.1(d)(l) hereof.

"Minimum Gain Chargeback" shall have the meaning set forth in Section 6.1(d)(l) hereof.

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

"Net Operating Cash Flow" shall mean, with respect to any fiscal period of the Partnership, the aggregate amount of all cash received by the Partnership from any source for such fiscal period (including Net Sale Proceeds and Net Financing Proceeds but excluding Contributed Funds), less the aggregate amount of all expenses or other amounts paid with respect to such period and such

additional cash reserves as of the last day of such period as the Managing General Partner deems necessary for any capital or operating expenditure permitted hereunder.

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

"Non-Managing General Partners" shall mean, collectively, SD Property Group, Inc. and SPG Properties, Inc.

"Nonrecourse Liabilities" shall have the meaning set forth in Section 6.l(d)(l) hereof.

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

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

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

"Partner Nonrecourse Debt" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"Partner Nonrecourse Debt Minimum Gain" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"Partner Nonrecourse Deduction" shall have the meaning set forth in Section 6.1(d)(2) hereof.

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

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

"Partnership Fiscal Year" shall mean the calendar year.

"Partnership Interest" shall mean the interest of a Partner in the Partnership.

"Partnership Minimum Gain" shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

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

"Partnership Units" or "Units" shall mean the interest in the Partnership of any Partner which entitles a Partner to the allocations (and each item thereof) specified in Section 6.1(b) hereof and all distributions from the Partnership, and its rights of management, consent, approval, or participation, if any, as provided in this Agreement. Partnership Units do not include Preferred Units. Each Partner's percentage ownership interest in the Partnership shall be determined by dividing the number of Partnership Units then owned by each Partner by the total number of Partnership Units then outstanding. The number of Partnership Units held by each Partner at the date hereof is as set forth opposite its name on attached Exhibit A. Each Partnership Unit shall be paired with a SRC Partnership Unit.

"Person" shall mean any individual or Entity.

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

"Post-Exchange Distribution" shall have the set forth in Section 6.2(a) hereof.

"Preferred Contributed Funds" shall have the set forth in Section 4.3(c) hereof.

"Preferred Distribution Requirement" shall have the meaning set forth in Section 4.3(c) hereof.

"Preferred Distribution Shortfall" shall have the set forth in Section 6.2(b)(i) hereof.

"Preferred Redemption Amount" shall mean, with respect to any class or series of Preferred Units, the sum of (i) the amount of any accumulated Preferred Distribution Shortfall with respect to such class or series of Preferred Units, (ii) the Preferred

Distribution Requirement with respect to such class or series of Preferred Units to the date of redemption and (iii) the Preferred Redemption Price indicated in the Preferred Unit Designation with respect to such class or series of Preferred Units.

"Preferred Redemption Price" shall have the meaning set forth in Section 4.3(c) hereof.

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

"Preferred Unit Designation" shall have the set forth in Section 4.3(c) hereof.

"Preferred Unit Issue Price" shall mean the amount of the Required Funds contributed or deemed to have been contributed by a General Partner in exchange for a Preferred Unit.

"Preferred Units" shall mean interests in the Partnership issued to a General Partner pursuant to Sections 4.1(c) and 4.3(c) hereof. The holder of Preferred Units shall have such rights to the allocations of Profits and Losses as specified in Section 6.1 hereof and to distributions pursuant to Section 6.2 hereof, but shall not, by reason of its ownership of such Preferred Units, be entitled to participate in the management of the Partnership or to consent to or approve any action which is required by the Act or this Agreement to be approved by any or all of the Partners.

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

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

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

"Purchase Price" shall have the meaning set forth in Section 11.3 hereof.

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

"Registration Rights Agreements" shall mean the agreements, in effect as of the Effective Time, among the Managing General Partner, certain of its stockholders and certain holders of Units.

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

"Regulatory Allocations" shall have the meaning set forth in Section 6.l(d)(5) hereof.

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

"REIT Expenses" shall mean (i) costs and expenses relating to the continuity of existence of the Managing General Partner and the Non-Managing General Partners and their respective subsidiaries, including taxes, fees and assessments associated therewith, and any and all costs, expenses or fees payable to any director or trustee of the Managing General Partner, the Non-Managing General Partners or such subsidiaries, (ii) costs and expenses relating to any offer or registration of securities by the General Partner, the Non-Managing General Partners or their respective subsidiaries and all statements, reports, fees and expenses incidental thereto, including underwriting discounts, selling commissions and placement fees applicable to any such offer of securities; provided, however, that in the case of any such registration of securities on behalf of one or more of the security holders of the General Partner, the Non-Managing General Partners or their respective subsidiaries, REIT Expenses shall not include underwriting discounts or selling commissions), (iii) costs and expenses associated with the preparation and filing of any periodic reports by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries under federal, state or local laws or regulations, including tax returns and filings with the SEC and any stock exchanges on which the Shares are listed, (iv) costs and expenses associated with compliance by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries with laws, rules and regulations promulgated by any regulatory body, including the SEC, (v) costs and expenses associated with any 401(k) Plan, incentive plan, bonus plan or other plan providing for compensation for the employees of the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries, and (vi) all operating, administrative and other costs incurred by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries (including attorney's and accountant's fees, income and franchise taxes and salaries paid to officers of the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries, but excluding costs of any repurchase by the General Partners of any of their securities); provided, however that amounts described herein shall be considered REIT Expenses hereunder only if and to the extent during the fiscal year in question the aggregate amount of such expenses for such fiscal year and all prior fiscal years exceeds the aggregate of (a) all amounts theretofore distributed or distributable to the Managing General Partner or a Non-Managing General Partner by any wholly-owned

subsidiary thereof and (b) all amounts theretofore paid to the Managing General Partner or a Non-Managing General Partner pursuant to Section 7.1 hereof.

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

"Related Issues" shall mean, with respect to a class or series of Preferred Units, the class or series of Preferred Shares the sale of which provided a General Partner with the proceeds to contribute to the Partnership in exchange for such Preferred Units.

"Required Funds" shall have the meaning set forth in Section 4.3(a) hereof.

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

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

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

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

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

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

"SPG Properties" shall mean SPG Properties, Inc.

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

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

"SRC Partnership Units" shall mean interests in the SRC Partnership, each of which is paired with a Partnership Unit.

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

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

"Substituted Limited Partner" shall have the meaning set forth in the Act.

"Tax Matters Partner" shall have the meaning set forth in Section 6.7 hereof.

"Third Party" or "Third Parties" shall mean a Person or Persons who is or are neither a Partner or Partners nor an Affiliate or Affiliates of a Partner or Partners.

"Third Party Financing" shall mean financing or refinancing obtained from a Third Party by the Partnership.

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

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

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

ARTICLE II

Continuation of Partnership

2.1 Continuation. The parties hereto do hereby agree to continue the Partnership as a limited partnership pursuant to the provisions of the Act, and all other pertinent laws of the State of Delaware, for the purposes and upon the terms and conditions hereinafter set forth. The Partners agree that the rights and liabilities of the Partners shall be as provided in the Act except as otherwise herein expressly provided. Promptly upon the execution and delivery of this Agreement, the Managing General Partner shall cause each notice, instrument, document or certificate as may be required by applicable law, and which may be necessary to enable the Partnership to continue to conduct its business, and to own its properties, under the Partnership name to be filed or recorded in all appropriate public offices. Upon request of the Managing General Partner, the Partners shall execute any assumed or fictitious name certificate or certificates required

by law to be filed in connection with the Partnership. The Managing General Partner shall properly cause the execution and delivery of such additional documents and shall perform such additional acts consistent with the terms of this Agreement as may be necessary to comply with the requirements of law for the continued operation of a limited partnership under the laws of the State of Delaware (it being understood that the Managing General Partner shall be required to provide the General Partners and Limited Partners with copies of any amended Certificates of Limited Partnership required to be filed under such laws only upon request) and for the continued operation of a limited partnership in each other jurisdiction in which the Partnership shall conduct business.

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

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

2.4 Location of the Principal Place of Business. The location of the principal place of business of the Partnership shall be at 115 West Washington Street, Indianapolis, Indiana 46204 or such other location as shall be selected from time to time by the Managing General Partner in its sole discretion; provided, however, that the Managing General Partner shall promptly notify the Partners of any change in the location of the principal place of business of the Partnership.

2.5 Registered Agent and Registered Office. The Registered Agent of the Partnership shall be The Prentice Hall Corporation System, Inc. or such other Person as the Managing General Partner may select in its sole discretion. The Registered Office of the Partnership in the State of Delaware shall be c/o Prentice-Hall Corporation System, Inc., 32 Lockerman Square, Suite L-100, Dover, DE 19901, or such other location as the Managing General Partner may select in its sole and absolute discretion. The Managing General Partner shall promptly notify the Partners of any change in the Registered Agent or Registered Office of the Partnership.

ARTICLE III

Term

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

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

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

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

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

(d) dissolution required by operation of law.

ARTICLE IV

Contributions to Capital

4.1 General Partner Capital Contributions.

(a) Simultaneously with the execution and delivery hereof, the Managing General Partner is contributing to the Partnership substantially all of its assets and liabilities in exchange for a managing general partnership interest in the Partnership and admission to the Partnership as a Limited Partner with the number of Units set forth on Exhibit A. The Partnership may direct the transfer of certain of such assets and/or liabilities to one or more of its subsidiaries.

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

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

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

4.3 Additional Funds.

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

(b) To the extent the Partnership does not borrow all of the Required Funds (and whether or not the Partnership is able to borrow all or part of the Required Funds), the Managing General Partner or any of the Non-Managing General Partners (or an Affiliate thereof) (i) may itself borrow such Required Funds, in which case the Managing General Partner or such Non-Managing General Partner shall lend such Required Funds to the Partnership

on the same economic terms and otherwise on substantially identical terms, or (ii) may raise such Required Funds in any other manner, in which case, unless such Required Funds are raised by the Managing General Partner through the sale of Preferred Shares, the Managing General Partner or such Non-Managing General Partner shall contribute to the Partnership as an additional Capital Contribution the amount of the Required Funds so raised ("Contributed Funds") (hereinafter, each date on which the Managing General Partner or the Non-Managing General Partners so contributes Contributed Funds pursuant to this Section 4.3(b) is referred to as an "Adjustment Date"). Any Required Funds raised from the sale of Preferred Shares shall either be contributed to the Partnership as Contributed Funds or loaned to the Partnership pursuant to Section 4.3(c) below. In the event the Managing General Partner or a Non-Managing General Partner advances Required Funds to the Partnership pursuant to this Section 4.3(b) as Contributed Funds, then the Partnership shall assume and pay (or reflect on its books as additional Contributed Funds) the expenses (including any applicable underwriting discounts) incurred by the Managing General Partner or a Non-Managing General Partner (or such Affiliate) in connection with raising such Required Funds through a public offering of its securities or otherwise. If the Managing General Partner advances Required Funds to the Partnership as Contributed Funds pursuant to this Section 4.3(b) from any offering or sale of Shares (including, without limitation, any issuance of Shares pursuant to the exercise of options, warrants, convertible securities or similar rights to acquire Shares), the Partnership shall issue additional Partnership Units to the Managing General Partner to reflect its contribution of the Contributed Funds equal in number to such number of Shares issued in such offering or sale.

(c) In the event any General Partner contributes to the Partnership any Required Funds obtained from the sale of Preferred Shares ("Preferred Contributed Funds"), then the Partnership shall assume and pay the expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising such Required Funds. In addition, the Managing General Partner shall be issued Preferred Units of a designated class or series to reflect its contribution of such funds. Each class or series of Preferred Units so issued shall be designated by the Managing General Partner to identify such class or series with the class or series of Preferred Shares which constitutes the Related Issue. Each class or series of Preferred Units shall be described in a written document (the "Preferred Unit Designation") attached as Exhibit B that shall set forth, in sufficient detail, the economic rights, including dividend, redemption and conversion rights and sinking fund provisions, of the class or series of Preferred Units and the Related Issue. The number of Preferred Units of a class or series shall be equal to the number of shares of the Related Issue sold. The Preferred Unit Designation shall provide for such terms for the class or series of preferred Units that shall entitle the Managing General Partner to substantially the same economic rights as the holders of the Related Issue. Specifically, the Managing General Partner shall receive

distributions on the class or series of Preferred Units pursuant to Section 6.2 equal to the aggregate dividends payable on the Related Issue at the times such dividends are paid (the "Preferred Distribution Requirement"). The Partnership shall redeem the class or series of Preferred Units for a redemption price per Preferred Unit equal to the redemption price per share of the Related Issue, exclusive of any accrued unpaid dividends (the "Preferred Redemption Price") upon the redemption of any shares of the Related Issue. Each class or series of Preferred Units shall also be converted into additional Partnership Units at the time and on such economic terms and conditions as the Related Issue is converted into Shares. Upon the issuance of any class or series of Preferred Units pursuant to this Section 4.3(c), the Managing General Partner shall provide the Limited Partners with a copy of the Preferred Unit Designation relating to such class or series. The Managing General Partner shall have the right, in lieu of contributing to the Partnership proceeds from the sale of Preferred Shares as Preferred Contributed Funds, to lend such proceeds to the Partnership. Any such loan shall be on the same terms and conditions as the Related Issue except that dividends payable on the Related Issue shall be payable by the Partnership to the Managing General Partner as interest, any mandatory redemptions shall take the form of principal payments and no Preferred Units shall be issued to the Managing General Partner. If any such loan is made, the Partnership shall promptly reimburse the Managing General Partner for all expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising the Required Funds. Any such loan made by the Managing General Partner to the Partnership may at any time be contributed to the Partnership as Preferred Contributed Funds in exchange for Preferred Units as above provided; and if the Related Issue is by its terms convertible into Shares, such loan shall be so contributed to the Partnership prior to the effectuation of such conversion.

4.4 Redemption; Change in Number of Shares Outstanding.

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

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

4.5 Stock Option Plan; Dividend Reinvestment Plan. (a) If at any time a stock option granted by the Partnership in connection with a stock option plan is exercised in accordance with its terms, and the Partnership chooses not to acquire any or

all of the stock required to satisfy such option through open market purchases, the Managing General Partner shall, as soon as practicable after such exercise, sell to the Partnership for use in satisfying such stock option, at a purchase price equal to the Current Per Share Market Price on the date such stock option is exercised, the number of newly issued Shares for which such option is exercised (or, if such stock option is to be satisfied in part through open market purchases, the remaining number of newly issued Shares) and the Managing General Partner shall contribute to the capital of the Partnership, in exchange for additional Partnership Units, an amount equal to the price paid to the Managing General Partner by the Partnership in connection with the Partnership's purchase of newly issued Shares upon exercise of such stock option. The number of Partnership Units to be so issued shall be determined by dividing the amount of such capital contribution by the Deemed Partnership Unit Value, computed as of the Trading Day immediately preceding the date of such capital contribution. The Managing General Partner shall promptly give each Limited Partner written notice of the number of Partnership Units so issued. The Partnership shall retain the exercise or purchase price paid by the holder of such option for the Shares such holder is entitled to receive upon such exercise.

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

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

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

4.8 Capital Accounts.

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

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

(2) debited with the amount of cash distributed to such Partner pursuant to the provisions of this Agreement; the Gross Asset Value (net of liabilities secured by such distributed property that such Partner assumes or takes subject to) of any Partnership property distributed to such Partner pursuant to any provision of this Agreement; the amount of unsecured liabilities of such Partner assumed by the Partnership; such Partner's distributive share of Losses; in the case of the General Partners, payments of REIT Expenses by the Partnership; and any other items in the nature of expenses or losses that are allocated to such Partner pursuant to Section 6.1 hereof, but excluding tax items described in Regulations Section 1.704-1(b)(4)(i).

In the event that any or all of a Partner's Partnership Units or Preferred Units are transferred within the meaning of Regulations Section 1.704-l(b)(2)(iv)(l), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Units so transferred.

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

A Limited Partner shall be liable unconditionally to the Partnership for all or a portion of any deficit in its Capital Account if it so elects to be liable for such deficit or portion

thereof. Such election may be for either a limited or unlimited amount and may be amended or withdrawn at any time. The election, and any amendment thereof, shall be made by written notice to the Managing General Partner (and the Managing General Partner shall promptly upon receipt deliver copies thereof to the other Partners) stating that the Limited Partner elects to be liable, and specifying the limitations, if any, on the maximum amount or duration of such liability. Said election, or amendment thereof, shall be effective only from the date 25 days after written notice thereof is received by the Managing General Partner, and shall terminate upon the date, if any, specified therein as a termination date or upon delivery to the Managing General Partner of a subsequent written notice terminating such election. A termination of any such election, or an amendment reducing the Limited Partner's maximum liability thereunder or the duration thereof, shall not be effective to avoid responsibility for any loss incurred prior to such termination or the effective date of such amendment. Except as provided in this Section 4.8 or as required by law, no Limited Partner shall be liable for any deficit in its Capital Account or be obligated to return any distributions of any kind received from the Partnership.

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

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

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

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

(A) a Capital Contribution (other than a de minimis Capital Contribution, within the meaning of Section l.704-l(b)(2)(iv)(f)(5)(i) of the Regulations) to the Partnership by a new or existing Partner as consideration for Partnership Units;

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

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

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

ARTICLE V

Representations, Warranties and Acknowledgment

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

5.2 Representations and Warranties by Non-Managing General Partners. Each of the Non-Managing General Partners represents and warrants to the Limited Partners, the other General Partners and to the Partnership that (i) it is a corporation duly formed, validly

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

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

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

ARTICLE VI

Allocations, Distributions and Other Tax and Accounting Matters

6.1 Allocations.

(a) For the purpose of this Agreement, the terms "Profits" and "Losses" mean, respectively, for each Partnership Fiscal Year or other period, the Partnership's taxable income or loss for such Partnership Fiscal Year or other period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(l) of the Code shall be included in taxable income or loss), adjusted as follows:

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

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

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

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

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

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

(2) Second, for any Partnership Fiscal Year ending on or after a date on which Preferred Units are redeemed, Profits (or Losses) shall be allocated to the holder of such Preferred Units in an amount equal to the excess (or deficit) of the sum of the

applicable Preferred Redemption Amounts for the Preferred Units that have been or are being redeemed during such Partnership Fiscal Year over the Preferred Unit Issue Price of such Preferred Units. In addition, in the event that the Partnership is liquidated pursuant to Article VIII, the allocation described above shall be made to the holder of Preferred Units with respect to all Preferred Units then outstanding.

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

(4) Notwithstanding subparagraphs (1), (2) and (3), Profits and Losses from a Liquidation Transaction shall be allocated as follows:

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

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

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

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

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

(1) A Partner shall not receive an allocation of any Partnership deduction that would result in total loss allocations attributable to "Nonrecourse Liabilities" (as defined in Regulations Section 1.704-2(b)(3)) in excess of such Partner's share of Minimum Gain (as determined under Regulations Section 1.704-2(g)). The term "Minimum Gain" means an amount determined in accordance with Regulations Section 1.704-2(d) by computing, with respect to each Nonrecourse Liability of the Partnership, the amount of gain, if any, that the Partnership would realize if it disposed of the property subject to such liability for no

consideration other than full satisfaction thereof, and by then aggregating the amounts so computed. If the Partnership makes a distribution allocable to the proceeds of a Nonrecourse Liability, in accordance with Regulation Section 1.704-2(h), the distribution will be treated as allocable to an increase in Partnership Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Nonrecourse Liabilities that exceeds the property's adjusted tax basis. If there is a net decrease in Partnership Minimum Gain for a Partnership Fiscal Year, in accordance with Regulations Section 1.704-2(f) and the exceptions contained therein, the Partners shall be allocated items of Partnership income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to the Partners' respective shares of the net decrease in Minimum Gain within the meaning of Regulations Section l.704-2(g)(2) (the "Minimum Gain Chargeback"). The items to be allocated pursuant to this Section 6.1(d)(1) shall be determined in accordance with Regulations Section 1.704-2(f) and (j).

(2) Any item of "Partner Nonrecourse Deduction" (as defined in Regulations Section 1.704-2(i)) with respect to a "Partner Nonrecourse Debt" (as defined in Regulations Section l.704-2(b)(4)) shall be allocated to the Partner or Partners who bear the economic risk of loss for such Partner Nonrecourse Debt in accordance with Regulations Section l.704-2(i)(l). If the Partnership makes a distribution allocable to the proceeds of a Partner Nonrecourse Debt, in accordance with Regulation Section l.704-2(i)(6) the distribution will be treated as allocable to an increase in Partner Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Partner Nonrecourse Debt that exceeds the property's adjusted tax basis. Subject to Section 6.1(d)(1) hereof, but notwithstanding any other provision of this Agreement, in the event that there is a net decrease in Minimum Gain attributable to a Partner Nonrecourse Debt (such Minimum Gain being hereinafter referred to as "Partner Nonrecourse Debt Minimum Gain") for a Partnership Fiscal Year, then after taking into account allocations pursuant to Section 6.1(d)(1) hereof, but before any other allocations are made for such taxable year, and subject to the exceptions set forth in Regulations Section 1.704-2(i)(4), each Partner with a share of Partner Non-recourse Debt Minimum Gain at the beginning of such Partnership Fiscal Year shall be allocated items of income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain as determined in a manner consistent with the provisions of Regulations Section l.704-2(g)(2). The items to be allocated pursuant to this Section 6.1(d)(2) shall be determined in accordance with Regulations Section 1.704-2(i)(4) and (j).

(3) Pursuant to Regulations Section 1.752-3(a)(3), for the purpose of determining each Partner's share of excess nonrecourse liabilities of the Partnership, and solely for such purpose, each Partner's interest in Partnership profits is hereby

specified to be the quotient of (i) the number of Partnership Units then held by such Partner, and (ii) the aggregate amount of Partnership Units then outstanding.

(4) No Limited Partner shall be allocated any item of deduction or loss of the Partnership if such allocation would cause such Limited Partner's Capital Account to become negative by more than the sum of (i) any amount such Limited Partner is obligated to restore upon liquidation of the Partnership, plus (ii) such Limited Partner's share of the Partnership's Minimum Gain and Partner Nonrecourse Debt Minimum Gain. An item of deduction or loss that cannot be allocated to a Limited Partner pursuant to this Section 6.1(d)(4) shall be allocated to the General Partners in accordance with the number of Partnership Units held by each General Partner. For this purpose, in determining the Capital Account balance of such Limited Partner, the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) shall be taken into account. In the event that (A) any Limited Partner unexpectedly receives any adjustment, allocation, or distribution described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), (5), or (6), and (B) such adjustment, allocation, or distribution causes or increases a deficit balance (net of amounts which such Limited Partner is obligated to restore or deemed obligated to restore under Regulations Section 1.704-2(g)(l) and l.704-2(i)(5) and determined after taking into account any adjustments, allocations, or distributions described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), (5), or (6) that, as of the end of the Partnership Fiscal Year, reasonably are expected to be made to such Limited Partner) in such Limited Partner's Capital Account as of the end of the Partnership Fiscal Year to which such adjustment, allocation, or distribution relates, then items of Gross Income (consisting of a pro rata portion of each item of Gross Income) for such Partnership Fiscal Year and each subsequent Partnership Fiscal Year shall be allocated to such Limited Partner until such deficit balance or increase in such deficit balance, as the case may be, has been eliminated. In the event that this Section 6.1(d)(4) and Section 6.1(d)(1) and/or (2) hereof apply, Section 6.1(d)(1) and/or (2) hereof shall be applied prior to this Section 6.l(d)(4).

(5) The Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss, and deduction among the Partners so that, to the extent possible, the cumulative net amount of allocations of Partnership items under this Section 6.1 shall be equal to the net amount that would have been allocated to each Partner if the Regulatory Allocations had not been made. This Section 6.1(d)(5) is intended to minimize to the extent possible and to the extent necessary any economic distortions which may result from application of the Regulatory Allocations and shall be interpreted in a manner consistent therewith. For purposes hereof, "Regulatory Allocations" shall mean the allocations provided under this Section 6.1(d) (other than this Section 6.l(d)(5)).

(e) In accordance with Sections 704(b) and 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for federal income tax purposes, be allocated among the Partners on a property by property basis so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and the initial Gross Asset Value of such property. If the Gross Asset Value of any Partnership property is adjusted as described in the definition of Gross Asset Value, subsequent allocations of income, gains or losses from taxable sales or other dispositions and deductions with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and the Gross Asset Value of such asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Regulations thereunder. In furtherance of the foregoing, the Partnership shall employ the method prescribed in Regulation S 1.704-3(b) (the "traditional method") or the equivalent successor provision(s) of proposed, temporary or final Regulations. The Partnership shall allocate items of income, gain, loss and deduction allocated to it by a Subsidiary Entity to the Partner or Partners contributing the interest or interests in such subsidiary Entity, so that, to the greatest extent possible and consistent with the foregoing, such contributing Partner or Partners are allocated the same amount and character of items of income, gain, loss and deduction with respect to such Subsidiary Entity that they would have been allocated had they contributed undivided interests in the assets owned by such Subsidiary Entity to the Partnership in lieu of contributing the interest or interests in the Subsidiary Entity to the Partnership.

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

(g) If any portion of gain from the sale of property is treated as gain which is ordinary income by virtue of the application of Code Sections 1245 or 1250 ("Affected Gain"), then (A) such Affected Gain shall be allocated among the Partners in the same proportion that the depreciation and amortization deductions

giving rise to the Affected Gain were allocated and (B) other tax items of gain of the same character that would have been recognized, but for the application of Code Sections 1245 and/or 1250, shall be allocated away from those Partners who are allocated Affected Gain pursuant to clause (A) so that, to the extent possible, the other Partners are allocated the same amount, and type, of capital gain that would have been allocated to them had Code Sections 1245 and/or 1250 not applied. For purposes hereof, in order to determine the proportionate allocations of depreciation and amortization deductions for each Fiscal Year or other applicable period, such deductions shall be deemed allocated on the same basis as Profits or Losses for such respective period.

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

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

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

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

6.2 Distributions. (a) Except with respect to the liquidation of the Partnership and subject to the priority set forth in Sections 6.2(b) and (c), the Managing General Partner shall cause the Partnership to distribute all or a portion of Net Operating Cash Flow to the Partners who are such on the relevant Partnership Record Date from time to time as determined by the Managing General Partner, but in any event not less frequently than quarterly, in such amounts as the Managing General Partner shall

determine in its sole discretion; provided, however, that, except as provided in Sections 6.2(b) and (c) below, all such distributions shall be made pro rata in accordance with the outstanding Partnership Units on the relevant Partnership Record Date. In no event may a Limited Partner receive a distribution of Net Operating Cash Flow with respect to a Partnership Unit that such Partner has exchanged on or prior to the relevant Partnership Record Date for a Share, pursuant to the Rights granted under Section 11.1 (a "Post-Exchange Distribution"); rather, all such Post-Exchange Distributions shall be distributed to the Managing General Partner.

(b) Except to the extent Net Operating Cash Flow is distributed pursuant to Section 6.2(c), and except with respect to the liquidation of the Partnership, distributions of Net Operating Cash Flow shall be made in the following order of priority;

(i) First, to the extent that the amount of Net Operating Cash Flow distributed to the holder of Preferred Units for any prior quarter was less than the Preferred Distribution Requirement for such quarter, and has not been subsequently distributed pursuant to this Section 6.2(b)(i) (a "Preferred Distribution Shortfall"), Net Operating Cash Flow shall be distributed to the holder of Preferred Units in an amount necessary to satisfy such Preferred Distribution Shortfall for the current and all prior Partnership Fiscal Years. In the event that the Net Operating Cash Flow distributed for a particular quarter is less than the Preferred Distribution Shortfall, then all Net Operating Cash Flow for the current quarter shall be distributed to the holder of Preferred Units.

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

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

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

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

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

6.3 Books of Account; Segregation of Funds

(a) At all times during the continuance of the Partnership, the Managing General Partner shall maintain or cause

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

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

6.4 Reports. Within ninety (90) days after the end of each Partnership Fiscal Year, the Partnership shall cause to be prepared and transmitted to each Partner an annual report of the Partnership relating to the previous Partnership Fiscal Year containing a balance sheet as of the year then ended, a statement of financial condition as of the year then ended, and statements of operations, cash flow and Partnership equity for the year then ended, which annual statements shall be prepared in accordance with GAAP and shall be audited by the Accountants. The Partnership shall also cause to be prepared and transmitted to each Partner within forty-five (45) days after the end of each of the first three (3) quarters of each Partnership Fiscal Year a quarterly unaudited report containing a balance sheet, a statement of the Partnership's financial condition and statements of operations, cash flow and Partnership equity, in each case relating to the fiscal quarter then just ended, and prepared in accordance with GAAP. The Partnership shall further cause to be prepared and transmitted to the Managing General Partner and the Non-Managing General Partners (i) such reports and/or information as are necessary for each to fulfill its obligations under the Securities Act of 1933, the Securities and Exchange Act of 1934 and the applicable stock exchange rules, and under any other regulations to which such Partners or the Partnership may be subject, and (ii) such other reports and/or information as are necessary for each of the Managing General Partner and the Non-Managing General Partners to determine and maintain its qualification as a REIT under the REIT Requirements, its earnings and profits derived from the Partnership, its liability for a tax as a consequence of its

Partnership Interest and distributive share of taxable income or loss and items thereof, in each case in a manner that will permit the Managing General Partner and the Non-Managing General Partners to comply with their respective obligations to file federal, state and local tax returns and information returns and to provide their shareholders with tax information. The Managing General Partner shall provide to each Partner copies of all reports it provides to its stockholders at the same time such reports are distributed to such stockholders. The Managing General Partner shall also promptly notify the Partners of all actions taken by the Managing General Partner for which it has obtained the Consent of the Limited Partners.

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

6.6 Tax Returns.

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

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

(c) The Partnership shall timely cause to be prepared and transmitted to the Partners federal and appropriate state and local Partnership Income Tax Schedules "K-l" or any substitute therefor, with respect to each Partnership Fiscal Year on appropriate forms prescribed. The Partnership shall make reasonable efforts to prepare and submit such forms before the due date for filing federal income tax returns for the fiscal year in question (determined without extensions), and shall in any event prepare and submit such forms on or before July 15 of the year following the fiscal year in question.

6.7 Tax Matters Partner

The Managing General Partner is hereby designated as the Tax Matters Partner within the meaning of Section 6231(a)(7) of the Code for the Partnership; provided, however, that (i) in exercising

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

6.8 Withholding. Each Partner hereby authorizes the Partnership to withhold or pay on behalf of or with respect to such Partner any amount of federal, state, local or foreign taxes that the Managing General Partner determines the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Sections 1441, 1442, 1445, or 1446. Any amount paid on behalf of or with respect to a Partner shall constitute a loan by the Partnership to such Partner, which loan shall be due within fifteen (15) days after repayment is demanded of the Partner in question, and shall be repaid through withholding of subsequent distributions to such Partner. Nothing in this Section 6.8 shall create any obligation on the Managing General Partner to advance funds to the Partnership or to borrow

funds from Third Parties in order to make payments on account of any liability of the Partnership under a withholding tax act. Any amounts payable by a Limited Partner hereunder shall bear interest at the lesser of (i) the base rate on corporate loans at large United States money center commercial banks, as published from time to time in The Wall Street Journal, or (ii) the maximum lawful rate of interest on such obligation, such interest to accrue from the date such amount is due (i.e., fifteen (15) days after demand) until such amount is paid in full. To the extent the payment or accrual of withholding tax results in a federal, state or local tax credit to the Partnership, such credit shall be allocated to the Partner to whose distribution the tax is attributable.

ARTICLE VII

Rights, Duties and Restrictions of the General Partners

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

7.2 Powers and Duties of the General Partners. The Managing General Partner shall be responsible for the management of the Partnership's business and affairs. Except as otherwise herein expressly provided, and subject to the limitations contained in Section 7.3 hereof with respect to Major Decisions, the Managing General Partner shall have, and is hereby granted, full and complete power, authority and discretion to take such action for and on behalf of the Partnership and in its name as the Managing General Partner shall, in its sole and absolute discretion, deem necessary or appropriate to carry out the purposes for which the Partnership was organized. Any action by the Managing General Partner relating to (i) transactions between the Partnership or a Subsidiary Entity and M.S. Management Associates, Inc., Simon MOA Management Company, Inc. and/or M.S. Management Associates (Indiana), Inc., (ii) transactions between the Partnership or a Subsidiary Entity and DeBartolo Properties Management, Inc. or (iii) transactions involving the Partnership or a Subsidiary Entity in which the Simons, the DeBartolos or any Affiliate of the Simons or the DeBartolos has an interest (other than a non-controlling minority equity interest, which has no management or veto powers, in a Person, other than the Partnership or a Subsidiary entity, which is engaged in such transaction) other than through ownership of Partnership Units, shall require the prior approval of a

majority of the Independent Directors. Except as otherwise expressly provided herein and subject to Section 7.3 hereof, the Managing General Partner shall have, for and on behalf of the Partnership, the right, power and authority:

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

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

(c) To employ, engage or contract with or dismiss from employment or engagement Persons to the extent deemed necessary by the Managing General Partner for the operation and management of the Partnership business, including but not limited to, employees,

contractors, subcontractors, engineers, architects, surveyors, mechanics, consultants, accountants, attorneys, insurance brokers, real estate brokers and others;

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

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

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

(g) To acquire and enter into any contract of insurance which the Managing General Partner deems necessary or appropriate for the protection of the Partnership or any Affiliate thereof, for the conservation of the Partnership's assets (or the assets of any Affiliate thereof) or for any purpose convenient or beneficial to the Partnership or any Affiliate thereof;

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

discount commercial paper, acceptances, negotiable instruments, bills of exchange and dollar drafts;

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

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

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

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

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

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

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

Notwithstanding any other provisions of this Agreement or the Act, any action of the Managing General Partner on behalf of the Partnership or any decision of the Managing General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or

advisable in order (i) to protect or further the ability of the Managing General Partner, the Non-Managing General Partners and their respective subsidiaries to continue to qualify as REITs or (ii) to avoid the Managing General Partner's or the Non-Managing General Partners' incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners. Nothing, however, in this Agreement shall be deemed to give rise to any liability on the part of a Limited Partner for the Managing General Partner's, the Non-Managing General Partner's or their respective subsidiaries' failure to qualify or continue to qualify as a REIT or a failure to avoid incurring any taxes under the foregoing sections of the Code, unless such failure or failures result from an act of the Limited Partner which constitutes a breach of this Agreement (including, without limitation, Section 10.4(b)).

7.3 Major Decisions.

(a) The Managing General Partner shall not, without the Consent of the Limited Partners, and the consent of the Non-Managing General Partners, (y) on behalf of the Partnership, amend, modify or terminate this Agreement other than to reflect (A) the admission of Additional Limited Partners pursuant to Section 9.4 hereof, (B) the making of additional Capital Contributions and the issuance of additional Partnership Units by reason thereof, all in accordance with the terms of this Agreement, (C) the withdrawal or assignment of the interest of any Partner in accordance with the terms of this Agreement, or (D) any changes necessary to satisfy the REIT Requirements, or (z) permit the Partnership, on behalf of any Subsidiary Partnership, to amend, modify or terminate the organizing agreement pursuant to which such Subsidiary Partnership operates other than to reflect (A) the admission of additional limited partners therein pursuant to the terms thereof, (B) the making of additional capital contributions thereto pursuant to the terms thereof, (C) the withdrawal or assignment of the interest of any partner thereof pursuant to the terms thereof, or (D) any changes necessary to satisfy the REIT Requirements. Notwithstanding the foregoing, this Agreement shall not be modified or amended without the prior written consent of each Partner adversely affected if such modification or acquisition would (i) convert a Limited Partner's interest in the Partnership to a general partnership interest, (ii) modify the limited liability of a Limited Partner, (iii) reduce the interest of any Partner in the Partnership, (iv) reduce any Partner's share of distributions made by the Partnership, (v) amend this Section 7.3 or Section 7.5 or (vi) create any obligations for any Limited Partner or deprive any Limited Partner of (or otherwise impair) any other rights it may have under this Agreement (including in respect of tax allocations, rights to indemnification under Section 7.8, rights of the Limited Partner or a Secured Creditor of a Limited Partner under Section 9.3 (which rights are subject to the restrictions set forth in Section 9.5), rights of a Limited Partner under Section 9.6 or Article XI, or the rights of a Limited Partner under Section 10.4(a) or 10.5); provided, however, that an amendment that reduces

the percentage ownership interest of any Partner in the Partnership or reduces any Partner's share of distributions made by the Partnership (including tax allocations in respect of such distributions) shall not require the consent of any Partner if such change is made on a uniform or pro-rata basis with respect to all Partners.

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

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

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

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

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

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

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

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

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

(iii) dissolve the Partnership.

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

7.4 Managing General Partner and Non-Managing General Partners Participation. The Managing General Partner and the Non-Managing General Partners agree that (a) substantially all activities and business operations of the Managing General Partner and the Non-Managing General Partners, including but not limited to, activities pertaining to the acquisition, development, redevelopment and ownership of properties, shall be conducted directly or indirectly through the Partnership or any Subsidiary Partnership and (b) except as provided below any funds raised by the Managing General Partner or the Non-Managing General Partners, whether by issuance of stock, borrowing or otherwise, will be made available to the Partnership whether as capital contributions, loans or otherwise, as appropriate. Notwithstanding the provisions of the preceding sentence, each of the Managing General Partner and the Non-Managing General Partners shall have the right to form Qualified REIT subsidiaries to act as general partners of Subsidiary Partnerships of the Partnership. The Managing General Partner and the Non Managing General Partner agree to conduct their respective affairs, to the extent they are so able to do, in a manner which will preserve the equivalence in value between a Share and a Partnership Unit.

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

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

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

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

Nothing herein contained shall impose any obligation on any Person doing business with the Partnership to inquire as to whether or not the Managing General Partner has properly exercised its authority in executing any contract, lease, mortgage, deed or

any other instrument or document on behalf of the Partnership, and any such Person shall be fully protected in relying upon such authority.

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

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

7.8 Waiver and Indemnification. Neither the Managing General Partner, the Non-Managing General Partners nor any of their Affiliates, directors, trust managers, officers, shareholders, nor any Person acting on their behalf pursuant hereto, shall be liable, responsible or accountable in damages or otherwise to the Partnership or to any Partner for any acts or omissions performed or omitted to be performed by them within the scope of the authority conferred upon the Managing General Partner or the Non-Managing General Partners by this Agreement and the Act, provided that the Managing General Partner's, the Non-Managing General Partners' or such other Person's conduct or omission to act was taken in good faith and in the belief that such conduct or omission was in the best interests of the Partnership and, provided further, that the Managing General Partner, the Non-Managing General Partners or such other Person shall not be guilty of fraud, willful misconduct or gross negligence. The Managing General Partner acknowledges that it owes fiduciary duties both to its shareholders and to the Limited Partners and it shall use its reasonable efforts to discharge such duties to each; provided, however, that in the event of a conflict between the interests of the shareholders of the Managing General Partner and the interests of the Limited Partners, the Limited Partners agree that the Managing General Partner shall discharge its fiduciary duties to the Limited Partners by acting in the best interests of the Managing General Partner's shareholders. Nothing contained in the preceding sentence shall be construed as entitling either the Managing General Partner or the Non-Managing General Partners to realize any profit or gain from any transaction between such Partner and the Partnership (except as may be required by law upon a distribution to the Managing General Partner or the Non-Managing General Partners), including from the lending of money by the Managing General Partner or the Non-Managing General Partners to the Partnership or the contribution of property by the Managing General Partner or the Non-Managing General Partners to the Partnership, it being understood that in any such transaction the Managing General Partner or the Non-Managing General Partners, as the case may be, shall be entitled to cost recovery only. The Partnership shall, and hereby does, indemnify and hold harmless each of the Managing

General Partner and the Non-Managing General Partners and its Affiliates, their respective directors, officers, shareholders and any other individual acting on its or their behalf to the extent such Persons would be indemnified by the Managing General Partner pursuant to the Charter of the Managing General Partner if such persons were directors, officers, agents or employees of the Managing General Partner (or the Charter of SDG or the Amended and Restated Regulations of SD Property, if such Persons were directors, officers, agents or employees of the Non-Managing General Partners); provided, however, that no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership. The Partnership shall, and hereby does, indemnify each Limited Partner and its Affiliates, their respective directors, officers, shareholders and any other individual acting on its or their behalf, from and against any costs (including costs of defense) incurred by it as a result of any litigation or other proceeding in which any Limited Partner is named as a defendant or any claim threatened or asserted against any Limited Partner, in either case which relates to the operations of the Partnership or any obligation assumed by the Partnership, unless such costs are the result of misconduct on the part of, or a breach of this Agreement by, such Limited Partner; provided, however, no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership.

7.9 Limitation of Liability of Directors Shareholders and Officers of the Managing General Partner and the Non-Managing General Partners. Any obligation or liability whatsoever of the General Partners which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partners or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partners' directors, shareholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

7.10 Distribution to Limited Partners of the SRC Partnership. Pursuant to the terms of the Agreement of Limited Partnership of the SRC Partnership, the Partnership will contribute assets to the SRC Partnership, become a limited partner of the SRC Partnership and receive SRC Partnership Units, which the Partnership will, in turn, distribute pro rata to all Limited Partners other than any General Partner who also holds SRC Partnership Units, whereupon the Limited Partners shall become limited partners of the SRC Partnership.

ARTICLE VIII

Dissolution, Liquidation and Winding-Up

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

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

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

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

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

(d) To the Partners in accordance with the positive balances in their Capital Accounts after giving effect to all contributions, distributions and allocations for all periods, including the period in which such distribution occurs (other than those distributions made pursuant to this Section 8.2(d), Section 8.3 or Section 8.4 hereof).

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

8.3 Sale of Partnership Assets. In the event of the liquidation of the Partnership in accordance with the terms of this Agreement, the Liquidation Agent may sell Partnership property; provided, however, that all sales, leases, encumbrances or transfers of Partnership assets shall be made by the Liquidation Agent solely on an "arm's length" basis, at the best price and on the best terms and conditions as the Liquidation Agent in good faith believes are reasonably available at the time and under the circumstances and on a non-recourse basis to the Limited Partners. The liquidation of the Partnership shall not be deemed finally terminated until the Partnership shall have received cash payments in full with respect to obligations such as notes, purchase money mortgages, installment sale contracts or other similar receivables

received by the Partnership in connection with the sale of Partnership assets and all obligations of the Partnership have been satisfied or assumed by the Managing General Partner or the Non-Managing General Partners. The Liquidation Agent shall continue to act to enforce all of the rights of the Partnership pursuant to any such obligations until paid in full or otherwise discharged or settled.

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

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

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

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

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

ARTICLE IX

Transfer of Partnership Interests and Related Matters

9.1 Non-Managing General Partners Transfers and Deemed Transfers. Each of the Non-Managing General Partners shall not (i) withdraw from the Partnership, (ii) merge, consolidate or engage in any combination with another Person, (iii) sell all or substantially all of its assets or (iv) sell, assign, pledge, encumber or otherwise dispose of all or any portion of its Partnership Units except where such merger, consolidation, sale, assignment, pledge or other disposal is to another General Partner as its sole successor. In the event of the withdrawal by a General Partner from the Partnership, in violation of this Agreement or otherwise, or the dissolution, termination or Bankruptcy of a General Partner, within 90 days after the occurrence of any such event, the remaining General Partners or a majority in interest of the remaining Partners may elect in writing to continue the Partnership business and may, or if there is then no General Partner other than one that has withdrawn or as to which dissolution, termination or Bankruptcy has occurred shall, select a substitute general partner effective as of the date of the occurrence of any such event.

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

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

(a) Notwithstanding the foregoing, but subject to the provisions of Section 9.5 hereof, any Limited Partner may at any time, without the consent of the Managing General Partner or the Non-Managing General Partners, (i) Transfer all or a portion of its Partnership Units to an Affiliate of such Limited Partner, or (ii) Pledge some or all of its Partnership Units to any Institutional Lender. Any Transfer to an Affiliate pursuant to clause (i) and any Transfer to a pledgee of Partnership Units Pledged pursuant to clause (ii) may be made without the consent of the Managing General Partner or the Non-Managing General Partners but, except as provided in subsequent provisions of this Section 9.3, such transferee or such pledgee shall hold the Units so transferred to it (and shall be admitted to the Partnership as a Substitute Limited Partner) subject to all the restrictions set forth in this Section 9.3. It is a condition to any Transfer otherwise permitted under any provision of this Section 9.3 that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such transferred Partnership Units arising after the effective date of the Transfer and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law, and other than pursuant to an exercise of the Rights pursuant to Article XI wherein all obligations and liabilities of the transferor Partner arising from and after the date of such Transfer shall be assumed by the Managing General Partner) shall relieve the transferor Partner of its obligations under this Agreement prior to the effective date of such Transfer. Upon any such Transfer or Pledge permitted under this Section 9.3, the transferee or, upon foreclosure on the Pledged Partnership Units, each Institutional Lender which is the pledgee shall be admitted as a Substituted Limited Partner as such term is defined in the Act and shall succeed to all of the rights, including rights with respect to the Rights, of the transferor Limited Partner under this Agreement in the place and stead of such transferor Limited Partner; provided, however, that notwithstanding the foregoing, any transferee of any transferred Partnership Unit shall, unless the Ownership Limit is waived in writing by the Managing General Partner, be subject to the Ownership Limit applicable to Persons other than the Limited Partners and/or their Affiliates which may limit or restrict such transferee's ability to exercise the Limited Partner's Rights, if any. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. No

transferee pursuant to a Transfer which is not expressly permitted under this Section 9.3 and is not consented to by the General Partners, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the right to receive such portion of the distributions and allocations of Profits and Losses made by the Partnership as are allocable to the Partnership Units so transferred.

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

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

9.4 Issuance of Additional Partnership Units and Preferred Units. At any time after the date hereof, subject to the provisions of Section 9.5 hereof, the Managing General Partner may, with the consent of the Non-Managing General Partners, upon its determination that the issuance of additional Partnership Units ("Additional Units") is in the best interests of the Partnership, cause the Partnership to issue Additional Units to any existing Partner or issue Additional Units to and admit as a partner in the Partnership any Person in exchange for the contribution by such Person of cash and/or property which the Managing General Partner determines is desirable to further the purposes of the Partnership under Section 2.3 hereof and which the Managing General Partner determines has a value that justifies the issuance of such Additional Units. In the event that Additional Units are issued by the Partnership pursuant to this Section 9.4, the number of

Partnership Units issued shall be determined by dividing the Gross Asset Value of the property contributed (reduced by the amount of any indebtedness assumed by the Partnership or to which such property is subject) as of the date of contribution to the Partnership (the "Contribution Date") by the Contribution Deemed Partnership Unit Value, computed as of the Trading Day immediately preceding the Contribution Date.

In addition, the Managing General Partner may, upon its determination that the issuance of Preferred Units is in the best interests of the Partnership, issue Preferred Units in accordance with Sections 4.1(c) and 4.3(c) hereof.

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

9.5 Restrictions on Transfer.

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

in a deemed distribution to any Partner attributable to a failure to meet the requirements of Regulations Section l.752-2(d)(l), unless such Partner consents thereto, (vii) if such Transfer would cause any lender to the Partnership to hold in excess of ten (10) percent of the Partnership Interest that would, pursuant to the regulations under Section 752 of the Code or any successor provision, cause a loan by such a lender to constitute Partner Nonrecourse Debt, (viii) if such Transfer, other than to an Affiliate, is of a Partnership Interest the value of which would have been less than $20,000 when issued, (ix) if such Transfer would, in the opinion of counsel to the Partnership, cause the Partnership to cease to be classified as a Partnership for federal income tax purposes or (x) if such Transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704(b) of the Code.

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

(c) No Partnership Unit may be transferred by any Partner without a transfer of the corresponding SRC Partnership Unit.

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

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

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

(b) Registration Expenses. The Managing General Partner shall pay, as REIT Expenses, all expenses incident to the Shelf Registration, including, without limitation, (i) all SEC, stock exchange and National Association of Securities Dealers, Inc. registration, filing and listing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable tees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) all fees and disbursements of the Managing General Partner's independent public accountants and counsel and (v) all fees and expenses of any special experts retained by the Managing General Partner in connection with the Shelf Registration pursuant to the terms of this Section 9.6, regardless of whether such Shelf Registration becomes effective, unless such Shelf Registration fails to become effective as a result of the fault of the Shelf Rights Holders; provided, however, that the Managing General Partner shall not pay the costs and expenses of any Shelf Rights Holder relating to brokerage or dealer fees, transfer taxes or the fees or expenses of any counsel's accountants or other representatives retained by the Shelf Rights Holders, individually or in the aggregate.

ARTICLE X

Rights and Obligations of the Limited Partners

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

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

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

10.4 Duties and Conflicts. (a) The Partners recognize that each of the other Partners and their Affiliates have or may have other business interests, activities and investments, some of which

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

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

10.5 Guaranty and Indemnification Agreements.

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

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

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

ARTICLE XI

Grant of Rights to the Limited Partners

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

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

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

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

Where a Limited Partner exercising its rights pursuant to this Section on or after August 9, 2001, up to, but not

including, August 9, 2004, is a DeBartolo, and such Limited Partner has received a special allocation of taxable income or gain from a Covered Sale pursuant to Section 6.1(e) within 90 days prior to the date of such exercise, then to the extent of any tax due on such allocation and on the redemption of such Limited Partner's Units, the Managing General Partner shall, if such Limited Partner so requests in the Exercise Notice, cause the Partnership to redeem its Units for cash in accordance with this Section 11.3.

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

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

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

11.7 Covenants of the Managing General Partner. To facilitate the Managing General Partner's ability fully to perform its obligations hereunder, the Managing General Partner covenants and agrees as follows:

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

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

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

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

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

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

ARTICLE XII

General Provisions

12.1 Investment Representations.

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

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

12.2 Notices. All notices, offers or other communications required or permitted to be given pursuant to this Agreement shall be in writing and may be personally delivered or sent by United States mail or by reputable overnight delivery service and shall be

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

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

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

12.5 Effect and Interpretation. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN CONFORMITY WITH THE LAWS OF THE STATE OF DELAWARE.

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed as of the date and year first above written which Agreement shall be effective on the date it is executed and delivered by the Parties hereto.

GENERAL PARTNERS:

SD PROPERTY GROUP, L.P.

By:_____
Name:
Title:

SPG PROPERTIES, INC.

By:_____
Name:
Title:

SIMON PROPERTY GROUP, INC.

By:_____
Name:
Title:

LIMITED PARTNERS:
MELVIN SIMON & ASSOCIATES, INC.

By:_____
Name:
Title:

JCP REALTY, INC.

By:_____
Name:
Title:

BRANDYWINE REALTY, INC.

By:_____

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Name:
Title:

_____
MELVIN SIMON

_____
HERBERT SIMON

_____
DAVID SIMON

_____
DEBORAH J. SIMON

_____
CYNTHIA J. SIMON SKJODT

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

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

MELVIN SIMON & ASSOCIATES, INC.

By:_____
Name:
Title:

PENN SIMON CORPORATION

By:_____
Name:
Title:

NACO SIMON CORP.

By:_____
Name:
Title:

SANDY SPRINGS PROPERTIES, INC.

By:_____
Name:
Title:

SIMON ENTERPRISES, INC.

By:_____
Name:
Title:

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

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

By:_____
Name:
Title:

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

_____
Melvin Simon

_____
Herbert Simon

_____
David Simon

ESTATE OF EDWARD J. DeBARTOLO

By:_____
Name:
Title:

By:_____
Name:
Title:

_____

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

_____
Cynthia R. DeBartolo

_____, individually, and in his/her capacity as

Trustee under (i) Edward J. DeBartolo Trust No. 8 for the benefit of John Edward York, (ii) Edward J. DeBartolo Trust No. 9 for the benefit of Anthony John York, (iii) Edward J. DeBartolo Trust No. 10 for the benefit of Mara Denise York and (iv) Edward J. DeBartolo Trust No. 11 for the benefit of Jenna Marie York

EJDC LLC

By:_____
Name:
Title:

DeBARTOLO LLC

By:_____
Name:
Title:

NIDC LLC

By:_____
Name:
Title:

GREAT LAKES MALL LLC

By:_____
Name:
Title:

RUES PROPERTIES LLC

By:_____
Name:
Title:

RUES PROPERTIES, INC.

By:_____
Name:
Title:

CHELTENHAM SHOPPING CENTER ASSOCIATES

By:_____
Name:
Title:

EXHIBIT 10.34

LIMITED PARTNERSHIP AGREEMENT

OF

SPG REALTY CONSULTANTS, L.P.

ARTICLE I
Definitions; Etc.

ARTICLE II
Continuation of Partnership

ARTICLE III
Term

ARTICLE IV
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ARTICLE VI
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General Provisions

LIMITED PARTNERSHIP AGREEMENT
OF
SPG REALTY CONSULTANTS, L.P.

THIS LIMITED PARTNERSHIP AGREEMENT, dated as of August __, 1998, is made by and among SPG REALTY CONSULTANTS, INC., a Delaware corporation, as managing general partner (the "Managing General Partner"), and those parties who have executed this Agreement as limited partners and whose names and addresses are set forth on Exhibit A hereto as limited partners (the "Limited Partners").

WITNESSETH:

WHEREAS, concurrently with the execution hereof, SPG Merger Sub, Inc., a Maryland corporation and a wholly-owned subsidiary of Simon Property Group, Inc. ("Simon Group"), merged into Simon DeBartolo Group, Inc. pursuant to the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement"), among Simon DeBartolo Group, Inc., Corporate Property Investors (the predecessor to Simon Group) and Corporate Realty Consultants, Inc. (renamed SPG Realty Consultants, Inc.); and

WHEREAS, concurrently with the execution hereof, the Simon Group Partnership (as defined below) will become a limited partner of the Partnership and receive Partnership Units, which the Simon Group Partnership will, in turn, distribute pro rata to all of its limited partners other than any general partner of the Simon Group Partnership who also holds Partnership Units, whereupon such limited partners shall become Limited Partners of the Partnership; and

WHEREAS, the Managing General Partner is concurrently herewith, in exchange for the contribution to the Partnership and its subsidiaries of substantially all of its assets and liabilities, becoming the managing general partner and a Limited Partner of the Partnership, holding Units in the amount set forth in Exhibit A;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

ARTICLE I

Definitions; Etc.

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

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

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

"Additional Units" shall have the meaning set forth in Section 9.4 hereof.

"Adjustment Date" shall have the meaning set forth in Section 4.3(b) hereof.

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

"Affected Gain" shall have the meaning set forth in Section 6.1(g) hereof.

"Affiliate" shall mean, with respect to any Partner (or as to any other Person the affiliates of which are relevant for purposes of any of the provisions of this Agreement) (i) any member of the Immediate Family of such Partner or Person; (ii) any partner, trustee, beneficiary or shareholder of such Partner or Person; (iii) any legal representative, successor or assignee of such Partner or any Person referred to in the preceding clauses (1) and (ii); (iv) any trustee or trust for the benefit of such Partner or any Person referred to in the preceding clauses (i) through (iii); or (v) any Entity which, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Partner or any Person referred to in the preceding clauses (i) through (iv).

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

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

"Bankruptcy" shall mean, with respect to any Partner, (i) the commencement by such Partner of any proceeding seeking relief under any provision or chapter of the federal Bankruptcy Code or any

other federal or state law relating to insolvency, bankruptcy or reorganization, (ii) an adjudication that such Partner is insolvent or bankrupt, (iii) the entry of an order for relief under the federal Bankruptcy Code with respect to such Partner, (iv) the filing of any petition or the commencement of any case or proceeding against such Partner under the federal Bankruptcy Code unless such petition and the case or proceeding initiated thereby are dismissed within ninety (90) days from the date of such filing or commencement, (v) the filing of an answer by such Partner admitting the allegations of any such petition, (vi) the appointment of a trustee, receiver or custodian for all or substantially all of the assets of such Partner unless such appointment is vacated or dismissed within ninety (90) days from the date of such appointment but not less than five (5) days before the proposed sale of any assets of such Partner, (vii) the execution by such Partner of a general assignment for the benefit of creditors, (viii) the convening by such Partner of a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts, (ix) the failure of such Partner to pay its debts as they mature, (x} the levy, attachment, execution or other seizure of substantially all of the assets of such Partner where such seizure is not discharged within thirty (30) days thereafter, or (xi) the admission by such Partner in writing of its inability to pay its debts as they mature or that it is generally not paying its debts as they become due.

"Capital Account" shall have the meaning set forth in Section 4.8(a) hereof.

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

"Certificate" shall mean the Certificate of Limited Partnership establishing the Partnership, as filed with the office of the Delaware Secretary of State on _____ ___, 1998, as it may hereafter be amended from time to time in accordance with the terms of this Agreement and the Act.

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

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

"Computation Date" shall have the meaning set forth in Section 11.3 hereof.

"Consent of the DeBartolos" shall mean consent of those Limited Partners who are "DeBartolos" as defined herein. EJDC (in

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

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

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

"Contributed Funds" shall have the meaning set forth in Section 4.3(b) hereof.

"Contribution Date" shall have the meaning set forth in Section 9.4 hereof.

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

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

"Deemed Partnership Unit Value" with respect to a particular Trust Interest as of any date shall mean the value of the Shares underlying such Trust Interest, which shall be an amount equal to the greater of (i) the aggregate par value of the Share underlying the Trust Interest and (ii) the amount determined in good faith by the Board of Directors of the Managing General Partner to represent the fair market net asset value of the Share underlying the Trust Interest.

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

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

"Effective Time" shall have the meaning set forth in the Merger Agreement.

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

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

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

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

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

"General Partner" shall mean the Managing General Partner and its duly admitted successors and assigns and any other Person who is a general partner of the Partnership at the time of reference thereto.

"GP Expenses" shall mean (i) costs and expenses relating to the continuity of existence of the Managing General Partner and its subsidiaries, including taxes, fees and assessments associated therewith, and any and all costs, expenses or fees payable to any director or trustee of the Managing General Partner or such subsidiaries, (ii) costs and expenses relating to any offer or registration of securities by the Managing General Partner or its subsidiaries and all statements, reports, fees and expenses incidental thereto, including underwriting discounts, selling commissions and placement fees applicable to any such offer of securities; provided, however, that in the case of any such registration of securities on behalf of one or more of the security holders of the Managing General Partner or its subsidiaries, GP Expenses shall not include underwriting discounts or selling commissions), (iii) costs and expenses associated with the preparation and filing of any periodic reports by the Managing General Partner or its subsidiaries under federal, state or local laws or regulations, including tax returns and filings with the SEC and any stock exchanges on which the Shares are listed, (iv) costs and expenses associated with compliance by the Managing General Partner or its subsidiaries with laws, rules and regulations promulgated by any regulatory body, including the SEC, (v) costs and expenses associated with any 401(k) Plan, incentive plan, bonus plan or other plan providing for compensation for the employees of the Managing General Partner or its subsidiaries, and (vi) all operating, administrative and other costs incurred by the Managing General Partner or its subsidiaries (including attorney's and accountant's fees, income and franchise taxes and salaries paid to officers of the Managing General Partner or its subsidiaries, but excluding costs of any repurchase by the General Partners of any of their securities); provided, however that amounts described herein

shall be considered GP Expenses hereunder only if and to the extent during the fiscal year in question the aggregate amount of such expenses for such fiscal year and all prior fiscal years exceeds the aggregate of (a) all amounts theretofore distributed or distributable to the Managing General Partner by any wholly-owned subsidiary thereof and (b) all amounts theretofore paid to the Managing General Partner pursuant to Section 7.1 hereof.

"Gross Asset Value" shall have the meaning set forth in Section 4.8(b) hereof.

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

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

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

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

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

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

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

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

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

"Limited Partner Liability" shall mean, with respect to each Limited Partner, each liability (or portion thereof) included in

the basis of such Limited Partner (other than as an "excess nonrecourse liability" within the meaning of Regulations Section l.752-3(a)(3)) for federal income tax purposes.

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

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

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

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

"Major Decisions" shall have the meaning set forth in Section 7.3(b) hereof.

"Majority-In-Interest of the Limited Partners" shall mean Limited Partner(s) who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by all the Limited Partners, as a class (excluding any Partnership Units held by the Managing General Partner, any Person Controlled by the Managing General Partner or any Person holding as nominee for the General Partners).

"Managing General Partner" shall mean SPG Realty Consultants, Inc., a Delaware corporation.

"Merger Agreement" shall have the meaning set forth in the Recitals hereto.

"Minimum Gain" shall have the meaning set forth in Section 6.1(d)(l) hereof.

"Minimum Gain Chargeback" shall have the meaning set forth in Section 6.1(d)(l) hereof.

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

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

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

"Nonrecourse Liabilities" shall have the meaning set forth in Section 6.l(d)(l) hereof.

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

"Paired Shares" shall mean one share of Simon Group Common Stock and a pro rata Trust Interest.

"Partner Nonrecourse Debt" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"Partner Nonrecourse Debt Minimum Gain" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"Partner Nonrecourse Deduction" shall have the meaning set forth in Section 6.1(d)(2) hereof.

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

"Partnership" shall mean SPG Realty Consultants, L.P., a Delaware limited partnership, as such limited partnership may from time to time be constituted.

"Partnership Fiscal Year" shall mean the calendar year.

"Partnership Interest" shall mean the interest of a Partner in the Partnership.

"Partnership Minimum Gain" shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

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

"Partnership Units" or "Units" shall mean the interest in the Partnership of any Partner which entitles a Partner to the allocations (and each item thereof) specified in Section 6.1(b) hereof and all distributions from the Partnership, and its rights of management, consent, approval, or participation, if any, as provided in this Agreement. Partnership Units do not include Preferred Units. Each Partner's percentage ownership interest in the Partnership shall be determined by dividing the number of Partnership Units then owned by each Partner by the total number of Partnership Units then outstanding. The number of Partnership Units held by each Partner at the date hereof is as set forth opposite its name on attached Exhibit A. Each Partnership Unit shall be paired with a Simon Group Partnership Unit.

"Person" shall mean any individual or Entity.

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

"Post-Exchange Distribution" shall have the set forth in Section 6.2(a) hereof.

"Preferred Contributed Funds" shall have the set forth in Section 4.3(c) hereof.

"Preferred Distribution Requirement" shall have the meaning set forth in Section 4.3(c) hereof.

"Preferred Distribution Shortfall" shall have the set forth in Section 6.2(b)(i) hereof.

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

"Preferred Redemption Price" shall have the meaning set forth in Section 4.3(c) hereof.

"Preferred Shares" shall mean any class of equity securities of the Managing General Partner now or hereafter authorized or reclassified having dividend rights that are superior or prior to dividends payable on the Shares.

"Preferred Unit Designation" shall have the set forth in Section 4.3(c) hereof.

"Preferred Unit Issue Price" shall mean the amount of the Required Funds contributed or deemed to have been contributed by the Managing General Partner in exchange for a Preferred Unit.

"Preferred Units" shall mean interests in the Partnership issued to the Managing General Partner pursuant to Sections 4.1(c) and 4.3(c) hereof. The holder of Preferred Units shall have such rights to the allocations of Profits and Losses as specified in Section 6.1 hereof and to distributions pursuant to Section 6.2 hereof, but shall not, by reason of its ownership of such Preferred Units, be entitled to participate in the management of the Partnership or to consent to or approve any action which is required by the Act or this Agreement to be approved by any or all of the Partners.

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

"Purchase Price" shall have the meaning set forth in Section 11.3 hereof.

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

"Regulatory Allocations" shall have the meaning set forth in Section 6.l(d)(5) hereof.

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

"REIT Requirements" shall mean all actions or omissions as may be necessary (including making appropriate distributions from time

to time) to permit each of Simon Group and its REIT subsidiaries to qualify or continue to qualify as a real estate investment trust within the meaning of Section 856 et seq. of the Code, as such provisions may be amended from time to time, or the corresponding provisions of succeeding law.

"Related Issues" shall mean, with respect to a class or series of Preferred Units, the class or series of Preferred Shares the sale of which provided the Managing General Partner with the proceeds to contribute to the Partnership in exchange for such Preferred Units.

"Required Funds" shall have the meaning set forth in Section 4.3(a) hereof.

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

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

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

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

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

"Simon Group Common Stock" shall mean the shares of Common Stock, par value $0.0001 per share, of Simon Group.

"Simon Group Partnership" shall mean Simon Property Group, L.P., a Delaware limited partnership.

"Simon Group Partnership Units" shall mean interests in the Simon Group Partnership.

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

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

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

"Substituted Limited Partner" shall have the meaning set forth in the Act.

"Tax Matters Partner" shall have the meaning set forth in Section 6.7 hereof.

"Third Party" or "Third Parties" shall mean a Person or Persons who is or are neither a Partner or Partners nor an Affiliate or Affiliates of a Partner or Partners.

"Third Party Financing" shall mean financing or refinancing obtained from a Third Party by the Partnership.

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

"Trust" shall mean the trust owning all of the outstanding Shares subject to a trust agreement among certain stockholders of Simon Group, a trustee and the Managing General Partner, pursuant to which all holders of Simon Group Common Stock are beneficiaries of such Trust.

"Trust Interest" shall mean a beneficial interest in the Trust associated with or attached to a Share.

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

ARTICLE II

Continuation of Partnership

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

be necessary to comply with the requirements of law for the continued operation of a limited partnership under the laws of the State of Delaware (it being understood that the Managing General Partner shall be required to provide the General Partners and Limited Partners with copies of any amended Certificates of Limited Partnership required to be filed under such laws only upon request) and for the continued operation of a limited partnership in each other jurisdiction in which the Partnership shall conduct business.

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

2.3 Character of the Business. The purpose of the Partnership is and shall be to conduct any business that may be conducted by the Managing General Partner.

2.4 Location of the Principal Place of Business. The location of the principal place of business of the Partnership shall be at 115 West Washington Street, Indianapolis, Indiana 46204 or such other location as shall be selected from time to time by the Managing General Partner in its sole discretion; provided, however, that the Managing General Partner shall promptly notify the Partners of any change in the location of the principal place of business of the Partnership.

2.5 Registered Agent and Registered Office. The Registered Agent of the Partnership shall be The Prentice Hall Corporation System, Inc. or such other Person as the Managing General Partner may select in its sole discretion. The Registered Office of the Partnership in the State of Delaware shall be c/o Prentice-Hall Corporation System, Inc., 32 Lockerman Square, Suite L-100, Dover, DE 19901, or such other location as the Managing General Partner may select in its sole and absolute discretion. The Managing General Partner shall promptly notify the Partners of any change in the Registered Agent or Registered Office of the Partnership.

ARTICLE III

Term

3.1 Commencement. The Partnership shall commence business upon the filing of the Certificate with the Secretary of State of the State of Delaware.

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

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

(b) the election to dissolve the Partnership made in writing by the Managing General Partner, but only if the consent required by Section 7.3 is obtained;

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

(d) dissolution required by operation of law.

ARTICLE IV

Contributions to Capital

4.1 General Partner Capital Contributions.

(a) Simultaneously with the execution and delivery hereof, the Managing General Partner is contributing to the Partnership and its subsidiaries substantially all of its assets and liabilities in exchange for a managing general partnership interest in the Partnership and admission to the Partnership as a Limited Partner with the number of Units set forth on Exhibit A.

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

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

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

4.3 Additional Funds.

(a) The Partnership may obtain funds ("Required Funds") which it considers necessary to meet the needs, obligations and requirements of the Partnership, or to maintain adequate working capital or to repay Partnership indebtedness, and to carry out the Partnership's purposes, from the proceeds of Third Party Financing or Affiliate Financing, in each case pursuant to such terms, provisions and conditions and in such manner (including the engagement of brokers and/or investment bankers to assist in

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

(b) To the extent the Partnership does not borrow all of the Required Funds (and whether or not the Partnership is able to borrow all or part of the Required Funds), the Managing General Partner (or an Affiliate thereof) (i) may itself borrow such Required Funds, in which case the Managing General Partner shall lend such Required Funds to the Partnership on the same economic terms and otherwise on substantially identical terms, or (ii) may raise such Required Funds in any other manner, in which case, unless such Required Funds are raised by the Managing General Partner through the sale of Preferred Shares, the Managing General Partner shall contribute to the Partnership as an additional Capital Contribution the amount of the Required Funds so raised ("Contributed Funds") (hereinafter, each date on which the Managing General Partner so contributes Contributed Funds pursuant to this Section 4.3(b) is referred to as an "Adjustment Date"). Any Required Funds raised from the sale of Preferred Shares shall either be contributed to the Partnership as Contributed Funds or loaned to the Partnership pursuant to Section 4.3(c) below. In the event the Managing General Partner advances Required Funds to the Partnership pursuant to this Section 4.3(b) as Contributed Funds, then the Partnership shall assume and pay (or reflect on its books as additional Contributed Funds) the expenses (including any applicable underwriting discounts) incurred by the Managing General Partner (or such Affiliate) in connection with raising such Required Funds through a public offering of its securities or otherwise. If the Managing General Partner advances Required Funds to the Partnership as Contributed Funds pursuant to this Section 4.3(b) from any offering or sale of Shares (including, without

limitation, any issuance of Shares pursuant to the exercise of options, warrants, convertible securities or similar rights to acquire Shares), the Partnership shall issue additional Partnership Units to the Managing General Partner to reflect its contribution of the Contributed Funds equal in number to the number of Shares issued in such offering or sale.

(c) In the event the Managing General Partner contributes to the Partnership any Required Funds obtained from the sale of Preferred Shares ("Preferred Contributed Funds"), then the Partnership shall assume and pay the expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising such Required Funds. In addition, the Managing General Partner shall be issued Preferred Units of a designated class or series to reflect its contribution of such funds. Each class or series of Preferred Units so issued shall be designated by the Managing General Partner to identify such class or series with the class or series of Preferred Shares which constitutes the Related Issue. Each class or series of Preferred Units shall be described in a written document (the "Preferred Unit Designation") attached as Exhibit B that shall set forth, in sufficient detail, the economic rights, including dividend, redemption and conversion rights and sinking fund provisions, of the class or series of Preferred Units and the Related Issue. The number of Preferred Units of a class or series shall be equal to the number of shares of the Related Issue sold. The Preferred Unit Designation shall provide for such terms for the class or series of preferred Units that shall entitle the Managing General Partner to substantially the same economic rights as the holders of the Related Issue. Specifically, the Managing General Partner shall receive distributions on the class or series of Preferred Units pursuant to Section 6.2 equal to the aggregate dividends payable on the Related Issue at the times such dividends are paid (the "Preferred Distribution Requirement"). The Partnership shall redeem the class or series of Preferred Units for a redemption price per Preferred Unit equal to the redemption price per share of the Related Issue, exclusive of any accrued unpaid dividends (the "Preferred Redemption Price") upon the redemption of any shares of the Related Issue. Each class or series of Preferred Units shall also be converted into additional Partnership Units at the time and on such economic terms and conditions as the Related Issue is converted into Shares. Upon the issuance of any class or series of Preferred Units pursuant to this Section 4.3(c), the Managing General Partner shall provide the Limited Partners with a copy of the Preferred Unit Designation relating to such class or series. The Managing General Partner shall have the right, in lieu of contributing to the Partnership proceeds from the sale of Preferred Shares as Preferred Contributed Funds, to lend such proceeds to the Partnership. Any such loan shall be on the same terms and conditions as the Related Issue except that dividends payable on the Related Issue shall be payable by the Partnership to the Managing General Partner as interest, any mandatory redemptions shall take the form of principal payments and no Preferred Units shall be issued to the Managing General Partner. If any such loan

is made, the Partnership shall promptly reimburse the Managing General Partner for all expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising the Required Funds. Any such loan made by the Managing General Partner to the Partnership may at any time be contributed to the Partnership as Preferred Contributed Funds in exchange for Preferred Units as above provided; and if the Related Issue is by its terms convertible into Shares, such loan shall be so contributed to the Partnership prior to the effectuation of such conversion.

4.4 Redemption; Change in Number of Shares Outstanding.

(a) If the Managing General Partner shall redeem any of its outstanding Shares, the Partnership shall concurrently therewith redeem the number of Units underlying the Trust Interests holding such Shares held by the Managing General Partner for the same price as paid by the Managing General Partner for the redemption of such Shares.

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

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

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

secure any debt or other obligation of the Partnership or of any of the Partners.

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

4.8 Capital Accounts.

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

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

(2) debited with the amount of cash distributed to such Partner pursuant to the provisions of this Agreement; the Gross Asset Value (net of liabilities secured by such distributed property that such Partner assumes or takes subject to) of any Partnership property distributed to such Partner pursuant to any provision of this Agreement; the amount of unsecured liabilities of such Partner assumed by the Partnership; such Partner's distributive share of Losses; in the case of the General Partners, payments of GP Expenses by the Partnership; and any other items in the nature of expenses or losses that are allocated to such Partner pursuant to Section 6.1 hereof, but excluding tax items described in Regulations Section 1.704-1(b)(4)(i).

In the event that any or all of a Partner's Partnership Units or Preferred Units are transferred within the meaning of Regulations Section 1.704-l(b)(2)(iv)(l), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Units so transferred.

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

A Limited Partner shall be liable unconditionally to the Partnership for all or a portion of any deficit in its Capital Account if it so elects to be liable for such deficit or portion thereof. Such election may be for either a limited or unlimited amount and may be amended or withdrawn at any time. The election, and any amendment thereof, shall be made by written notice to the Managing General Partner (and the Managing General Partner shall promptly upon receipt deliver copies thereof to the other Partners) stating that the Limited Partner elects to be liable, and specifying the limitations, if any, on the maximum amount or duration of such liability. Said election, or amendment thereof, shall be effective only from the date 25 days after written notice thereof is received by the Managing General Partner, and shall terminate upon the date, if any, specified therein as a termination date or upon delivery to the Managing General Partner of a subsequent written notice terminating such election. A termination of any such election, or an amendment reducing the Limited Partner's maximum liability thereunder or the duration thereof, shall not be effective to avoid responsibility for any loss incurred prior to such termination or the effective date of such amendment. Except as provided in this Section 4.8 or as required by law, no Limited Partner shall be liable for any deficit in its Capital Account or be obligated to return any distributions of any kind received from the Partnership.

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

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

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

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

(A) a Capital Contribution (other than a de minimis Capital Contribution, within the meaning of Sections l.704-l(b)(2)(iv)(f)(5)(i) of the Regulations) to the Partnership by a new or existing Partner as consideration for Partnership Units;

(B) the distribution by the Partnership to a Partner of more than a de minimis amount (within the meaning of Sections 1.704-1(b)(2)(iv)(f)(5)(ii) of the Regulations) of

Partnership property as consideration for the redemption of Partnership Units; and

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

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

ARTICLE V

Representations, Warranties and Acknowledgment

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

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

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

ARTICLE VI

Allocations, Distributions and Other Tax and Accounting Matters

6.1 Allocations.

(a) For the purpose of this Agreement, the terms "Profits" and "Losses" mean, respectively, for each Partnership Fiscal Year or other period, the Partnership's taxable income or loss for such Partnership Fiscal Year or other period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(l) of the Code shall be included in taxable income or loss), adjusted as follows:

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

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

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

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

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

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

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

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

(4) Notwithstanding subparagraphs (1), (2) and (3), Profits and Losses from a Liquidation Transaction shall be allocated as follows:

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

Second, Profits or Losses shall be allocated among the Partners so that the Capital Accounts of the Partners (excluding from the Capital Account of any Partner the amount

attributable to its Preferred Units) are proportional to the number of Partnership Units held by each Partner; and

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

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

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

(1) A Partner shall not receive an allocation of any Partnership deduction that would result in total loss allocations attributable to "Nonrecourse Liabilities" (as defined in Regulations Section 1.704-2(b)(3)) in excess of such Partner's share of Minimum Gain (as determined under Regulations Section 1.704-2(g)). The term "Minimum Gain" means an amount determined in accordance with Regulations Section 1.704-2(d) by computing, with respect to each Nonrecourse Liability of the Partnership, the amount of gain, if any, that the Partnership would realize if it disposed of the property subject to such liability for no consideration other than full satisfaction thereof, and by then aggregating the amounts so computed. If the Partnership makes a distribution allocable to the proceeds of a Nonrecourse Liability, in accordance with Regulation Section 1.704-2(h), the distribution will be treated as allocable to an increase in Partnership Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Nonrecourse Liabilities that exceeds the property's adjusted tax basis. If there is a net decrease in Partnership Minimum Gain for a Partnership Fiscal Year, in accordance with Regulations Section 1.704-2(f) and the exceptions contained therein, the Partners shall be allocated items of Partnership income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to the Partners' respective shares of the net decrease in Minimum Gain within the meaning of Regulations Section l.704-2(g)(2) (the "Minimum Gain Chargeback"). The items to be allocated pursuant to this Section 6.1(d)(1) shall be determined in accordance with Regulations Section 1.704-2(f) and (j).

(2) Any item of "Partner Nonrecourse Deduction" (as defined in Regulations Section 1.704-2(i)) with respect to a "Partner Nonrecourse Debt" (as defined in Regulations Section l.704-2(b)(4)) shall be allocated to the Partner or Partners who bear the economic risk of loss for such Partner Nonrecourse Debt in accordance with Regulations Section l.704-2(i)(l). If the Partnership makes a distribution allocable to the proceeds of a Partner Nonrecourse Debt, in accordance with Regulation Section

l.704-2(i)(6) the distribution will be treated as allocable to an increase in Partner Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Partner Nonrecourse Debt that exceeds the property's adjusted tax basis. Subject to Section 6.1(d)(1) hereof, but notwithstanding any other provision of this Agreement, in the event that there is a net decrease in Minimum Gain attributable to a Partner Nonrecourse Debt (such Minimum Gain being hereinafter referred to as "Partner Nonrecourse Debt Minimum Gain") for a Partnership Fiscal Year, then after taking into account allocations pursuant to Section 6.1(d)(1) hereof, but before any other allocations are made for such taxable year, and subject to the exceptions set forth in Regulations Section 1.704-2(i)(4), each Partner with a share of Partner Non-recourse Debt Minimum Gain at the beginning of such Partnership Fiscal Year shall be allocated items of income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain as determined in a manner consistent with the provisions of Regulations Section l.704-2(g)(2). The items to be allocated pursuant to this Section 6.1(d)(2) shall be determined in accordance with Regulations Section 1.704-2(i)(4) and (j).

(3) Pursuant to Regulations Section 1.752-3(a)(3), for the purpose of determining each Partner's share of excess nonrecourse liabilities of the Partnership, and solely for such purpose, each Partner's interest in Partnership profits is hereby specified to be the quotient of (i) the number of Partnership Units then held by such Partner, and (ii) the aggregate amount of Partnership Units then outstanding.

(4) No Limited Partner shall be allocated any item of deduction or loss of the Partnership if such allocation would cause such Limited Partner's Capital Account to become negative by more than the sum of (i) any amount such Limited Partner is obligated to restore upon liquidation of the Partnership, plus (ii) such Limited Partner's share of the Partnership's Minimum Gain and Partner Nonrecourse Debt Minimum Gain. An item of deduction or loss that cannot be allocated to a Limited Partner pursuant to this Section 6.1(d)(4) shall be allocated to the General Partners in accordance with the number of Partnership Units held by each General Partner. For this purpose, in determining the Capital Account balance of such Limited Partner, the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) shall be taken into account. In the event that (A) any Limited Partner unexpectedly receives any adjustment, allocation, or distribution described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), (5), or (6), and (B) such adjustment, allocation, or distribution causes or increases a deficit balance (net of amounts which such Limited Partner is obligated to restore or deemed obligated to restore under Regulations Section 1.704-2(g)(l) and l.704-2(i)(5) and determined after taking into account any adjustments, allocations, or distributions described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), (5), or (6) that, as of the end of the

Partnership Fiscal Year, reasonably are expected to be made to such Limited Partner) in such Limited Partner's Capital Account as of the end of the Partnership Fiscal Year to which such adjustment, allocation, or distribution relates, then items of Gross Income (consisting of a pro rata portion of each item of Gross Income) for such Partnership Fiscal Year and each subsequent Partnership Fiscal Year shall be allocated to such Limited Partner until such deficit balance or increase in such deficit balance, as the case may be, has been eliminated. In the event that this Section 6.1(d)(4) and Section 6.1(d)(1) and/or (2) hereof apply, Section 6.1(d)(1) and/or (2) hereof shall be applied prior to this Section 6.l(d)(4).

(5) The Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss, and deduction among the Partners so that, to the extent possible, the cumulative net amount of allocations of Partnership items under this Section 6.1 shall be equal to the net amount that would have been allocated to each Partner if the Regulatory Allocations had not been made. This Section 6.1(d)(5) is intended to minimize to the extent possible and to the extent necessary any economic distortions which may result from application of the Regulatory Allocations and shall be interpreted in a manner consistent therewith. For purposes hereof, "Regulatory Allocations" shall mean the allocations provided under this Section 6.1(d) (other than this Section 6.l(d)(5)).

(e) In accordance with Sections 704(b) and 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for federal income tax purposes, be allocated among the Partners on a property by property basis so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and the initial Gross Asset Value of such property. If the Gross Asset Value of any Partnership property is adjusted as described in the definition of Gross Asset Value, subsequent allocations of income, gains or losses from taxable sales or other dispositions and deductions with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and the Gross Asset Value of such asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Regulations thereunder. In furtherance of the foregoing, the Partnership shall employ the method prescribed in Regulation S 1.704-3(b) (the "traditional method") or the equivalent successor provision(s) of proposed, temporary or final Regulations. The Partnership shall allocate items of income, gain, loss and deduction allocated to it by a Subsidiary Entity to the Partner or Partners contributing the interest or interests in such subsidiary Entity, so that, to the greatest extent possible and consistent with the foregoing, such contributing Partner or Partners are allocated the same amount and character of items of income, gain, loss and deduction with respect to such Subsidiary Entity that they would have been allocated had they contributed undivided interests in the assets owned by such Subsidiary Entity to the Partnership in

lieu of contributing the interest or interests in the Subsidiary Entity to the Partnership.

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

(g) If any portion of gain from the sale of property is treated as gain which is ordinary income by virtue of the application of Code Sections 1245 or 1250 ("Affected Gain"), then (A) such Affected Gain shall be allocated among the Partners in the same proportion that the depreciation and amortization deductions giving rise to the Affected Gain were allocated and (B) other tax items of gain of the same character that would have been recognized, but for the application of Code Sections 1245 and/or 1250, shall be allocated away from those Partners who are allocated Affected Gain pursuant to clause (A) so that, to the extent possible, the other Partners are allocated the same amount, and type, of capital gain that would have been allocated to them had Code Sections 1245 and/or 1250 not applied. For purposes hereof, in order to determine the proportionate allocations of depreciation and amortization deductions for each Fiscal Year or other applicable period, such deductions shall be deemed allocated on the same basis as Profits or Losses for such respective period.

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

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

(j) To the extent permitted by Regulations Sections 1.704-2(h)(3) and 1.704-2(i)(6), the Managing General Partner shall endeavor to treat distributions as having been made from the proceeds of Nonrecourse Liabilities or Partner Nonrecourse Debt

only to the extent that such distributions would cause or increase a deficit balance in any Partner's Capital Account that exceeds the amount such Partner is otherwise obligated to restore (within the meaning of Regulations Section 1.704-l(b)(2)(ii)(c)) as of the end of the Partnership's taxable year in which the distribution occurs.

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

6.2 Distributions. (a) Except with respect to the liquidation of the Partnership and subject to the priority set forth in Sections 6.2(b) and (c), the Managing General Partner shall cause the Partnership to distribute all or a portion of Net Operating Cash Flow to the Partners who are such on the relevant Partnership Record Date from time to time as determined by the Managing General Partner, but in any event not less frequently than quarterly, in such amounts as the Managing General Partner shall determine in its sole discretion; provided, however, that, except as provided in Sections 6.2(b) and (c) below, all such distributions shall be made pro rata in accordance with the outstanding Partnership Units on the relevant Partnership Record Date. In no event may a Limited Partner receive a distribution of Net Operating Cash Flow with respect to a Partnership Unit that such Partner has exchanged on or prior to the relevant Partnership Record Date for a Share, pursuant to the Rights granted under Section 11.1 (a "Post-Exchange Distribution"); rather, all such Post-Exchange Distributions shall be distributed to the Managing General Partner.

(b) Except to the extent Net Operating Cash Flow is distributed pursuant to Section 6.2(c), and except with respect to the liquidation of the Partnership, distributions of Net Operating Cash Flow shall be made in the following order of priority;

(i) First, to the extent that the amount of Net Operating Cash Flow distributed to the holder of Preferred Units for any prior quarter was less than the Preferred Distribution Requirement for such quarter, and has not been subsequently distributed pursuant to this Section 6.2(b)(i) (a "Preferred Distribution Shortfall"), Net Operating Cash Flow shall be distributed to the holder of Preferred Units in an amount necessary to satisfy such Preferred Distribution Shortfall for the current and all prior Partnership Fiscal Years. In the event that the Net Operating Cash Flow distributed for a particular quarter is less than the Preferred Distribution Shortfall, then all Net Operating

Cash Flow for the current quarter shall be distributed to the holder of Preferred Units.

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

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

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

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

6.3 Books of Account; Segregation of Funds

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

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

6.4 Reports. Within ninety (90) days after the end of each Partnership Fiscal Year, the Partnership shall cause to be prepared and transmitted to each Partner an annual report of the Partnership relating to the previous Partnership Fiscal Year containing a balance sheet as of the year then ended, a statement of financial condition as of the year then ended, and statements of operations, cash flow and Partnership equity for the year then ended, which annual statements shall be prepared in accordance with GAAP and shall be audited by the Accountants. The Partnership shall also cause to be prepared and transmitted to each Partner within forty-five (45) days after the end of each of the first three (3) quarters of each Partnership Fiscal Year a quarterly unaudited report containing a balance sheet, a statement of the Partnership's financial condition and statements of operations, cash flow and Partnership equity, in each case relating to the fiscal quarter then just ended, and prepared in accordance with GAAP. The Partnership shall further cause to be prepared and transmitted to the Managing General Partner such reports and/or information as are necessary for the Managing General Partner to determine its earnings and profits derived from the Partnership, its liability for a tax as a consequence of its Partnership Interest and distributive share of taxable income or loss and items thereof, in each case in a manner that will permit the Managing General Partner to comply with its obligations to file federal, state and local tax returns and information returns and to provide its shareholders with tax information. The Managing General Partner shall provide to each Partner copies of all reports it provides to its stockholders at the same time such reports are distributed to such stockholders. The Managing General Partner shall also promptly notify the Partners of all actions taken by the Managing General Partner for which it has obtained the Consent of the Limited Partners.

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

6.6 Tax Returns.

(a) Consistent with all other provisions of this Agreement, the Managing General Partner shall determine the methods to be used in the preparation of federal, state, and local income and other tax returns for the Partnership in connection with all

items of income and expense, including, but not limited to, valuation of assets, the methods of Depreciation and cost recovery, credits and tax accounting methods and procedures and all tax elections.

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

(c) The Partnership shall timely cause to be prepared and transmitted to the Partners federal and appropriate state and local Partnership Income Tax Schedules "K-l" or any substitute therefor, with respect to each Partnership Fiscal Year on appropriate forms prescribed. The Partnership shall make reasonable efforts to prepare and submit such forms before the due date for filing federal income tax returns for the fiscal year in question (determined without extensions), and shall in any event prepare and submit such forms on or before July 15 of the year following the fiscal year in question.

6.7 Tax Matters Partner

The Managing General Partner is hereby designated as the Tax Matters Partner within the meaning of Section 6231(a)(7) of the Code for the Partnership; provided, however, that (i) in exercising its authority as Tax Matters Partner it shall be limited by the provisions of this Agreement affecting tax aspects of the Partnership; (ii) the Managing General Partner shall give prompt notice to the Partners of the receipt of any written notice that the Internal Revenue Service or any state or local taxing authority intends to examine Partnership income tax returns for any year, receipt of written notice of the beginning of an administrative proceeding at the Partnership level relating to the Partnership under Section 6223 of the Code, receipt of written notice of the final Partnership administrative adjustment relating to the Partnership pursuant to Section 6223 of the Code, and receipt of any request from the Internal Revenue Service for waiver of any applicable statute of limitations with respect to the filing of any tax return by the Partnership; (iii) the Managing General Partner shall promptly notify the Partners if it does not intend to file for judicial review with respect to the Partnership; and (iv) as Tax Matters Partner, the Managing General Partner shall not be entitled to bind a Partner by any settlement agreement (within the meaning of Section 6224 of the Code) unless such Partner consents thereto in writing and shall notify the Partners in a manner and at such time as is sufficient to allow the Partners to exercise their rights pursuant to Section 6224(c)(3) of the Code; (v) the Managing

General Partner shall consult in good faith with the Simon Designee, the DeBartolo Designee and the JCP Limited Partner regarding the filing of a Code Section 6227(b) administrative adjustment request with respect to the Partnership before filing such request, it being understood, however, that the provisions hereof shall not be construed to limit the ability of any Partner, including the Managing General Partner, to file an administrative adjustment request on its own behalf pursuant to Section 6227(a) of the Code; and (vi) the Managing General Partner shall consult in good faith with the Simon Designee, the DeBartolo Designee and the JCP Limited Partner regarding the filing of a petition for judicial review of an administrative adjustment request under Section 6228 of the Code, or a petition for judicial review of a final partnership administrative judgment under Section 6226 of the Code relating to the Partnership before filing such petition.

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

ARTICLE VII

Rights, Duties and Restrictions of the Managing General Partners

7.1 Expenditures by Partnership. The Managing General Partner is hereby authorized to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. All of the aforesaid expenditures shall be made on behalf of the Partnership and the Managing General Partner shall be entitled to reimbursement by the Partnership for

any expenditures incurred by it on behalf of the Partnership which shall have been made other than out of the funds of the Partnership. The Partnership shall also assume, and pay when due, the Administrative Expenses and such portion of the Managing General Partner's and its subsidiaries' GP Expenses as shall be appropriately allocated to the Partnership by the Managing General Partner in the exercise of its reasonable business judgment.

7.2 Powers and Duties of the Managing General Partner. The Managing General Partner shall be responsible for the management of the Partnership's business and affairs. Except as otherwise herein expressly provided, and subject to the limitations contained in Section 7.3 hereof with respect to Major Decisions, the Managing General Partner shall have, and is hereby granted, full and complete power, authority and discretion to take such action for and on behalf of the Partnership and in its name as the Managing General Partner shall, in its sole and absolute discretion, deem necessary or appropriate to carry out the purposes for which the Partnership was organized. Any action by the Managing General Partner relating to (i) transactions between the Partnership or a Subsidiary Entity and M.S. Management Associates, Inc., Simon MOA Management Company, Inc. and/or M.S. Management Associates (Indiana), Inc., (ii) transactions between the Partnership or a Subsidiary Entity and DeBartolo Properties Management, Inc. or (iii) transactions involving the Partnership or a Subsidiary Entity in which the Simons, the DeBartolos or any Affiliate of the Simons or the DeBartolos has an interest (other than a non-controlling minority equity interest, which has no management or veto powers, in a Person, other than the Partnership or a Subsidiary entity, which is engaged in such transaction) other than through ownership of Partnership Units, shall require the prior approval of a majority of the Independent Directors. Except as otherwise expressly provided herein and subject to Section 7.3 hereof, the Managing General Partner shall have, for and on behalf of the Partnership, the right, power and authority:

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

(b) To acquire, directly or indirectly, interests in real or personal property (collectively, "property") of any kind and of any type, and any and all kinds of interests therein, and to

determine the manner in which title thereto is to be held; to manage, insure against loss, protect and subdivide any property, interests therein or parts thereof; to improve, develop or redevelop any property; to participate in the ownership and development of any property; to dedicate for public use, to vacate any subdivisions or parts thereof, to resubdivide, to contract to sell, to grant options to purchase or lease and to sell on any terms; to convey, to mortgage, pledge or otherwise encumber any property, or any part thereof; to lease any property or any part thereof from time to time, upon any terms and for any period of time, and to renew or extend leases, to amend, change or modify the terms and provisions of any leases and to grant options to lease and options to renew leases and options to purchase; to partition or to exchange any property, or any part thereof, for other property; to grant easements or charges of any kind; to release, convey or assign any right, title or interest in or about or easement appurtenant to any property or any part thereof; to construct and reconstruct, remodel, alter, repair, add to or take from buildings on any property; to insure any Person having an interest in or responsibility for the care, management or repair of any property; to direct the trustee of any land trust to mortgage, lease, convey or contract to convey any property held in such land trust or to execute and deliver deeds, mortgages, notes and any and all documents pertaining to the property subject to such land trust or in any matter regarding such trust; and to execute assignments of all or any part of the beneficial interest in such land trust;

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

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

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

(f) To Pledge, hypothecate, mortgage, assign, deposit, deliver, enter into sale and leaseback arrangements or otherwise give as security or as additional or substitute security or for sale or other disposition any and all Partnership property, tangible or intangible, including, but not limited to, real estate and beneficial interests in land trusts, and to make substitutions thereof, and to receive any proceeds thereof upon the release or

surrender thereof; to sign, execute and deliver any and all assignments, deeds and other contracts and instruments in writing; to authorize, give, make, procure, accept and receive moneys, payments, property, notices, demands, vouchers, receipts, releases, compromises and adjustments; to waive notices, demands, protests and authorize and execute waivers of every kind and nature; to enter into, make, execute, deliver and receive written agreements, undertakings and instruments of every kind and nature; to give oral instructions and make oral agreements; and generally to do any and all other acts and things incidental to any of the foregoing or with reference to any dealings or transactions which any attorney for the Partnership may deem necessary, proper or advisable;

(g) To acquire and enter into any contract of insurance which the Managing General Partner deems necessary or appropriate for the protection of the Partnership or any Affiliate thereof, for the conservation of the Partnership's assets (or the assets of any Affiliate thereof) or for any purpose convenient or beneficial to the Partnership or any Affiliate thereof;

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

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

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

(k) To take all reasonable measures necessary to insure compliance by the Partnership with contractual obligations and other arrangements entered into by the Partnership from time to time in accordance with the provisions of this Agreement, including

periodic reports as required to lenders and using all due diligence to insure that the Partnership is in compliance with its contractual obligations;

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

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

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

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

Notwithstanding any other provisions of this Agreement or the Act, any action of the Managing General Partner on behalf of the Partnership or any decision of the Managing General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect or further the ability of Simon Group and its REIT subsidiaries to continue to qualify as REITs or (ii) to avoid Simon Group and its REIT subsidiaries incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners. The Managing General Partner agrees and acknowledges that it shall take all reasonable actions necessary to satisfy the REIT Requirements.

7.3 Major Decisions.

(a) The Managing General Partner shall not, without the Consent of the Limited Partners, (y) on behalf of the Partnership, amend, modify or terminate this Agreement other than to reflect (A) the admission of Additional Limited Partners pursuant to Section 9.4 hereof, (B) the making of additional Capital Contributions and the issuance of additional Partnership Units by reason thereof, all in accordance with the terms of this Agreement, (C) the withdrawal or assignment of the interest of any Partner in accordance with the terms of this Agreement, or (D) any changes necessary to satisfy the REIT Requirements, or (z) permit the Partnership, on behalf of any Subsidiary Partnership, to amend, modify or terminate the organizing agreement pursuant to which such Subsidiary Partnership operates other than to reflect (A) the admission of additional

limited partners therein pursuant to the terms thereof, (B) the making of additional capital contributions thereto pursuant to the terms thereof, (C) the withdrawal or assignment of the interest of any partner thereof pursuant to the terms thereof, or (D) any changes necessary to satisfy the REIT Requirements. Notwithstanding the foregoing, this Agreement shall not be modified or amended without the prior written consent of each Partner adversely affected if such modification or acquisition would (i) convert a Limited Partner's interest in the Partnership to a general partnership interest, (ii) modify the limited liability of a Limited Partner, (iii) reduce the interest of any Partner in the Partnership, (iv) reduce any Partner's share of distributions made by the Partnership, (v) amend this Section 7.3 or Section 7.5 or (vi) create any obligations for any Limited Partner or deprive any Limited Partner of (or otherwise impair) any other rights it may have under this Agreement (including in respect of tax allocations, rights to indemnification under Section 7.8, rights of the Limited Partner or a Secured Creditor of a Limited Partner under Section 9.3 (which rights are subject to the restrictions set forth in Section 9.5), rights of a Limited Partner under Article XI, or the rights of a Limited Partner under Section 10.4(a) or 10.5); provided, however, that an amendment that reduces the percentage ownership interest of any Partner in the Partnership or reduces any Partner's share of distributions made by the Partnership (including tax allocations in respect of such distributions) shall not require the consent of any Partner if such change is made on a uniform or pro-rata basis with respect to all Partners.

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

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

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

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

institution of any such proceeding on behalf of any Subsidiary Partnership;

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

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

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

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

(ii) dissolve the Partnership.

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

7.4 Managing General Partner Participation. The Managing General Partner agrees that (a) substantially all activities and business operations of the Managing General Partner shall be conducted directly or indirectly through the Partnership or any Subsidiary Partnership and (b) except as provided below any funds raised by the Managing General Partner, whether by issuance of stock, borrowing or otherwise, will be made available to the Partnership whether as capital contributions, loans or otherwise, as appropriate.

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

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

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

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

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

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

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

7.8 Waiver and Indemnification. Neither the Managing General Partner nor any of its Affiliates, directors, trust managers, officers, shareholders, nor any Person acting on their behalf pursuant hereto, shall be liable, responsible or accountable in damages or otherwise to the Partnership or to any Partner for any acts or omissions performed or omitted to be performed by them within the scope of the authority conferred upon the Managing General Partner by this Agreement and the Act, provided that the Managing General Partner's or such other Person's conduct or omission to act was taken in good faith and in the belief that such conduct or omission was in the best interests of the Partnership and, provided further, that the Managing General Partner or such other Person shall not be guilty of fraud, willful misconduct or gross negligence. The Managing General Partner acknowledges that it owes fiduciary duties both to its shareholders and to the Limited Partners and it shall use its reasonable efforts to discharge such duties to each; provided, however, that in the event of a conflict between the interests of the shareholders of the Managing General Partner and the interests of the Limited Partners, the Limited Partners agree that the Managing General Partner shall discharge its fiduciary duties to the Limited Partners by acting in the best interests of the Managing General Partner's shareholders. Nothing contained in the preceding sentence shall be construed as entitling the Managing General Partner to realize any profit or gain from any transaction between such Partner and the Partnership (except as may be required by law upon a distribution to the Managing General Partner), including from the lending of money by the Managing General Partner to the Partnership or the contribution of property by the Managing General Partner to the Partnership, it being understood that in any such transaction the Managing General Partner shall be entitled to cost recovery only. The Partnership shall, and hereby does, indemnify and hold harmless each of the Managing General Partner and its Affiliates, their respective directors, officers, shareholders and any other individual acting

on its or their behalf to the extent such Persons would be indemnified by the Managing General Partner pursuant to the Charter of the Managing General Partner if such persons were directors, officers, agents or employees of the Managing General Partner; provided, however, that no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership. The Partnership shall, and hereby does, indemnify each Limited Partner and its Affiliates, their respective directors, officers, shareholders and any other individual acting on its or their behalf, from and against any costs (including costs of defense) incurred by it as a result of any litigation or other proceeding in which any Limited Partner is named as a defendant or any claim threatened or asserted against any Limited Partner, in either case which relates to the operations of the Partnership or any obligation assumed by the Partnership, unless such costs are the result of misconduct on the part of, or a breach of this Agreement by, such Limited Partner; provided, however, no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership.

7.9 Limitation of Liability of Directors, Shareholders and Officers of the Managing General Partner. Any obligation or liability whatsoever of the General Partners which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partners or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partners' directors, shareholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

ARTICLE VIII

Dissolution, Liquidation and Winding-Up

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

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

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

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

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

(d) To the Partners in accordance with the positive balances in their Capital Accounts after giving effect to all contributions, distributions and allocations for all periods, including the period in which such distribution occurs (other than those distributions made pursuant to this Section 8.2(d), Section 8.3 or Section 8.4 hereof).

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

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

8.4 Distributions in Kind. In the event that it becomes necessary to make a distribution of Partnership property in kind in connection with the liquidation of the Partnership, the Managing General Partner may, if it determines that to do so would be in the best interest of the Partners and obtains the Consent of the Limited Partners, transfer and convey such property to the distributees as tenants in common, subject to any liabilities attached thereto, so as to vest in them undivided interests in the whole of such property in proportion to their respective rights to

share in the proceeds of the sale of such property (other than as a creditor) in accordance with the provisions of Section 8.2 hereof. Immediately prior to the distribution of Partnership property in kind, the Capital Account of each Partner shall be increased or decreased, as the case may be, to reflect the manner in which the unrealized income, gain, loss and deduction inherent in such property (to the extent not previously reflected in the Capital Accounts) would be allocated among the Partners if there were a taxable disposition of such property for its fair market value as of the date of the distribution.

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

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

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

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

ARTICLE IX

Transfer of Partnership Interests and Related Matters

9.1 [INTENTIONALLY OMITTED].

9.2 Managing General Partner Transfers and Deemed Transfers. The Managing General Partner shall not (i) withdraw from the Partnership, (ii) merge, consolidate or engage in any combination with another Person, (iii) sell all or substantially all of its assets or (iv) sell, assign, pledge, encumber or otherwise dispose of all or any portion of its Partnership Units or Preferred Units except to the Partnership, in each case without the Consent of the Limited Partners. Upon any transfer of any Partnership Units (not Preferred Units) in accordance with the provisions of this Section

9.2, the transferee Managing General Partner shall become vested with the powers and rights of the transferor Managing General Partner with respect to the Partnership Units transferred, and shall be liable for all obligations and responsible for all duties of the Transferor Managing General Partner, once such transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Units so acquired. It is a condition to any transfer otherwise permitted hereunder that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Managing General Partner under this Agreement with respect to such transferred Partnership Units and no such transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Managing General Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Managing General Partner of its obligations under this Agreement accruing prior to the date of such transfer.

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

(a) Notwithstanding the foregoing, but subject to the provisions of Section 9.5 hereof, any Limited Partner may at any time, without the consent of the Managing General Partner, (i) Transfer all or a portion of its Partnership Units to an Affiliate of such Limited Partner, or (ii) Pledge some or all of its Partnership Units to any Institutional Lender. Any Transfer to an Affiliate pursuant to clause (i) and any Transfer to a pledgee of Partnership Units Pledged pursuant to clause (ii) may be made without the consent of the Managing General Partner but, except as provided in subsequent provisions of this Section 9.3, such transferee or such pledgee shall hold the Units so transferred to it (and shall be admitted to the Partnership as a Substitute Limited Partner) subject to all the restrictions set forth in this Section 9.3. It is a condition to any Transfer otherwise permitted under any provision of this Section 9.3 that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such transferred Partnership Units arising after the effective date of the Transfer and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law, and other than pursuant to an exercise of the Rights pursuant to Article XI wherein all obligations and liabilities of the transferor Partner arising from and after the date of such Transfer shall be assumed by the

Managing General Partner) shall relieve the transferor Partner of its obligations under this Agreement prior to the effective date of such Transfer. Upon any such Transfer or Pledge permitted under this Section 9.3, the transferee or, upon foreclosure on the Pledged Partnership Units, each Institutional Lender which is the pledgee shall be admitted as a Substituted Limited Partner as such term is defined in the Act and shall succeed to all of the rights, including rights with respect to the Rights, of the transferor Limited Partner under this Agreement in the place and stead of such transferor Limited Partner. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. No transferee pursuant to a Transfer which is not expressly permitted under this Section 9.3 and is not consented to by the Managing General Partner, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the right to receive such portion of the distributions and allocations of Profits and Losses made by the Partnership as are allocable to the Partnership Units so transferred.

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

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

9.4 Issuance of Additional Partnership Units and Preferred Units. At any time after the date hereof, subject to the provisions of Section 9.5 hereof, the Managing General Partner may,

upon its determination that the issuance of additional Partnership Units ("Additional Units") is in the best interests of the Partnership, cause the Partnership to issue Additional Units to any existing Partner or issue Additional Units to and admit as a partner in the Partnership any Person in exchange for the contribution by such Person of cash and/or property which the Managing General Partner determines is desirable to further the purposes of the Partnership under Section 2.3 hereof and which the Managing General Partner determines has a value that justifies the issuance of such Additional Units. In the event that Additional Units are issued by the Partnership pursuant this Section 9.4, the number of Partnership Units issued shall be determined by dividing the Gross Asset Value of the property contributed (reduced by the amount of any indebtedness assumed by the Partnership or to which such property is subject) as of the date of contribution to the Partnership (the "Contribution Date") by the Deemed Partnership Unit Value.

In addition, the Managing General Partner may, upon its determination that the issuance of Preferred Units is in the best interests of the Partnership, issue Preferred Units in accordance with Sections 4.1(c) and 4.3(c) hereof.

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

9.5 Restrictions on Transfer.

(a) In addition to any other restrictions on Transfer herein contained, in no event may any Transfer or assignment of a Partnership Unit or Preferred Unit by any Partner be made nor may any new Partnership Unit or Preferred Unit be issued by the Partnership (i) to any Person which lacks the legal right, power or capacity to own a Partnership Unit or Preferred Unit; (ii) in violation of applicable law; (iii) if such Transfer would immediately or with the passage of time violate the REIT Requirements, such determination to be made assuming that the REIT Requirements are satisfied immediately prior to the proposed

Transfer; (iv) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(e) of the Code); (v) if such Transfer would, in the opinion of counsel to the Partnership, cause any portion of the underlying assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (vi) if such Transfer would result in a deemed distribution to any Partner attributable to a failure to meet the requirements of Regulations Section l.752-2(d)(l), unless such Partner consents thereto, (vii) if such Transfer would cause any lender to the Partnership to hold in excess of ten (10) percent of the Partnership Interest that would, pursuant to the regulations under Section 752 of the Code or any successor provision, cause a loan by such a lender to constitute Partner Nonrecourse Debt, (viii) if such Transfer, other than to an Affiliate, is of a Partnership Interest the value of which would have been less than $20,000 when issued, (ix) if such Transfer would, in the opinion of counsel to the Partnership, cause the Partnership to cease to be classified as a Partnership for federal income tax purposes or (x) if such Transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704(b) of the Code.

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

(c) No Partnership Unit may be transferred by any Partner without a transfer of the corresponding Simon Group Partnership Unit.

ARTICLE X

Rights and Obligations of the Limited Partners

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

10.2 Bankruptcy of a Limited Partner. The Bankruptcy of any Limited Partner shall not cause a dissolution of the Partnership, but the rights of such Limited Partner to share in the Profits or Losses of the Partnership and to receive distributions of Partnership funds shall, on the happening of such event, devolve to its successors or assigns, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a limited

partnership. However, in no event shall such assignee(s) become a Substituted Limited Partner except in accordance with Article IX.

10.3 No Withdrawal. No Limited Partner may withdraw from the Partnership without the prior written consent of the Managing General Partner, other than as expressly provided in this Agreement.

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

10.5 Guaranty and Indemnification Agreements.

(a) The Partnership shall notify the Limited Partners no less than 45 days (or, if the Partnership itself has less than

45 days' prior notice, as promptly as practicable) prior to the occurrence of any event that the Partnership reasonably expects will reduce the amount of Partnership liabilities (including liabilities of any other Subsidiary Partnership) that the Limited Partners may include in their individual tax bases of their respective Partnership Interests pursuant to Treasury Regulation Section 1.752-2 and Treasury Regulations Section 1.752-3(a)(2) and (3). Upon receipt of such notice, each Limited Partner shall inform the Partnership of any action it desires to take in its sole and absolute discretion in order to increase the "economic risk of loss" (within the meaning of Treasury Regulation 5 1.752-2) (the "Incurrence") that it has with respect to liabilities of the Partnership or any other Subsidiary Partnerships. The Partnership shall cooperate with each Limited Partner to facilitate the Incurrence by such Limited Partner with respect to Partnership Liabilities or liabilities of any Subsidiary Partnerships in such a way that the Incurrence has the least amount of real economic risk to such Limited Partner and provided that the Incurrence does not have a material adverse impact on any other Partner in the Partnership or any such Partner's Affiliates.

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

ARTICLE XI

Grant of Rights to the Limited Partners

11.1 Grant of Rights. The Managing General Partner does hereby grant to each of the Limited Partners and each of the Limited Partners does hereby accept the right, but not the obligation (hereinafter such right sometimes referred to as the "Rights"), to convert all or a portion of such Limited Partner's Partnership Units into Shares (which will be contributed by the Managing General Partner to the Trust in consideration for Trust Interests attached to the Simon Group Common Stock issued upon the concurrent conversion of the Simon Group Partnership Unit referred to in the proviso below) or cash, as selected by the Managing General Partner, at any time or from time to time, on the terms and subject to the conditions and restrictions contained in this Article XI; provided, however, that no Partnership Unit may be converted pursuant to this Article XI without a conversion of the corresponding Simon Group Partnership Unit; and provided, further that each Partnership Unit converted pursuant to this Article XI shall be converted into the same form of consideration as the corresponding Simon Group Partnership Unit. The Rights granted hereunder may be exercised by a Limited Partner, on the terms and subject to the conditions and restrictions contained in this Article XI, upon delivery to the Managing General Partner of a notice in the form of Exhibit E (an "Exercise Notice"), which

notice shall specify the number of such Limited Partner's Partnership Units to be converted by such Limited Partner (the "Offered Units"). Once delivered, the Exercise Notice shall be irrevocable, subject to payment by the Managing General Partner or the Partnership of the Purchase Price for the Offered Units in accordance with the terms hereof. In the event the Managing General Partner elects to cause the Offered Units to be converted into cash, the Managing General Partner shall effect such conversion by causing the Partnership to redeem the Offered Units for cash.

11.2 [INTENTIONALLY OMITTED].

11.3 Computation of Purchase Price/Form of Payment. The purchase price ("Purchase Price") payable to a tendering Limited Partner shall be equal to the Deemed Partnership Unit Value multiplied by the number of Offered Units computed as of the date on which the Exercise Notice was delivered to the Managing General Partner (the "Computation Date"). Subject to the following paragraph, the Purchase Price for the Offered Units shall be payable, at the option of the Managing General Partner, by causing the Partnership to redeem the Offered Units for cash in the amount of the Purchase Price, or by the issuance by the Managing General Partner of the number of Shares (which will be contributed by the Managing General Partner to the Trusts in return for Trust Interests attached to the Simon Group Common Stock issued upon the concurrent conversion of a Simon Group Partnership Unit) equal to the number of Offered Units (adjusted as appropriate to account for stock splits, stock dividends or other similar transactions between the Computation Date and the closing of the purchase and sale of the Offered Units in the manner specified in Section 11.7(d) below).

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

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

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

11.7 Covenants of the Managing General Partner. To facilitate the Managing General Partner's ability fully to perform its obligations hereunder, the Managing General Partner covenants and agrees as follows:

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

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

11.8 Limited Partners' Covenant. Each of the Limited Partners covenants and agrees with the Managing General Partner that all Offered Units tendered to the Managing General Partner or the Partnership, as the case may be, in accordance with the exercise of Rights herein provided shall be delivered free and clear of all Liens and should any Liens exist or arise with respect to such Offered Units, the Managing General Partner or the Partnership, as the case may be, shall be under no obligation to acquire the same unless, in connection with such acquisition, the Managing General Partner has elected to cause the Partnership to pay such portion of the

Purchase Price in the form of cash consideration in circumstances where such consideration will be sufficient to cause such existing Lien to be discharged in full upon application of all or a part of such consideration and the Partnership is expressly authorized to apply such portion of the Purchase Price as may be necessary to satisfy any indebtedness in full and to discharge such Lien in full. In the event any transfer tax is payable by the Limited Partner as a result of a transfer of Partnership Units pursuant to the exercise by a Limited Partner of the Rights, the Limited Partner shall pay such transfer tax.

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

ARTICLE XIII

General Provisions

12.1 Investment Representations.

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

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

furnished to the Limited Partner was supplied by or on behalf of the Partnership.

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

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

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

12.5 Effect and Interpretation. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN CONFORMITY WITH THE LAWS OF THE STATE OF DELAWARE.

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed as of the date and year first above written which Agreement shall be effective on the date it is executed and delivered by the Parties hereto.

GENERAL PARTNERS:

SPG REALTY CONSULTANTS, INC.

By:

Name:
Title:

LIMITED PARTNERS:

MELVIN SIMON & ASSOCIATES, INC.

By:

Name:
Title:

JCP REALTY, INC.

By:

Name:
Title:

BRANDYWINE REALTY, INC.

By:

Name:
Title:

- ---
MELVIN SIMON

- ---
HERBERT SIMON

- ----------
DAVID SIMON

- ----------
DEBORAH J. SIMON

- ----------
CYNTHIA J. SIMON SKJODT

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

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

MELVIN SIMON & ASSOCIATES, INC.

By:

Name:
Title:

PENN SIMON CORPORATION

By:

Name:
Title:

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NACO SIMON CORP.

By:

Name:
Title:

SANDY SPRINGS PROPERTIES, INC.

By:

Name:
Title:

SIMON ENTERPRISES, INC.

By:

Name:
Title:

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

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

By:

Name:
Title:

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

- ---
Melvin Simon

61

- ---
Herbert Simon

- ---
David Simon

ESTATE OF EDWARD J. DeBARTOLO

By:

Name:
Title:

By:

Name:
Title:

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

- ---
Cynthia R. DeBartolo

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

EJDC LLC

By:

Name:
Title:

DeBARTOLO LLC

By:

Name:
Title:

NIDC LLC

By:

Name:
Title:

GREAT LAKES MALL LLC

By:

Name:
Title:

RUES PROPERTIES LLC

By:

Name:
Title:

RUES PROPERTIES, INC.

By:

Name:
Title:

CHELTENHAM SHOPPING CENTER ASSOCIATES

By:

Name:
Title:

EXHIBIT 10.35

AGREEMENT BETWEEN OPERATING PARTNERSHIPS

This Agreement Between Operating Partnerships (this "Agreement") is made as of August ___, 1998 by and among Simon Property Group, L.P. (formerly known as Simon-DeBartolo Group, L.P.), a Delaware limited partnership (the "Simon Group Partnership"), SPG Realty Consultants, L.P., a Delaware limited partnership (the "SRC Partnership"), Simon Property Group, Inc., a Delaware corporation ("Simon Group"), and SPG Realty Consultants, Inc. (formerly known as Corporate Realty Consultants, Inc.), a Delaware corporation ("SPG Realty"). Unless otherwise indicated, capitalized terms used herein are used herein as defined in Section 3.

WHEREAS, the parties hereto are entering into this Agreement in connection with the rights held by the limited partners of Simon Group Partnership and the SRC Partnership to tender Units of the Simon Group Partnership ("Simon Group Units") and Units of the SRC Partnership ("SRC Units" and, together with the Simon Group Units, the "Simon Units"), respectively, in exchange for either Paired Shares or cash;

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

SECTION 1. AGREEMENT UPON EXCHANGE.

Within nine (9) days after the valid tender pursuant to each Partnership Agreement of Simon Units, Simon Group and SPG Realty shall make an election to pay for any of such Simon Units by delivering either Paired Shares or cash. Such election shall be made pursuant to an agreement as to such election between Simon Group and SPG Realty. If Simon Group and SPG Realty do not agree upon the form of consideration for any Simon Unit within such 9-day period, they shall be deemed to have elected to pay for such Simon Units by delivering cash.

SECTION 2. DIVIDEND REINVESTMENT PLAN.

With respect to Section 4.5 of each of the Simon Group Partnership Agreement and the SRC Partnership Agreement, Simon Group and SPG Realty agree that all amounts received by each of Simon Group and SPG Realty in respect of its dividend reinvestment plan shall be, pursuant to an agreement between such parties, either (i) used to effect open market purchases of Paired Shares or (ii) upon issuance of additional Paired Shares, contributed to the respective parties in exchange for additional Simon Units. If Simon Group and SPG Realty do not agree within a reasonable period of time, they shall be deemed to have elected

to use such amounts to effect open market purchases of Paired Shares.

SECTION 3. DEFINITIONS. For purposes of this Agreement:

"Paired Share" means one share of Simon Group Common Stock and a pro rata Trust Interest.

"Partnership Agreements" mean the Simon Group Partnership Agreement and the SRC Partnership Agreement.

"Simon Group Common Stock" means the shares of Common Stock, par value $0.0001 per share, of Simon Group.

"SRC Shares" means the Common Stock, par value $0.0001 per share, of SPG Realty.

"Trust" shall mean the trust owning all of the outstanding SRC Shares subject to a trust agreement between certain stockholders of Simon Group, a trustee and SPG Realty pursuant to which all shareholders of Simon Group are beneficiaries of such Trust.

"Trust Interest" shall mean a beneficial interest in one or more Trusts associated with or attached to a SRC Share.

SECTION 4. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors or assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than Simon Group, SPG Realty, Simon Group Partnership and SRC Partnership, shall also be for the benefit of and enforceable by any subsequent holder of any Simon Units.

SECTION 5. EXECUTION IN COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding agreement when Simon Group, SPG Realty, Simon Group Partnership, and SRC Partnership shall have each executed a counterpart of this Agreement.

SECTION 6. TITLES AND HEADINGS. Titles and headings to Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

SECTION 7. GOVERNING LAW. This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the internal laws of the State of Delaware, without regard to principles of conflicts of laws as applied in the State of Delaware or any other jurisdiction which,

if applied, would result in the application of any laws other than the internal laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto or by their duly authorized officers, all as of the date first above written.

SIMON PROPERTY GROUP, L.P.

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

By:_____
Name:
Title:

SPG REALTY CONSULTANTS, L.P.,

By: SPG Realty Consultants, Inc., as
Managing General Partner

By:_____
Name:
Title:

SIMON PROPERTY GROUP, INC.

By:_____
Name:
Title:

SPG REALTY CONSULTANTS, INC.

By:_____
Name:
Title:

EXHIBIT 10.36

CONFORMED COPY

$250,000,000

CREDIT AGREEMENT

dated as of

June 26, 1996

among

CORPORATE PROPERTY INVESTORS

The BANKS Listed Herein

and

CHEMICAL BANK - A SUBSIDIARY OF THE
CHASE MANHATTAN CORPORATION,
as Documentation Agent

and

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
as Administrative Agent

CHEMICAL BANK - A SUBSIDIARY OF THE
CHASE MANHATTAN CORPORATION

and

J.P. MORGAN SECURITIES INC.
Co-Arrangers

TABLE OF CONTENTS(1)

- ----------
(1) The Table of Contents is not a part of this Agreement.

CREDIT AGREEMENT

AGREEMENT dated as of June 26, 1996 among CORPORATE PROPERTY INVESTORS, the BANKS listed on the signature pages hereof, CHEMICAL BANK, as Documentation Agent, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.07(b).

"Administrative Agent" means Morgan Guaranty Trust Company of New York in its capacity as Administrative Agent for the Banks hereunder, and its successors in such capacity.

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Bank.

"Affiliate" means, with respect to any Person (the "Subject Person"), (i) any Person that directly, or indirectly through one or more intermediaries, controls the Subject Person (a "Controlling Person") or (ii) any Person (other than the Subject Person) which is controlled by or is under common control with a Controlling Person or the Subject Person. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a

Person, whether through the ownership of voting securities, by contract or otherwise.

"Agents" means the Administrative Agent and the Documentation Agent.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Base Rate Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Appraised Value" of any Real Property means at any time the fair market value of the equity interests in all such Real Property held at such time by the Borrower and its Consolidated Subsidiaries, as set forth in the most recent real property appraisal of the Borrower and its Consolidated Subsidiaries by the Appraiser referred to in Section 5.12, to which has been added related debt secured by such Real Property, which debt had been deducted in determining such fair market value.

"Appraiser" means Landauer Associates, Inc., or any other nationally recognized, independent appraiser that is experienced in the appraisal of regional and super-regional shopping centers and is a member of the Appraisal Institute selected by the Borrower and acceptable to the Required Banks, which acceptance shall be deemed given unless Banks having more than 33-1/3% of the aggregate amount of the Commitments reasonably object in writing to the selection delivered within 90 days after notice of such selection.

"Asset Acquisition" means any acquisition of assets by the Borrower or any of its Subsidiaries.

"Asset Disposition" means any sale, lease, transfer or other disposition of any asset, directly or indirectly (by merger or otherwise), by the Borrower or any of its Subsidiaries other than (i) any lease of space in Real Property entered into in the ordinary course of business, (ii) any sale, lease, transfer or other disposition of any asset other than Real Property entered into in the ordinary course of business, (iii) any sale, lease, transfer or other disposition of any asset to the Borrower or to any Wholly-Owned Consolidated Subsidiary, (iv) any transfer of cash or any sale or other disposition of a short-term investment and (v) any grant of a Lien on any property of the Borrower or any Subsidiary.

"Assignee" has the meaning set forth in Section 9.05(c).

"Bank" means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.05(c), and their respective successors.

"Bank Affiliate" means, with respect to any Bank, (i) any Person that directly, or indirectly through one or more intermediaries, controls such Bank (a "Controlling Entity") or (ii) any Person (other than such Bank) which is controlled by or is under common control with a Controlling Entity or such Bank. As used in the immediately preceding sentence, the term "control" means beneficial ownership of not less than 80% of the outstanding shares of common stock of a Person.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Loan" means a Committed Loan to be made by a Bank as a Base Rate Loan pursuant to the applicable Notice of Committed Borrowing or Article VIII.

"Base Rate Margin" means a rate per annum determined in accordance with the Pricing Schedule.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Board of Trustees" means the Board of Trustees of the Borrower or the executive or any other committee of such Board authorized to exercise the powers and authority of such Board.

"Borrower" means Corporate Property Investors, an unincorporated Massachusetts business trust, and its successors.

"Borrowing" has the meaning set forth in Section 1.03.

"Capitalized Lease" means any lease of property (real, personal or mixed) which in accordance with generally accepted accounting principles should be capitalized on the lessee's balance sheet.

"Cash Flow" means for any period Consolidated Net Income for such period plus depreciation and amortization expense for such period to the extent deducted in determining Consolidated Net Income for such period.

"Cash Flow Before Debt Service" means at any date (i) Cash Flow for the four consecutive fiscal quarters ended on or most recently prior to such date plus (ii) Consolidated Interest Expense for such four fiscal quarters (but only to the extent such Consolidated Interest Expense shall have been deducted in computing Consolidated Net Income).

"Code" means the internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Commitment" means, with respect to each Bank, the amount set forth opposite the name of such Bank on the signature pages hereof, as such amount may be reduced from time to time pursuant to Sections 2.09, 2.10 and 2.11.

"Commitment Pee Rate" means a rate per annum determined in accordance with the Pricing Schedule.

"Committed Loan" means a loan made by a Bank pursuant to Section 2.01.

"Consolidated Debt" means at any date the Debt of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period the consolidated interest expense (whether accrued or paid) on the Consolidated Debt for such period, including, without limitation, (i) any interest accrued or paid during such period which is capitalized in accordance with generally accepted accounting principles, (ii) the portion of any obligation under Capitalized Leases allocable to interest expense during such period in accordance with generally accepted accounting principles and (iii) any dividends paid in cash during such period on preferred stock of a Consolidated Subsidiary held by a Person other than the Borrower or a Wholly-Owned Consolidated Subsidiary.

"Consolidated Net Income" means for any period consolidated income (or loss) before nonrecurring items of the Borrower and its Consolidated Subsidiaries for such period.

"Consolidated Net Worth" means at any date Gross Assets at such date less the aggregate outstanding amount of Consolidated Debt.

"Consolidated Secured Debt" means at any date that portion of Consolidated Debt at such date that is attributable to (i) Secured Debt of the Borrower at such date and (ii) Debt of any Subsidiary at such date.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity (including, without limitation, a partnership) the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Debt" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes, (ii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes in respect of which the Obligor is liable, contingently, or otherwise to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business) or which the Obligor has agreed to purchase or otherwise acquire, (iii) all obligations of any other Person for borrowed money or for the unpaid purchase price of property or services or for unpaid taxes secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance upon or in property (including, without limitation, accounts and contract rights) owned by the Obligor whether or not the Obligor has assumed or become liable for the payment or such obligations, (iv) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee, and (v) all contingent obligations of the Obligor to the extent that in accordance with generally accepted accounting principles such contingent obligations are required or would be required to be disclosed in the financial statements or notes thereto of the Obligor, including, without limitation, all commitments for future real estate acquisitions and other similar contingent obligations of the Obligor, provided, however, that with respect to obligations set forth in clause (iii) above involving the Obligor's subordination of (a) the payment of lease rentals on Real Property owned by the Obligor or (b) the Obligor's interest in Real Property, to

the payment of a mortgage or other secured indebtedness which is solely the obligation of any other Person, the amount of obligations of any other Person to be included in Debt shall not be deemed to exceed the amount of the obligor's interest in such Real Property as determined in accordance with the most recent real property appraisal delivered pursuant to Section 5.12.

"Debt for Borrowed Money" of any Person (the "Obligor") means at any date, without duplication, (i) all obligations of the Obligor for borrowed money or evidenced by bonds, notes, debentures or other similar instruments or securities, (ii) any lease of property, real or personal, by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee and (iii) all obligations of. any other Person of the type described in clauses (i) and (ii) in respect of which the Obligor is liable, contingently or otherwise, to pay or advance money or property as guarantor, endorser or otherwise (except as endorser for collection in the ordinary course of business), or which the Obligor has agreed to purchase or otherwise acquire.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Delivery Time" has the meaning set forth in Section 9.07(b).

"Documentation Agent" means Chemical Bank, in its capacity as Documentation Agent for the Banks hereunder, and its successors in such capacity.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 3.01.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b) or (c) of the Code, or, solely for the purposes of Section 302 of ERISA and Section 412 of the Code, are treated as a single employer under Section 414 of the Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

"Euro-Dollar Loan" means a Committed Loan to be made by a Bank as a Euro-Dollar Loan pursuant to the applicable Notice of Committed Borrowing.

"Euro-Dollar Margin" means a rate per annum determined in accordance with the Pricing Schedule.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.07(b).

"Event of Default" has the meaning set forth in Section 6.01.

"Existing Shareholders" means, collectively, the Persons owning, directly or indirectly, shares of beneficial interest in the Borrower representing 100% of the voting power of the shares of beneficial interest in the Borrower outstanding as of the date of this Agreement.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Morgan Guaranty Trust Company of New York on such day on such transactions as determined by the Administrative Agent.

"Fixed Rate Loans" means Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a)) or any combination of the foregoing.

"Gross Assets" means at any date the sum of (i) the consolidated Appraised Value of all interests in Real Property held at such time by the Borrower and its Consolidated Subsidiaries, (ii) cash and all other assets of the Borrower and its Consolidated Subsidiaries which, in accordance with generally accepted accounting principles, at such time would be included on a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries (other than Real Property and any asset which is classified as an intangible asset under generally accepted accounting principles, including, without limitation, goodwill, patents, trademarks, trade names, copyrights and franchises), all as set forth in the most recent real property appraisal of the Borrower and its Consolidated Subsidiaries delivered pursuant to Section 5.12, and (iii) if not included in the assets set forth in clause (ii), the value of any notes and contract receivables held by the Borrower pursuant to its Employee Share Purchase Plan as indicated in the most recent real property appraisal delivered pursuant to Section 5.12.

"Interest Period" means: (1) with respect to each Euro-Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six months thereafter (or, if the Administrative Agent determines that deposits of such maturities are generally available to all of the Banks in the London interbank market for such period, nine months or one year thereafter), as the Borrower may elect in the applicable Notice of Borrowing; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(2) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 30 days thereafter; provided that:

(a) any Interest Period (other than an Interest Period determined pursuant to clause (b) below) which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(3) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending such whole number of months thereafter, as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in

another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(4) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than 14 days) as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Base Rate Loan, a Euro-Dollar Loan or a Money Market Loan and "Loans" means Base Rate Loans, Euro-Dollar Loans or Money Market Loans or any combination of the foregoing.

"London Interbank Offered Rate" has the meaning set forth in Section 2.07(b).

"Mandatory Prepayment Event" has the meaning set forth in Section 2.11(f).

"Mandatory Prepayment Transaction" has the meaning set forth in Section 2.11(e).

"Material Debt" means Debt (other than the Notes and other than Non-Recourse Debt) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding $10,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $10,000,000.

"Minority Ownership Interest" means any equity interest in any Person other than a Consolidated Subsidiary.

"Money Market Absolute Rate" has the meaning set forth in Section 2.03(d).

"Money Market Absolute Rate Loan" means a loan to be made by a Bank pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Administrative Agent; provided that any Bank may from time to time by notice to the Borrower and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.01(a)).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.03(d).

"Money Market Quote" means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Non-Recourse Debt" of any Person means at any time all Debt secured by a Lien in or upon property owned by such Person where the rights and remedies of the holder of such Debt do not extend to assets other than the property constituting security therefor. Notwithstanding the foregoing, Debt of any Person shall not fail to constitute Non-Recourse Debt by reason of the inclusion in any document evidencing, governing, securing or otherwise relating to such Debt of provisions to the effect that such Person shall be liable, beyond the assets securing such Debt, for (i) misapplied moneys, including insurance and condemnation proceeds and security deposits, (ii) indemnification by such Person in favor of holders of such Debt and their affiliates in respect of liabilities to third parties, including environmental liabilities, (iii) breaches of customary representations and warranties given to the holders of such Debt and (iv) such other obligations as are customarily excluded from the exculpation provisions of so-called "non-recourse" loans made by commercial lenders to institutional borrowers.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Committed Borrowing (as defined in Section 2.02) or a Notice of Money Market Borrowing (as defined in Section 2.03(f)).

"Obligations" means the obligations of the Borrower under this Agreement including (a) all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Borrower, whether or not an allowable

claim in any such proceeding) on any Loan or Note, (b) all other amounts payable by the Borrower hereunder and (c) any renewals or extensions of any of the foregoing.

"Parent" means, with respect to any Bank, any Controlling Entity (as defined in the definition of Bank Affiliate) of such Bank.

"Participant" has the meaning set forth in Section 9.05(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its Prime Rate.

"Real Property" means land, rights in land, and any buildings, structures, improvements, furnishings, fixtures and equipment located on or used in connection with land and rights in lands, or interests therein, including, without limitation, fee ownership of land or improvements, options, leaseholds, joint venture, limited liability company or partnership interests in land or improvements, or notes, debentures, bonds or other evidences of indebtedness collateralized by or otherwise secured in any way by mortgages, deeds of trust or interests in any of the foregoing instruments.

"Reference Banks" means the principal London offices of Chemical Bank and Morgan Guaranty Trust Company of New York, and "Reference Bank" means either one of such Reference Banks.

"Refunding Borrowing" means a Committed Borrowing which, after application of the proceeds thereof, results in no net increase in the aggregate outstanding principal amount of the Loans (including, without limitation, any Money Market Loans repaid with such proceeds).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means at any time Banks having at least 66-2/3% of the aggregate amount of the Commitments or, if the Commitments shall have been terminated, holding Notes evidencing at least 66-2/3% of the aggregate unpaid principal amount of the Loans.

"Restricted Payment" means, without duplication, (i) any payment on account of the purchase, redemption, retirement or acquisition of (a) any shares of beneficial interest in the Borrower or (b) any option, warrant or other right to acquire shares of beneficial interest in the Borrower, (ii) any dividend or other distribution with respect to shares of beneficial interest in the Borrower (except dividends payable solely in shares of beneficial interest in the Borrower) or (iii) any payment in respect of Subordinated Securities, other than payment of current interest on Subordinated Securities that are Debt.

"Restricted Payment Threshold" means, at any date (the "Determination Date") the sum of (i) consolidated net income of the Borrower and its Consolidated Subsidiaries during the period commencing on April 1, 1996 and ending on the last day of the fiscal quarter most recently ended on or before the Determination Date, taken as a single accounting period, plus depreciation and amortization expense for such period to the extent deducted in determining such consolidated net income for such period plus (ii) $500,000,000 plus (iii) the aggregate net proceeds of any Subordinated Securities sold by the Borrower after the Effective Date and on or before the Determination Date.

"Revolving Credit Period" means the period from and including the Effective Date to, but excluding, the Termination Date.

"S&P" means Standard & Poor's Rating Services.

"Secured Debt" means, with respect to the Borrower, any Debt of the Borrower that is secured by a Lien on any of its assets.

"Security Acceptance" has the meaning set forth in Section 9.07(b).

"Security Offer" has the meaning set forth in Section 9.07(a).

"Significant Subsidiary" means any Subsidiary as to which the sum of (i) the Appraised Value of all interests in Real Property held at such time by such Subsidiary and (ii) the aggregate value of all other net assets at such time of such Subsidiary, valued in accordance with the most recent real property appraisal delivered pursuant to Section 5.12, exceeds $250,000,000.

"Significant Tenant" means a Person (including Affiliates of that Person) that is (i) the lessee of Real Property owned by the Borrower or any Subsidiary or (ii) a department store that is the occupant of Real Property forming part of a shopping center owned by the Borrower or any Subsidiary but which Real Property is owned by a Person or Persons other than the Borrower or any Subsidiary, in any case if the aggregate of the net rentable area leased by such Person and the gross floor area of department store space occupied by such Person, is in excess of 150,000 square feet.

"Specified Assets" means each of the following assets of the Borrower or any of its Subsidiaries, provided that such asset is wholly-owned by the Borrower or any of its Subsidiaries at the time the Borrower proposes to grant to the Administrative Agent for the ratable benefit of the Banks a continuing security interest in such asset in accordance with Section 9.07: Town Center at Boca Raton; Brea Mall in Orange County, California; Lenox Square in Atlanta, Georgia; Burlington Mall in Burlington, Massachusetts; Livingston Mall in Livingston, New Jersey; Rockaway Townsquare in Rockaway, New Jersey; Roosevelt Field in Garden City, New York; Walt Whitman Mall in Huntington, New York and Westminster Mall in Orange County, California; or, with the approval of the Required Banks, such other substitute asset with an Appraised Value equal to or greater than the Specified Asset being substituted for.

"Subordinated Securities" means shares of stock or other equity interests in the Borrower (whether common or preferred, voting or nonvoting, redeemable or non-redeemable) and Debt of the Borrower which (x) shall have

been expressly subordinated in right of payment at maturity, upon acceleration or otherwise by the instrument creating such Debt to the Obligations by provisions no less favorable to the holders of the Obligations than those set forth in Exhibit L and (y) shall have a maturity date not earlier than June 27, 2002.

"Subsidiary" means (i) any corporation, trust or other entity governed by a board of directors, board of trustees or other body exercising similar authority over the affairs thereof, the securities or ownership interests of which having ordinary voting power to elect a majority of such board or body are at the time directly or indirectly owned by the Borrower and (ii) any limited liability company, partnership (general or limited) or joint venture of which the Borrower directly or indirectly owns the interest of a general partner or venturer; provided, however, that (A) for purposes of each subsection of Sections 2.10(e) and 6.01, such limited liability company, partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such limited liability company, partnership or venture, the Borrower directly or indirectly shall have the right to cause such limited liability company, partnership or venture to take, or to refrain from taking, the action described in such subsection, (B) for purposes of each Section of Article IV, such limited liability company, partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such limited liability company, partnership or venture, the Borrower directly or indirectly shall have the right (1) to obtain the information necessary to determine the accuracy of the representation set forth in such Section and (2) to cause such representation to be accurate and (C) for purposes of each Section of Article V, such limited liability company, partnership or venture shall be deemed not to be a "Subsidiary" unless, pursuant to applicable law and the instruments and agreements governing the organization of such limited liability company, partnership or venture, the Borrower directly or indirectly shall have the right to cause compliance by such limited liability company, partnership or venture with such Section. For purposes of the preceding sentence, the right to take or refrain from taking any action shall include the right to cause the subject partnership or venture to obtain the necessary funds required for it to take or refrain from taking such action.

"Super Required Banks" means at any time Banks having at least 80% of the aggregate amount of the

Commitments or, if the Commitments shall have been terminated, holding Notes evidencing at least 80% of the aggregate unpaid principal amount of the Loans.

"Termination Date" means June 26, 2001 or if such day is not a Euro-Dollar Business Day, the next succeeding Euro-Dollar Business Day.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), at any such time, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"Unleveraged Assets" means at any time the sum of (i) (x) the Appraised Value at such time of all Real Property owned by the Borrower that is not subject to a Lien securing Debt for Borrowed Money plus (y) the value at such time, determined in accordance with generally accepted accounting principles, of all assets of the Borrower (other than Real Property and intangible assets (determined in accordance with generally accepted accounting principles)) that are not subject to any Lien securing Debt for Borrowed Money and (ii) for each Consolidated Subsidiary that does not have Debt for Borrowed Money (other than Debt for Borrowed Money owing to the Borrower or any Wholly-Owned Consolidated Subsidiary and other than Non-Recourse Debt) the sum of: (s) the Appraised Value at such time of Real Property owned by such Consolidated Subsidiary that is not subject to a Lien securing Debt for Borrowed Money and (t) the value at such time, determined in accordance with generally accepted accounting principles, of all assets of such Consolidated Subsidiary (other than Real Property and intangible assets (determined in accordance with generally accepted accounting principles)) that are not subject to any Lien securing Debt for Borrowed Money. For purposes of the preceding sentence only, the term "Non-Recourse Debt" of any Person (the "Obligor") will be deemed to include any lease of office equipment by the Obligor, as lessee, to the extent that, in accordance with generally accepted accounting principles, it is required to be capitalized on a balance sheet of the lessee, regardless of whether such obligation may be enforced out of assets other than such office equipment.

"Wholly-Owned Consolidated Subsidiary" means any Consolidated Subsidiary all of the shares of capital stock

or beneficial interest or other ownership interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by the Borrower.

SECTION 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Banks.

SECTION 1.03. Types of Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article II on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (e.g., a "Fixed Rate Borrowing" is a Euro-Dollar Borrowing or a Money Market Borrowing (excluding any such Borrowing consisting of Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a)), and a "Euro-Dollar Borrowing" is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article II under which participation therein is determined (i.e., a "Committed Borrowing" is a Borrowing under Section 2.01 in which all Banks participate in proportion to their Commitments, while a "Money Market Borrowing" is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith).

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments to Lend. During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not to exceed in the aggregate at any one time outstanding the amount of its Commitment. Each Borrowing under this Section shall be in an aggregate principal amount of $5,000,000 or any larger multiple of $1,000,000 (except that any such Borrowing may be in the aggregate amount of the unused Commitments). Within the foregoing limits, the Borrower may borrow under

this Section, repay, or to the extent permitted by Section 2.12, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section.

SECTION 2.02. Notice of Committed Borrowing. The Borrower shall give the Administrative Agent and the Documentation Agent notice (a "Notice of Committed Borrowing") at least three Domestic Business Days before each Base Rate Borrowing and at least three Euro-Dollar Business Days before each Euro-Dollar Borrowing, specifying:

(i) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(ii) the aggregate amount of such Borrowing,

(iii) whether the Loans comprising such Borrowing are to be Base Rate Loans or Euro-Dollar Loans,

(iv) in the case of a Fixed Rate Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(v) the purpose of such Borrowing.

Notwithstanding the foregoing, no more than ten Committed Borrowings shall be outstanding at any one time.

SECTION 2.03. Money Market Borrowings. (a) The Money Market Option. In addition to Committed Borrowings pursuant to Section 2.01, the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower, provided that prior to the first such request the Borrower shall obtain the unanimous consent of the Banks to the inclusion of the facility under this Section 2.03 for the making of Money Market Loans (which consent may be granted or withheld in each Bank's sole discretion and which may be conditioned on satisfactory revision of the fees referred to in Section 2.08(b)). At any time after such unanimous consent, if any, is granted, the Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Administrative

Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit B hereto so as to be received no later than 10:30 A.M. (New York City time) on (x) the fifth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be $5,000,000 or a larger multiple of $1,000,000,

(iii) the duration, of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within five Euro-Dollar Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt of a Money Market Quote Request, the Administrative Agent shall send to the Banks by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in

response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by telex or facsimile transmission at its offices specified in or pursuant to Section 9.01 not later than (x) 2:00 P.M. (New York City time) on the fourth Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Administrative Agent (or any affiliate of the Administrative Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Administrative Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Auction or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Rate Auction. Subject to Articles III and VI, any Money Market Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be $5,000,000 or a larger multiple of $1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested, and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified

to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit D hereto or does not specify all of the information required by subsection (d)(ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to the Borrower. The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of

Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:30 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request;

(ii) the principal amount of each Money Market Borrowing must be $5,000,000 or a larger multiple of $1,000,000;

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and;

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such, Banks as nearly as possible (in multiples of $1,000,000 as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers.

Determinations by the Administrative Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.04. Notice to Banks: Funding of Loans. (a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's share of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 11:00 A.M. (New York City time) on the date of each Borrowing, each Bank shall (except as provided in subsection (c) of this Section) make available its ratable share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines, or is notified by the Documentation Agent prior to the date of such Borrowing that the Documentation Agent has determined, that any applicable condition specified in Article III has not been satisfied, the Administrative Agent will make the funds so received from the Banks available to the Borrower at the Administrative Agent's aforesaid address.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in subsection (b) of this Section, or remitted by the Borrower to the Administrative Agent as provided in Section 2.12, as the case may be.

(d) Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Administrative Agent such Bank's share of such Borrowing, the Administrative Agent may assume that such Bank has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Administrative Agent, such Bank and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together

with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.07 and (ii) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.05. Notes. (a) The Loans of each Bank shall be evidenced by a single Note payable to the order of such Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans.

(b) Each Bank may, by notice to the Borrower and the Administrative Agent, request that its Loans of a particular type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans of the relevant type. Each reference in this Agreement to the "Note" of such Bank shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt of each Bank's Note pursuant to Section 3.01(b), the Administrative Agent shall mail such Note to such Bank. Each Bank shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and prior to any transfer of its Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.06. Maturity of Loans. Each Loan included in any Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing.

SECTION 2.07. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal

amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of (x) the Base Rate Margin for such day plus (y) the Base Rate for such day. Such interest shall be payable for each Interest period on the last day thereof. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 3% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin for such day plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period means the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in dollars are offered to each of the Reference Banks in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of such Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"Euro-Dollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to

United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(c) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 3% plus the sum of the Euro-Dollar Margin plus the Adjusted London Interbank Offered Rate applicable to such Loan on the date such default shall have occurred.

(d) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07(b) as if the related Money Market LIBOR Borrowing were a Committed Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 3% plus the Base Rate for such day.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the Banks by telex, cable or facsimile of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(f) Each Reference Bank agrees to use its best efforts to furnish quotations to the Administrative Agent as contemplated hereby. If any Reference Bank does not furnish a timely quotation, the Administrative Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or

Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

SECTION 2.08. Fees. (a) On or before the Effective Date, the Borrower shall pay to the Administrative Agent for the account of the Banks a participation fee in an amount equal to (x) if such Bank's initial bid for a commitment (as set forth in such Bank's commitment letter) was less than $25,000,000, 0.15% of the amount of such Bank's Commitment or (y) if such Bank's initial bid for a commitment (as set forth in such Bank's commitment letter) was greater than or equal to $25,000,000, 0.20% of the amount of such Bank's Commitment.

(b) During the Revolving Credit Period, the Borrower shall pay to the Administrative Agent for the account of each Bank ratably in accordance with their respective Commitments a commitment fee at the Commitment Fee Rate (determined daily in accordance with the Pricing Schedule) on the daily amount by which the aggregate amount of the Commitments exceeds the aggregate outstanding principal amount of the Loans. Such commitment fees shall accrue from and including the Effective Date to but excluding the last day of the Revolving Credit Period and shall be payable quarterly in arrears on each January 15, April 15, July 15 and October 15 during the Revolving Credit Period (commencing October 15, 1996) and on the date of the termination of the Commitments in their entirety.

SECTION 2.09. Optional Termination or Reduction of Commitment. During the Revolving Credit Period, the Borrower may, upon at least 15 calendar days' notice to the Administrative Agent, (a) terminate the Commitments at any time, if no Loans are outstanding at such time or (b) ratably reduce from time to time by an aggregate amount of $1,000,000 or any larger multiple of $1,000,000, the unused portion of the Commitments. If the Commitments are terminated in their entirety, all accrued commitment fees shall be payable on the effective date of such termination.

SECTION 2.10. Mandatory Termination of Commitment. The Commitments shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

SECTION 2.11. Mandatory Prepayments and Termination of Commitment. (a) Promptly following any determination by the Borrower or any of its Subsidiaries to consummate a Mandatory Prepayment Transaction, and in any event at least 90 days prior to the consummation by the

Borrower or any of its Subsidiaries of a Mandatory Prepayment Transaction, the Borrower shall send a notice prepared by its chief financial officer to each of the Banks (i) specifying the date on which the Borrower or its Subsidiary, as the case may be, proposes to consummate such Mandatory Prepayment Transaction and (ii) describing such Mandatory Prepayment Transaction in reasonable detail.

(b) Prior to, or simultaneously with, the consummation by the Borrower or any of its Subsidiaries of any Mandatory Prepayment Transaction, and upon five Domestic Business Days' notice to each of the Banks stating the proposed date of the prepayment, the Borrower shall prepay the outstanding principal amount of the Loans in full, together with accrued interest thereon to the date of such prepayment and any amounts payable to the Banks as a result of such prepayment pursuant to Section 2.14 and all accrued fees pursuant to Section 2.08(b). The Commitments shall terminate on the earlier of (i) the date of such prepayment and (ii) the date of consummation by the Borrower or any of the Subsidiaries of such Mandatory Prepayment Transaction.

(c) Promptly, and in any event within two Domestic Business Days, following the occurrence of a Mandatory Prepayment Event, the Borrower shall give notice thereof to each of the Banks and the Administrative Agent.

(d) The Borrower shall, on a date specified by the Administrative Agent following the occurrence of a Mandatory Prepayment Event (which date shall be no less than two Domestic Business Days and no more than twenty Domestic Business Days after the date the Administrative Agent receives the notice referred to in subsection (c) above), prepay the outstanding principal amount of the Loans in full, together with accrued interest thereon to the date of such prepayment and any amounts payable to the Banks as a result of such prepayment pursuant to Section 2.14 and all accrued fees pursuant to Section 2.08(b). The Commitments shall terminate on the date of such prepayment.

(e) The term "Mandatory Prepayment Transaction" means:

(i) (x) any consolidation or merger by the Borrower with or into any other Person or (y) any sale, lease or other transfer by the Borrower, directly or indirectly, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, to any Person (other than the Borrower or any Wholly-Owned

Consolidated Subsidiary of the Borrower); provided that a merger by the Borrower with another Person shall not constitute a Mandatory Prepayment Transaction if (A) the Borrower is the entity surviving such merger and (B) immediately after giving effect to such merger, neither a Default, a Mandatory Prepayment Transaction (other than one referred to in this clause (i)) nor a Mandatory Prepayment Event shall have occurred and be continuing;

(ii) the making of any Restricted Payment by the Borrower or any of its Subsidiaries if, after giving effect thereto, the aggregate amount of all Restricted Payments made by the Borrower and its Subsidiaries on or subsequent to the date hereof and on or before the date of such Restricted Payment, would equal or exceed the Restricted Payment Threshold;

(iii) the making of any Asset Disposition by the Borrower or any of its Subsidiaries prior to the date (if any) on which the Security Acceptance shall occur if, after giving effect thereto, (A) the aggregate amount of Gross Assets allocable to Real Property disposed of by the Borrower or any of its Subsidiaries on or after the Effective Date (determined in each case as of the date of such disposition) equals or exceeds (B) 50% of the sum of (i) $4,230,000,000 (Four Billion Two Hundred and Thirty Million Dollars) plus (ii) the excess, if any, of (x) the net proceeds received by the Borrower of any Subordinated Securities issued after the Effective Date over (y) the sum of (I) the portion of such proceeds not invested by the Borrower in Real Property (for purposes of clause (y)(I), proceeds used to repay Debt incurred to invest in Real Property being deemed to have been invested in Real Property) plus (II) the aggregate amount of Restricted Payments made by the Borrower and its Subsidiaries in respect of redemptions or repurchases of Subordinated Securities issued by the Borrower after the Effective Date; or the making of any Restricted Payment referred to in clause (y)(II) at any time prior to the date (if any) on which the Security Acceptance shall occur, if, after giving effect thereto, the amount determined pursuant to clause (A) above equals or exceeds the amount determined pursuant to clause (B) above at such time;

(iv) the making by the Borrower or any Consolidated Subsidiary of any Investment (other than an Investment in the Borrower or in a Wholly-Owned Consolidated Subsidiary) in any Person if, after giving effect thereto, the aggregate fair market value of all Investments of the Borrower and its Consolidated Subsidiaries (A) in such Person (and its Affiliates (other than the Borrower and its Subsidiaries)) would exceed 25% of Gross Assets or (B) in such Person (and its Affiliates (other than the Borrower and its Subsidiaries)) and any two other Persons (and their respective Affiliates (other than the Borrower and its Subsidiaries)) would exceed 50% of Consolidated Net Worth;

(v) the making by the Borrower or any Consolidated Subsidiary of any Investment in Real Property if, after giving effect thereto, the Appraised Value of any single or contiguous Real Property held by the Borrower and its Consolidated Subsidiaries would exceed 25% of Gross Assets; or

(vi) the making by the Borrower or any Consolidated Subsidiary of any Investment in any Person if, after giving effect thereto, the aggregate fair market value of all Investments of the Borrower and its Consolidated Subsidiaries that constitute Minority Ownership Interests would exceed 10% of Gross Assets.

(f) The term "Mandatory Prepayment Event" means:

(i) failure by the Borrower or any of its Subsidiaries (other than Subsidiaries that are considered, for Federal income tax purposes, partnerships, non-entities or joint ventures) to qualify, at any time, as a "real estate investment trust" or "qualified REIT subsidiary", as the case may be, under Sections 856-859 of the Code, or any successor provision;

(ii) failure by the Borrower to qualify, at any time, as either a "real estate operating company" or a "venture capital operating company", in each case, as defined in Section 2510.3-101 of the Regulations of the Department of Labor;

(iii) the Existing Shareholders shall cease, for any reason, to own, directly or indirectly,

shares of beneficial interest in the Borrower representing at least 55% of the voting power of all then outstanding shares of beneficial interest of the Borrower; or

(iv) during any period of 12 consecutive calendar months, individuals who were members of the Board of Trustees of the Borrower on the first day of such period shall cease to constitute a majority of the Board of Trustees of the Borrower, other than as a result of death, incapacity or mandatory retirement based on age.

SECTION 2.12. Optional Prepayments. (a) The Borrower may (i) upon at least three Domestic Business Days' notice (or with respect to a Base Rate Borrowing made pursuant to Sections 8.01, 8.02 or 8.04, upon at least one Domestic Business Day's notice) to the Administrative Agent, prepay any Base Rate Borrowing (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)) and (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent, subject to Section 2.14, prepay any Euro-Dollar Borrowing, in whole at any time, or from time to time in part in amounts aggregating $1,000,000 or any larger multiple of $1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(b) Except as provided in Subsection (a) above, the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

SECTION 2.13. General Provisions as to Payments. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of commitment fees hereunder, not later than 11:00 A.M. (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01. The Administrative Agent will promptly distribute to each Bank its ratable share of each such payment received by the Administrative Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Base Rate Loans or of commitment fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the

date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) The Banks agree that, unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment, each Bank shall repay to the Administrative Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.14. Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Article II, VI or VIII or otherwise) on any day other than the last day of the Interest Period applicable thereto or if the Borrower fails to borrow any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.02, the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by such Bank (or by an existing or prospective Participant in the related Fixed Rate Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or failure to borrow, provided that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.15. Computation of Interest and Fees. Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap

year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.16. Withholding Tax Exemption. At least five Domestic Business Days prior to the first date on which any amount is payable hereunder for the account of any Bank, each Bank that is not incorporated under the laws of the United States of America or a state thereof will deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, certifying in either case that such Bank is entitled to receive all payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes. Each Bank which is required so to deliver a Form 1001 or 4224 will, in addition, deliver to each of the Borrower and the Administrative Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent, in each case certifying that such Bank is entitled to receive all payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes, unless any change in a tax treaty to which the United States is a party or any change in law or regulation of the United States has occurred after the Effective Date (or, in the case of any bank that is not a Bank on the Effective Date, after the date such bank becomes a Bank hereunder) and prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such form with respect to it and such Bank advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax. Notwithstanding any provision in this Agreement to the contrary, the Borrower shall not be obliged to pay any additional amount in respect of any United States federal income tax (including, without limitation, pursuant to Section 8.03 hereof) if the obligation to withhold with respect to such tax results from, or would not have occurred but for, the failure of any Bank to deliver the forms specified in this Section 2.16 in the manner and at the times specified herein (unless such failure is due to a

change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided).

ARTICLE III

CONDITIONS

SECTION 3.01. Effectiveness. This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.04, provided that the conditions set forth in Sections 3.01(g) and (i) may not be waived except by all of the Banks):

(a) receipt by the Administrative Agent and the Documentation Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any Bank from which an executed counterpart shall not have been received, receipt by the Administrative Agent or Documentation Agent in form satisfactory to it of telegraphic, telex or other written confirmation from such Bank of execution of a counterpart hereof by such Bank);

(b) receipt by the Administrative Agent for the account of each Bank of a duly executed Note dated on or before the Effective Date complying with the provisions of Section 2.05;

(c) receipt by the Administrative Agent and the Documentation Agent of an opinion of the general counsel for the Borrower, substantially in the form of Exhibit E hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(d) receipt by the Administrative Agent and the Documentation Agent of an opinion of Peabody & Arnold, special Massachusetts counsel for the Borrower, substantially in the form of Exhibit F hereto and covering such matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(e) receipt by the Administrative Agent and the Documentation Agent of an opinion of Cravath, Swaine & Moore, special counsel for the Borrower, substantially in the form of Exhibit G hereto and covering such

matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(f) receipt by the Administrative Agent and the Documentation Agent of an opinion of Davis Polk & Wardwell, special counsel for the Administrative Agent, substantially in the form of Exhibit H hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(g) the "Commitment" (as defined therein) under the $135,000,000 Credit Agreement dated January 15, 1993 among the Borrower, the banks listed therein, Chemical Bank, as Co-Agent and Morgan Guaranty Trust Company of New York, as Administrative Agent (the "Existing Credit Agreement") shall have been terminated and all amounts due and payable thereunder shall have been paid in full;

(h) receipt by the Administrative Agent and the Documentation Agent of all documents either of them may reasonably request relating to the existence of the Borrower, the Borrower's authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent and the Documentation Agent; and

(i) the Borrower shall have paid the fees referred to in Sections 2.08(a) and 7.09;

provided that this Agreement shall not become effective or be binding on any party hereto unless all of the foregoing conditions are satisfied not later than June 30, 1996. The Administrative Agent shall promptly notify the Borrower and the Banks of the Effective Date, and such notice shall be conclusive and binding on all parties hereto.

SECTION 3.02. Borrowings. The obligation of any Bank to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(b) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

(c) the fact that, immediately before and after such Borrowing, (i) in the case of a Borrowing other than a Refunding Borrowing, no Default shall have occurred and be continuing, (ii) in the case of a Refunding Borrowing, no Event of Default shall have occurred and be continuing and (iii) in the case of any Borrowing, (x) no Mandatory Prepayment Event shall have occurred and (y) no Mandatory Prepayment Transaction shall have occurred; and

(d) the fact that the representations and warranties of the Borrower contained in this Agreement (except, in the case of a Refunding Borrowing, the representations and warranties set forth in Sections 4.04(c), 4.05 and 4.07 as to any matter which has theretofore been disclosed in writing by the Borrower to the Banks) shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Existence and Power. The Borrower is an unincorporated Massachusetts business trust duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all power and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's powers, have been duly authorized by all necessary action on the part of the Borrower, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Declaration of Trust (including, without limitation, Section 3.2(f) thereof) or Trustee's Regulations of the Borrower or of any agreement, judgment, injunction, order,

decree or other instrument binding upon the Borrower or result in the creation or imposition of (or the obligation to create or impose) any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and the Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower.

SECTION 4.04. Financial Information. (a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 1995 and the related consolidated statements of cash flows, income and shareholders' equity for the fiscal year then ended, reported on by Ernst & Young and set forth in the Borrower's 1995 Annual Report, a copy of which has been delivered to the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of March 31, 1996 and the related unaudited consolidated statements of cash flows, income and shareholders' equity for the three months then ended, set forth in the Borrower's quarterly report for the fiscal quarter ended March 31, 1996, a copy of which has been delivered to the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such three-month period (subject to normal year-end adjustments).

(c) Since March 31, 1996, there has been no material adverse change in the business, financial position, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole.

SECTION 4.05. Litigation. Except as described in subparagraph (2) of Commitments, Contingencies and Other Comments of Notes to Unaudited Consolidated Financial Statements of the Borrower and its Consolidated Subsidiaries for the three months ended March 31, 1996, there is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in

which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of this Agreement or the Note.

SECTION 4.06. Compliance with ERISA. Except for any of the following, the failure to fulfill or comply with which would not in the aggregate materially adversely affect the business, financial condition or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (ii) failed to make any required contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code (except for such a failure with respect to a Multiemployer Plan which has resulted or could result in the posting of a bond or other security which would not be material to the Borrower and its Consolidated Subsidiaries, considered as a whole) or (iii) incurred any liability under Title IV of ERISA material to the Borrower and its Consolidated Subsidiaries, considered as a whole, other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.07. Environmental Matters. In the ordinary course of its business, the Borrower conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted

thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that Environmental Laws are unlikely to have a material adverse effect on the business, financial condition or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

SECTION 4.08. Taxes. All United States Federal income tax returns of the Borrower and its Subsidiaries (other than Subsidiaries that are partnerships, non-entities or joint ventures and that have a fiscal year that does not correspond to the calendar year) that have been required to be filed have been filed. All years through December 31, 1991 are closed and no subsequent notice of audit has been received. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.09. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.10. Full Disclosure. All information heretofore furnished by the Borrower to the Administrative Agent or any Bank for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Borrower to the Administrative Agent or any Bank will be, true and accurate in all material respects on the date as of which such information is stated or certified; provided that no such representation and warranty is made with respect to any projections or forecasts. The Borrower has disclosed to the Banks in writing any and all facts known to it which materially and adversely affect or may affect (to the extent the Borrower can now reasonably foresee), the business, operations or financial condition of the Borrower and its Consolidated Subsidiaries, taken as a whole, or the ability of the Borrower to perform its obligations under this Agreement.

SECTION 4.11. Qualification as a REIT. The organization of each of the Borrower and its Subsidiaries and their respective methods of operation have permitted (i) the Borrower to qualify as a "real estate investment trust" under Sections 856-859 of the Code and (ii) the Subsidiaries of the Borrower (other than Subsidiaries that are considered, for Federal income tax purposes, partnerships, non-entities or joint ventures) to qualify as "real estate investment trusts" or "qualified REIT subsidiaries", as the

case may be, under Sections 856-859 of the Code for the Borrower's tax years through December 31, 1994.

SECTION 4.12. Real Estate Operating Company. As of the date of this Agreement, the Borrower is a "real estate operating company" as defined in Section 2510.3-101 of the Regulations of the Department of Labor.

SECTION 4.13. Insurance. The Borrower maintains the insurance required by Section 5.03(b).

SECTION 4.14. Subsidiaries. Each of the Borrower's Subsidiaries was duly organized, is validly existing and is in good standing under the laws of its jurisdiction of incorporation or association (to the extent such concepts are applicable in light of the organizational form of such Subsidiary), and has all powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, except where the failure to have such licenses, authorizations, consents or approvals would not have a material adverse effect on the business, financial position, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole.

ARTICLE V

COVENANTS

The Borrower agrees that, so long as any Bank has any Commitment hereunder or any amount payable under any Note:

SECTION 5.01. Information. The Borrower will deliver to each of the Banks:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of cash flows, income and shareholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, a

consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of cash flows, income and shareholders' equity for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by the chief financial officer or the chief accounting officer of the Borrower (it being understood that the format of such balance sheet and related statements of income, cash flows and shareholders' equity shall be substantially that of the financial statements referred to in Section 4.04(b));

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, (i) a certificate of the chief financial officer chief accounting officer of the Borrower (A) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.07 to 5.10, inclusive, on the date of such financial statements, (B) stating whether any Default or Mandatory Prepayment Event exists on the date of such certificate and, if any Default or Mandatory Prepayment Event then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto, (C) setting forth the amount of Debt of the Borrower of the type described in clause (v) of the definition of Debt that is outstanding as of the date of such financial statements and (D) setting forth separately for the Borrower and each Consolidated Subsidiary that owns any asset included in the most recent determination of Unleveraged Assets, (x) the Appraised Value at such time of each piece of Real Property owned by the Borrower or such Consolidated Subsidiary, as the case may be, that is not subject to a Lien securing Debt for Borrowed Money and (y) the value at such time, determined in accordance with generally accepted accounting principles, of each asset of the Borrower or such Consolidated Subsidiary, as the case may be, (other than Real Property and intangible assets (determined in accordance with generally accepted accounting principles)) that is not subject to any Lien securing Debt for Borrowed Money, and (ii) a leasing status report and a leasing status summary,

substantially in the form of Exhibits I and J hereto, respectively;

(d) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements (i) whether anything has come to their attention in the course of conducting their audit to cause them to believe that any Default (other than a Default arising out of Section 6.01(c) or (d)) or Mandatory Prepayment Event of the type described in Section 2.11(f)(i), (iii) or (iv) existed on the date of such statements and (ii) comparing each element of the calculations set forth in the officer's certificate delivered simultaneously therewith pursuant to clauses (c)(i)(A) and (c)(i)(C) above to the most recent financial statements delivered pursuant to clause (a) above or to the most recent real property appraisal delivered pursuant to Section 5.12, as the case may be;

(e) within five days after the Chairman or the chief financial officer of the Borrower obtains knowledge of any Default, if such Default is then continuing, a certificate of the Chairman or the chief financial officer or the chief accounting officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of any documents filed with the Securities and Exchange Commission with respect to the Borrower or any of its Subsidiaries or Affiliates;

(h) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice

that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any required payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or makes any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(i) within five days after the chief financial officer of the Borrower obtains knowledge of any material adverse change with respect to any Significant Tenant (including, without limitation, (i) the commencement of any proceeding with respect to such Significant Tenant under any bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect, (ii) a change in control with respect to such Significant Tenant, or (iii) the commencement of one or more lawsuits in which a claim or claims aggregating $100,000,000 or more are asserted against such Significant Tenant) notice of such material adverse change;

(j) as soon as practicable after, and in any event no more than five Domestic Business Days after, the Board of Trustees or the investment committee of the Board of Trustees of the Borrower has voted to approve (i) any Asset Acquisition or Asset Disposition for consideration of $100,000,000 or more, notice of such approval, together with a description in reasonable detail of such Asset Acquisition or Asset Disposition or (ii) any Asset Acquisition or Asset Disposition such that the aggregate amount of all Asset Acquisitions and Asset Dispositions for any calendar year (other than any Asset Acquisition or Asset

Disposition referred to in clause (i) above) is equal to or exceeds $100,000,000, notice of such approval, together with a description in reasonable detail of all Asset Acquisitions and Asset Dispositions which occurred during such calendar year;

(k) upon request of the Administrative Agent or the Documentation Agent from time to time (at the request of any Bank), full information as to the amount of insurance carried by the Borrower and its Subsidiaries;

(l) promptly upon receipt thereof, a copy of the summary letter prepared by the Appraiser showing the Appraised Value of the Borrower's and its Consolidated Subsidiaries' real estate assets determined in each appraisal of the type referred to in Section 5.12; and

(m) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Administrative Agent or the Documentation Agent, at the request of any Bank, may reasonably request.

SECTION 5.02. Payment of Obligations. The Borrower will pay and discharge, and will cause each Subsidiary to pay and discharge, at or before maturity, all of their respective material obligations and liabilities, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings, and will maintain, and will cause each Subsidiary to maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of any of the same (it being understood and agreed that the term "material obligations and liabilities", as used in this Section 5.02 with respect to Debt, shall mean Material Debt).

SECTION 5.03. Maintenance of Property; Insurance. (a) The Borrower will keep, and will cause each Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Borrower will, and will cause each of its Subsidiaries to, maintain (either in the name of the Borrower or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts, against at least such risks and with such risk retention as are usually maintained, insured against or retained, as the

case may be, in the same general area by companies of established repute engaged in the same or a similar business; and will furnish to the Banks, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

SECTION 5.04. Conduct of Business and Maintenance of Existence. The Borrower will continue, directly or through Subsidiaries, to engage in business of the same general type and character as now conducted by the Borrower and its Subsidiaries (as described in the Borrower's 1995 Annual Report) and will preserve, renew and keep in full force and effect, and will cause each Subsidiary to preserve, renew and keep in full force and effect, their respective existences and their respective rights, privileges and franchises necessary or desirable in the normal conduct of business; provided that nothing in this Section 5.04 shall prohibit (i) the merger of a Subsidiary into the Borrower or the merger or consolidation of a Subsidiary with or into another Person if the entity surviving such consolidation or merger is a Subsidiary and if, in each case, after giving effect thereto, no Default shall have occurred and be continuing, (ii) the termination of the existence of any Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and is not materially disadvantageous to the Banks or (iii) the failure to preserve, renew or keep in full force or effect any rights, privileges or franchises where such failures would not, in the aggregate, reasonably be expected to have a material adverse effect on the assets, business or operations of the Borrower and its Consolidated Subsidiaries, taken as a whole.

SECTION 5.05. Compliance with Laws. The Borrower will comply, and will cause each Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except (i) where the necessity of compliance therewith is contested in good faith by appropriate proceedings or (ii) the failure to comply therewith, would not, together with all other such failures, reasonably be expected to have a material adverse effect on the assets, business or operations of the Borrower and its Consolidated Subsidiaries, taken as a whole.

SECTION 5.06. Inspection of Property, Books and Records. The Borrower will keep, and will cause each Subsidiary to keep, proper books of record and account in

which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit, and will cause each Subsidiary to permit, representatives of any Bank at such Bank's expense to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and each appraisal of the type referred to in Section 5.12, and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

SECTION 5.07. Limitations on Debt. The Borrower shall not, at any time, permit:

(a) Consolidated Debt to exceed 50% of the sum of (i) Gross Assets plus (ii) 50% of the aggregate amount of all contingent liabilities of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis, of the type referred to in clause (v) of the definition of Debt, but only to the extent that such contingent liabilities represent commitments of the Borrower or any of its Consolidated Subsidiaries to acquire Real Property, or

(b) Consolidated Secured Debt to exceed 35% of the Gross Assets.

SECTION 5.08. Minimum Net Worth. The Borrower shall not, at any time, permit Consolidated Net Worth to be less than $2,000,000,000 (Two Billion Dollars).

SECTION 5.09. Value of Unleveraged Assets. The Borrower shall not permit Unleveraged Assets at any time prior to the date (if any) on which the Security Acceptance shall occur to be less than 175% of the aggregate amount of Consolidated Debt that is not attributable to Consolidated Secured Debt or Debt evidenced by Subordinated Securities.

SECTION 5.10. Debt Service Coverage. The Borrower shall not, at the end of any fiscal quarter, permit Cash Flow Before Debt Service to be less than 150% of the sum of (x) Consolidated Interest Expense for such four fiscal quarters plus (y) all payments of principal with respect to Consolidated Debt payable during such four fiscal quarters (other than optional prepayments and any other non-periodic payments, including lump sum or bullet payments), except that, in the event that the rating by Moody's or S&P of the Borrower's Senior unsecured long-term Debt is, at the end of such fiscal quarter, Baa2 (or less favorable) or BBB

(or less favorable), respectively, Borrower shall not, at the end of such fiscal quarter, permit Cash Flow Before Debt Service to be less than 200% of the sum of clauses (x) and (y) above.

SECTION 5.11. Use of Proceeds. The proceeds of the Loans made under this Agreement will be used by the Borrower for general business purposes. None of such proceeds will be used in violation of any applicable law or regulation, including without limitation Regulation U.

SECTION 5.12. Real Property Appraisals. Prior to February 28 in each year and at any other time at the Borrower's option, the Borrower will (i) cause the fair market value of the equity of the Borrower and its Subsidiaries in all interests in Real Property as of the December 31 next preceding such February 28 or, in the case of an optional appraisal, a date not more than 60 days preceding the date of such appraisal (the "as of" date for any such appraisal, the "Valuation Date"), to be appraised by the Appraiser in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, (ii) calculate as of such Valuation Date the value of Gross Assets, (iii) cause the Appraiser to review such calculation of Gross Assets and (iv) cause to be filed with each Bank a report from the Appraiser containing the Appraiser's opinion on the value of Gross Assets as of such Valuation Date and its opinion on the reasonableness of the Borrower's calculation of the value of Gross Assets as of such Valuation Date and stating that the appraisal referred to in clause (i) above was made in conformity with and subject to the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute.

SECTION 5.13. Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly, enter into or consummate any transaction prohibited by the Borrower's "Trustees" under Section 6.06 of the Borrower's Second Amended and Restated Declaration of Trust, as in effect on the date hereof.

ARTICLE VI

DEFAULTS

SECTION 6.01. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due any principal of any Loan, or shall fail to pay within five Domestic Business Days of the due date thereof any interest, fees or any other amount payable hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Section 2.11 or in Sections 5.07 to 5.10, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for ten days after written notice thereof has been given to the Borrower by the Administrative Agent at the request of any Bank;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been, incorrect in any material respect when made (or deemed made);

(e) the Borrower or any Subsidiary shall fail to make any payment in respect of any Material Debt when due or within any applicable grace period;

(f) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt or enables the holder of such Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(g) the Borrower or any Significant Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its

property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $10,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would reasonably be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c) (5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of $30,000,000; or

(j) a judgment or order for the payment of money (other than a judgment of foreclosure or similar judgment solely with respect to assets securing Non-Recourse Debt) in excess of $10,000,000 shall be rendered against the Borrower or any Subsidiary and

such judgment or order shall continue unsatisfied and unstayed for a period of 10 days;

then, and in every such event, the Administrative Agent shall (i) if requested by Banks having more than 50% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by Banks holding Notes evidencing more than 50% in aggregate principal amount of the Loans, by notice to the Borrower declare the Notes (together with accrued interest thereon) to be, and the Notes shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Banks, the Commitments shall thereupon terminate and the Notes (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.02. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

ARTICLE VII

THE AGENTS

SECTION 7.01. Appointment and Authorization. Each Bank irrevocably appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to such Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.02. Agents and Affiliates. Morgan Guaranty Trust Company of New York and Chemical Bank shall have the same rights and powers under this Agreement as any other Bank and may exercise or refrain from exercising the same as though it were not an Agent, and Morgan Guaranty Trust Company of New York and Chemical Bank and their respective affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not an Agent hereunder.

SECTION 7.03. Action by Agents. The obligations of the Agents hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, neither Agent shall be required to take any action with respect to any Default, except as expressly provided in Article VI.

SECTION 7.04. Consultation with Experts. Either Agent may consult with legal counsel (who may be counsel for the borrower), independent public accountants and other experts selected by it and neither Agent shall be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05. Liability of Agents. Neither Agent shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks (or, when expressly required hereby, such different number of Banks required to consent to or request such action or inaction) or (ii) in the absence of its own gross negligence or willful misconduct, and no director, officer, agent or employee of either Agent shall be liable for any action taken or not taken by it in connection with this Agreement. Neither an Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article III, except, in the case of the Administrative Agent, receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. Neither Agent shall incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in accordance with its Commitment, indemnify each Agent (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such Agent's gross negligence or willful misconduct) that such Agent may suffer or incur in connection with this Agreement or any action taken or omitted by such Agent hereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon either Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon either Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.08. Successor Agents. Either Agent (including the Administrative Agent) may resign at any time by giving written notice thereof to the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Banks, and shall have accepted such appointment, within 30 days after the retiring Agent gives notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

SECTION 7.09. Agents' Fee. On or prior to the Effective Date, the Borrower shall pay to each Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Agents.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Fixed Rate Borrowing or Money Market LIBOR Loan:

(a) the Administrative Agent is advised by the Reference Banks that deposits in dollars (in the applicable amounts) are not being offered to the Reference Banks in the relevant market for such Interest Period, or

(b) in the case of a Committed Borrowing, Banks having, 50% or more of the aggregate amount of the Commitments advise the Administrative Agent that the Adjusted London Interbank Offered Rate as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Banks of funding their Euro-Dollar Loans for such Interest Period,

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make Euro-Dollar Loans shall be suspended. Unless the Borrower notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Committed Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the rate applicable to Base Rate Loans for such day.

SECTION 8.02. Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or

comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Bank shall use reasonable efforts to designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal. principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

SECTION 8.03. Increased Cost and Reduced Return. (a) If on or after (x) the date hereof in the case of any Committed Loan or any obligation to make Committed Loans or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency with which it shall not have been required (or requested or directed, as the case may be) to comply prior to the date hereof:

(i) shall subject any Bank (or its Applicable Lending Office) to any tax, duty or other charge imposed by the United States or any other jurisdiction from which payment is made by the Borrower (or any political subdivision of any of the foregoing thereof) with respect to its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans, or shall change the basis of taxation by the United States (or any

political subdivision thereof) of payments to any Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or any other amounts due under this Agreement in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans (but excluding in any event any changes in any tax on or measured by the income of such Bank or its Applicable Lending Office imposed by the jurisdiction in which such Bank is organized or such Bank's principal executive office or Applicable Lending Office is located or any political subdivision of any such jurisdiction); or

(ii) shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending. Office) or shall impose on any Bank (or its Applicable Lending Office) or the London interbank market any other condition affecting its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans;

and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank to be material, then, within 15 days after demand by such Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction.

(b) If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent)

as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction.

(c) Each Bank will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will use reasonable efforts to designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth in reasonable detail its calculation of the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. Notwithstanding anything to the contrary in this Section 8.03, the Borrower shall only be obligated to compensate any Bank for any amount arising or accruing during (i) any time or period commencing not more than six months prior to the date (or, if earlier, commencing the first day of any Interest Period in effect on such date) on which such Bank notifies the Administrative Agent and the Borrower that it proposes to demand such compensation and identifies the statute, regulation or other basis upon which the claimed compensation is or will be based and (ii) any time or period during which, because of the retroactive application of such statute, regulation or other basis, such Bank did not know that such amount would arise or accrue.

SECTION 8.04. Base Rate Loans Substituted for Affected Fixed Rate Loans. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03(a) and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Administrative Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Bank as Euro-Dollar Loans shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and

(b) after each of its Euro-Dollar Loans has been repaid, all payments of principal which would otherwise be applied to repay such Euro-Dollar Loans shall be applied to repay its Base Rate Loans instead.

SECTION 8.05. Election to Terminate. (a) If any Bank has demanded compensation under Section 8.03 with respect to United States Federal income tax, or the Borrower reasonably believes that such compensation will be demanded or required by any Bank on the next date for payment of any relevant amount hereunder, the Borrower shall have the right, with the assistance of the Agents, to cause a mutually satisfactory substitute bank or banks (which may be one or more of the Banks) to purchase the Note and assume the Commitment of such Bank.

(b) If any Bank has demanded compensation under Section 8.03 with respect to United States Federal income tax and no substitute bank or banks has purchased the Note and assumed the Commitment of such Bank pursuant to clause (a) above, the Borrower may elect to terminate this Agreement as to such Bank and to repay or prepay all Loans made by such Bank, provided that the Borrower (i) notifies such Bank through the Administrative Agent of such election at least three Euro-Dollar Business Days before any further Borrowings or payments of any Loan hereunder, (ii) repays or prepays all of such Bank's outstanding Loans on the dates specified by the Borrower in such notice, which dates shall be not later than the end of the respective Interest Periods applicable thereto and (iii) the Borrower shall reimburse such Bank for any loss or expense incurred by it in accordance with Section 2.14 as a result of any prepayment of a Fixed Rate Loan on a date other than the last day of an Interest Period. Upon receipt by the Administrative Agent of such notice, the Commitment of such Bank shall terminate.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, facsimile transmission or

similar writing) and shall be given to such party: (x) in the case of the Borrower or either Agent, at its address or facsimile transmission number set forth on the signature pages hereof, (y) in the case of any Bank, at its address or facsimile transmission number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address or facsimile transmission number as such party may hereafter specify for the purpose by notice to either Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile transmission number specified in this Section and telephonic confirmation of receipt thereof is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section; provided that notices to the Administrative Agent under Article II or Article VIII shall not be effective until received.

SECTION 9.02. No Waivers. No failure or delay by either Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Documentary Taxes; Indemnification. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Agents, including reasonable fees and disbursements of special counsel for the Agents, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder or any consideration of a Security Offer and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Agents and each Bank, including fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Borrower shall indemnify each Bank against any transfer `taxes, documentary taxes, assessments or charges made by any governmental authority with respect to the execution and delivery of this Agreement or the Notes, except for transfer taxes imposed as a result of a voluntary transfer, assignment or granting of a participation pursuant to Section 9.05.

(b) The Borrower agrees to indemnify each Bank and hold each Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by any Bank (or by each Agent in connection with its actions as Agent hereunder) in connection with any investigative, administrative or judicial proceeding (whether or not such Bank shall be designated a party thereto) relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; provided that no Bank shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

SECTION 9.04. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of the Administrative Agent or the Documentation Agent are affected thereby, by the Administrative Agent or the Documentation Agent, as the case may be); provided that (i) no such amendment or waiver shall, unless signed by all the Banks, (A) increase or decrease the Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation, (B) reduce the principal of or rate of interest on any Loan or any fees hereunder, (C) postpone the date fixed for any scheduled payment of principal of or interest on any Loan or any fees hereunder or for any reduction or termination of any Commitment, provided that the date on which Loans must be prepaid pursuant to Section 2.11 is not a "date fixed" for purposes of this Section 9.04, (D) change the aggregate amount by which or to which the Commitments are required to be reduced on or prior to any date set forth in Section 2.10 or (E) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement (including without limitation Section 2.03) and (ii) no such amendment or waiver shall, unless signed by all of the Banks, result in the waiver of the condition to Borrowing set forth in Section 3.02(c) if the failure to satisfy such condition is the result of a Default under Section 6.01(a) with respect to the payment of principal of or interest on any Loan.

SECTION 9.05. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective

successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans with (and subject to) the written consent of the Borrower. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Agents, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agents shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement as if such grant of a participating interest has not occurred. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in subclauses (A), (B), (C) or (D) of clause (i) of Section 9.04 without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article VIII with respect to its participating interest.

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit H hereto executed by such Assignee and such transferor Bank, with (and subject to) the subscribed consent of the Borrower and the Administrative Agent and the Documentation Agent; provided that if (i) an Event of Default has occurred and is continuing or (ii) an Assignee (x) is a bank and a Bank Affiliate of such transferor Bank and (y) has a rating from one or more of S&P and Moody's of its senior unsecured public debt or commercial paper, or from Duff & Phelps, Inc. or Fitch Investors Service, Inc. not less than that of such transferor Bank at the time of such transfer, no such consent shall be required and provided further that such assignment may, but need not, include rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery

of such instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Administrative Agent an administrative fee f or processing such assignment in the amount of $2,000. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.16.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.02 or 8.03 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

(f) Any consent of the Borrower provided for in this Section 9.05 may be withheld in the Borrower's sole discretion.

SECTION 9.06. Collateral. Each of the Banks represents to the Administrative Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.07. Offer to Secure the Obligations. (a) The Borrower may offer (a "Security Offer") to grant to the Administrative Agent for the ratable benefit of the Banks a continuing security interest in one or more Specified Assets in order to secure the full and punctual payment of the Obligations in accordance with the terms thereof and to secure the performance of all of the obligations of the Borrower under this Agreement.

(b) If at the time such Security Offer is delivered to the Administrative Agent, (i) the Appraised Value of the Specified Assets subject to such proposed Security Offer exceeds 175% of the aggregate amount of Commitments, and (ii) the aggregate income (or loss) before nonrecurring items for the four fiscal quarters then most recently ended, plus depreciation and amortization expense for such quarters (to the extent deducted in determining such income or loss for such quarters) of such Specified Assets (determined on a stand-alone basis) exceeds 150% of the aggregate interest expense of the Borrower in respect of the Loans during such four fiscal quarters plus (if the Commitments were not fully utilized at all times during such period) the amount of additional interest expense that would have accrued during such four fiscal quarters on a pro forma basis, determined as if the aggregate principal amount of Loans outstanding during such period had been equal to the aggregate amount of the Commitments in effect from time to time during such period and assuming that such additional principal amount of Loans accrued interest during such period at the rate that would have been applicable to Euro-Dollar Loans with Interest Periods of three months, each beginning on the first day of such fiscal quarter (such rate to be determined by the Administrative Agent using any reasonable method and notified to the Borrower promptly upon any request therefor, and which determination shall be conclusive in the absence of manifest error), then the Administrative Agent shall notify each of the Banks of such Security Offer. If within 45 days after delivery of such Security Offer to the Banks, the Super Required Banks have accepted such Security Offer by notice to the Administrative Agent (the "Delivery Time"), and if the Borrower and any relevant Subsidiary owning any relevant Specified Asset shall have (w) entered into and delivered to the Administrative Agent mortgages or deeds of trust securing the Obligations, together with appropriate guarantees of the Obligations by any such Subsidiary, (x) caused appropriate filings and recordings to be made, and other actions to be taken, to perfect the security interests of the Banks in such Specified Assets, (y) delivered to the Banks opinions of counsel covering the transactions contemplated by such documents and other documents relating to the existence of

the Borrower and any such Subsidiary and the authority for such transactions and (z) delivered to the Banks any other documents or information that either Agent may reasonably request, including but not limited to mortgagee title insurance policies in an amount equal to the Appraised Value of such Specified Assets, environmental reports, surveys and appraisals, all of the foregoing in form and substance satisfactory to the Super Required Banks, then upon such delivery there shall have occurred the "Security Acceptance".

SECTION 9.08. Governing Law; Submission to Jurisdiction. This Agreement and each Note shall be governed by and construed in accordance with the laws of the State of New York. The Borrower and each Bank hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.09. Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENTS AND THE BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 9.11. Limitation of Liability. Corporate Property Investors is the designation of the Trustees under a Second Amended and Restated Declaration of Trust, as amended, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Board of Trustees, officers, employees or agents of the Borrower, nor any of their personal assets, shall be liable hereunder, and all Persons dealing with the Borrower shall look solely to the assets of the Borrower for the

payment of any claims hereunder or for the performance hereof.

SECTION 9.12. Confidentiality. Each of the Agents and Banks represents that it will maintain the confidentiality of any written or oral information provided under this Agreement by or on behalf of the Borrower that has been identified by its source as confidential (hereinafter collectively called "Confidential Information"), subject to such Agent's or Bank's (a) obligation to disclose any such Confidential Information pursuant to a request or order under applicable laws and regulations or pursuant to a subpoena or other legal process, (b) right to disclose any such Confidential Information to its bank examiners, Bank Affiliates, auditors, counsel and other professional advisors and to other Banks, (c) right to disclose any such Confidential Information in connection with any litigation or dispute involving the Banks and the Borrower or any of its Subsidiaries and Affiliates and (d) right to provide such information to Participants, prospective Participants to which sales of participating interests are permitted pursuant to subsection 9.05(b) and prospective Assignees to which assignments of interests are permitted pursuant to subsection 9.05(c) if such Participant, prospective Participant or prospective Assignee agrees to maintain the confidentiality of such information on terms substantially similar to those of this Section as if it were a "Bank" party hereto (and, unless an assignment to any such prospective Assignee does not require the consent of the Borrower, with the prior written consent of the Borrower). Notwithstanding the foregoing, any such information supplied to an Agent, Bank, Participant, prospective Participant or prospective Assignee under this Agreement shall cease to be Confidential Information if it is or becomes known to such Person by other than unauthorized disclosure, or if it becomes a matter of public knowledge.

SECTION 9.13. Adjustments. If any Bank (a "Benefitted Bank") shall at any time receive payment of a proportion of the aggregate amount of principal and interest then due and payable with respect to its Committed Loans, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 6.01(g) or (h) or otherwise), which is greater than the proportion thereof received by any other Bank in respect of the aggregate amount of principal and interest then due and payable with respect to the Committed Loans of such other Bank, the Benefitted Bank shall purchase for cash from such other Bank a participating interest in such portion of such

other Bank's Committed Loans, or shall provide such other Bank with the benefits of any such collateral, or the proceeds thereof, as may be required so that all such payments of principal and interest with respect to the Committed Loans or the benefits of such collateral shall be shared by the Banks pro rata in accordance with their respective Commitments; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Bank, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest; and provided further that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Notes.

SECTION 9.14. Existing Credit Agreement. The Borrower, Morgan Guaranty Trust Company of New York, as Administrative Agent hereunder and as agent under the Existing Credit Agreement and each of the Banks, as a bank hereunder and, to the extent applicable, as a bank party to the Existing Credit Agreement (the banks party to the Existing Credit Agreement, the "Existing Credit Agreement Banks"), agree that, notwithstanding anything to the contrary herein or in the Existing Credit Agreement, the "Commitments" (as defined therein) of the Existing Credit Agreement Banks under the Existing Credit Agreement shall terminate on the Effective Date (any advance notice of such termination being hereby waived by each Bank which is an Existing Credit Agreement Bank).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CORPORATE PROPERTY INVESTORS

By /s/ Michael L. Johnson

Title: Sr. Vice President and
Chief Financial Officer

Address: Three Dag Hammarskjold Plaza
305 East 47th Street
New York, New York 10017

Attn: Chief Financial Officer
Telecopy No.: 212-759-2003

with a copy to the same address;

Attn: General Counsel
Telecopy No.: 212-759-7087

Commitments
- ---

$23,000,000 MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By /s/ Timothy O'Donovan

Title: Vice President

$23,000,000 CHEMICAL BANK

By /s/ James G. Rolison

Title: Vice President

$21,000,000 BANK OF MONTREAL, CHICAGO BRANCH

By /s/ David A. Mazujian

Title: Director

$21,000,000 COMMERZBANK AG, NEW YORK BRANCH

By /s/ James J. Henry

Title: Vice President

By /s/ Christine H. Finkel

Title: Assistant Vice President

$21,000,000 FLEET NATIONAL BANK

By /s/ Edmund H. Terry

Title: Vice President

$21,000,000 BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK AKTIENGESELLSCHAFT, ACTING THROUGH ITS NEW YORK BRANCH

By /s/ Peter T. Hannigan

Title: First Vice President

By /s/ Larney J. Bisbano

Title: Assistant Vice President

$21,000,000 MIDLANTIC BANK, N.A., A SUBSIDIARY OF PNC BANK CORP.

By /s/ Melinda E. DiBenedetto

Title: Assistant Vice President

$21,000,000 THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH

By /s/ Takeo Yamori

Title: Joint General Manager

$21,000,000 UNION BANK OF CALIFORNIA, N.A.

By /s/ Michael King

Title: Assistant Vice President

By /s/ D. Tim Mahoney

Title: Vice President/Regional Manager

$21,000,000 WESTDEUTSCHE LANDESBANK GIROZENTRALE, NEW YORK BRANCH

By /s/ Mark H. Lanspa

Title: Vice President

By /s/ Salvatore Battinelli

Title: Vice President

$21,000,000 WESTLAND\UTRECHT HYPOTHEEKBANK N.V.

By /s/ M.B. Bolle

Title: Chief Executive Officer

$10,000,000 ISTITUTO BANCARIO SAN PAOLO DI TORINO, S.P.A.

By /s/ W. Jones

Title: Vice President

By /s/ Robert Wurster

Title: First Vice President

$5,000,000 BANCO TOTTA & ACORES

By /s/ Michael Crawford

Title: Vice President

By /s/ Dean Wilson

Title: Vice President & Treasurer

- ----------
Total Commitments

$250,000,000
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CHEMICAL BANK, as Documentation Agent

By /s/ James G. Rolison

Title: Vice President
Address: 270 Park Avenue
New York, New York
Attn: Cathlene Banker
Telecopy No.: 212-697-2877

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Administrative Agent

By /s/ Timothy O'Donovan

Title: Vice President
Address: 60 Wall Street
New York, New York 10260
Attn: Ms. Patricia Yates
Telecopy No.: (212) 888-3567

PRICING SCHEDULE

Each of "Euro-Dollar Margin", "Base Rate Margin", and "Commitment Fee Rate" means, for any date, the rates set forth below in the row opposite such term and in the column corresponding to the "Pricing Level" that applies at such date:

	Level I	Level II	Level III	Level IV	Level V	Level VI
Euro-Dollar Margin	0.625%	0.75%	1.20%	1.325%	1.50%	2.125%
Base Rate Margin	0%	0%	0%	0%	0%	0.25%
Commitment Fee Rate If Utilization is less than or equal to 33.3%	0.20%	0.25%	0.30%	0.30%	0.30%	0.35%
Commitment Fee Rate If Utilization exceeds 33.3%	0.125%	0.15%	0.20%	0.20%	0.20%	0.25%

For purposes of this Schedule, the following terms have the following meanings:

"Level I Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated A+ or higher by S&P or Al or higher by Moody's.

"Level II Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated A- or higher by S&P and A3 or higher by Moody's and Level I Pricing does not apply.

"Level III Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated BBB+ or higher by S&P or Baal or higher by Moody's and neither Level I nor II Pricing applies.

"Level IV Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated BBB or higher by S&P or Baa2 or higher by Moody's and none of Level I, II, and III Pricing applies.

"Level V Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated BBB- or higher

by S&P or Baa3 or higher by Moody's and none of Level I, II, III and IV Pricing applies.

"Level VI Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated BB+ or lower by S&P or Bal or lower by Moody's.

"Pricing Level" refers to the determination of which of Level I, Level II, Level III, Level IV, Level V or Level VI Pricing applies at any date.

"Utilization" means at any date the percentage equivalent of a fraction (i) the numerator of which is the aggregate outstanding principal amount of the Loans at such date, after giving effect to any borrowing or payment on such date, and (ii) the denominator of which is the aggregate amount of the Commitments at such date, after giving effect to any reduction of the Commitments on such date.

The credit ratings to be utilized for purposes of this Schedule are those assigned by S&P or Moody's to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement, and any rating assigned to any other debt security of the Borrower shall be disregarded. The rating in effect at any date is that in effect at the close of business on such date. For the avoidance of doubt, in the case of split ratings from S&P and Moody's, the rating to be used to determine Pricing Level is the higher of the two (e.g. BBB+/Baa2 results in Level III Pricing), except that if either rating falls below investment grade (e.g. below BBB-/Baa3), the rating to be used to determine Pricing Level is the lower of the two (e.g. BBB-/Ba1 results in Level VI Pricing).

EXHIBIT A

NOTE

New York, New York
_____, 19__

For value received, Corporate Property Investors, a Massachusetts unincorporated business trust (the "Borrower"), promises to pay to the order of (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to a interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York.

All Loans made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; Provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

Corporate Property Investors is the designation of the Board of Trustees under a Second Amended and Restated Declaration of Trust, as amended, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Board of Trustees, officers, employees or agents of the Borrower, nor any of their personal assets, shall be liable hereunder, and all Persons dealing with the Borrower shall look solely to the assets of the Borrower for the payment of any claims hereunder or for the performance hereof.

This note is one of the Notes referred to in the Credit Agreement dated as of June 26, 1996 among the Borrower, the banks listed on the signature pages thereof, Chemical Bank, as Documentation Agent and Morgan Guaranty Trust Company of New York, as Administrative Agent (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

CORPORATE PROPERTY INVESTORS

By _____
Title:

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EXHIBIT B

Form of Money Market Quote Request

[Date]

To: Morgan Guaranty Trust Company of New York
(the "Administrative Agent")

From: Corporate Property Investors

Re: Credit Agreement (as amended, the "Credit Agreement") dated as of June 26, 1996 among Corporate Property Investors, the Banks listed on the signature pages thereof, the Administrative Agent and the Documentation Agent.

We hereby give notice pursuant to Section 2.03 of the Credit Agreement that we request Money Market Quotes for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

Principal Amount(1)	Interest Period(2)
$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Terms used herein have the meanings assigned to them in the Credit Agreement.

Corporate Property Investors is the designation of the Trustees under a Second Amended and Restated Declaration of Trust, as amended, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Board of Trustees, officers, employees

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(1) Amount must be $5,000,000 or a larger multiple of $1,000,000.

(2) Not less than one month (LIBOR Auction) or not less than 7 days (Absolute Rate Auction), subject to the provisions of the definition of Interest Period.

or agents of the Borrower, nor any of their personal assets, shall be liable hereunder, and all Persons dealing with the Borrower shall look solely to the assets of the Borrower for the payment of any claims hereunder or for the performance hereof.

CORPORATE PROPERTY INVESTORS

By _____
Title:

EXHIBIT C

Form of Invitation for Money Market Quotes

To: [Name of Bank]

Re: Invitation for Money Market Quotes to Corporate Property Investors (the "Borrower")

Pursuant to Section 2.03 of the Credit Agreement dated as of June 26, 1996 among the Borrower and the Banks parties thereto and the undersigned, as Administrative Agent, we are pleased on behalf of the Borrower to invite you to submit Money Market Quotes to the Borrower for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

Principal Amount	Interest Period
$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than [2:00 P.M.] [9:30 A.M.] (New York City time) on [date].

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By _____
Authorized Officer

EXHIBIT D

Form of Money Market Quote

To: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Administrative Agent

Re: Money Market Quote to Corporate Property Investors
(the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 19__, we hereby make the following Money Market Quote on the following terms:

1. Quoting Bank: _____

2. Person to contact at Quoting Bank: _____

3. Date of Borrowing: _____*

4. We hereby offer to make Money Market Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

- ----------
* As specified in the related Invitation.

Principal Amount*	Interest Period**	Money Market [Margin***]	[Rate****]
$			
$			

[Provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed $_____]*

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Credit Agreement dated as of June 26, 1996 among the Borrower, the Banks party thereto and yourselves, as Administrative Agent, irrevocably obligates us to make the Money Market Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,

(NAME OF BANK]

Dated: _____ By: _____
Authorized Officer

- ----------

* Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitations if the sum of the individual offers exceeds the amount the Lender is willing to lend. Bids must be made for $5,000,000 or a larger multiple of $l,000,000.

** Not less than one month (LIBOR Auction) or not less than 7 days as specified in the related Invitation. No more than five bids are permitted for each Interest Period.

*** Margin over or under the London Interbank Offered Rate determined for the applicable Interest Period. Specify Percentage (rounded to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS".

**** Specify rate of interest per annum (rounded to the nearest 1/10,000th of 1%).

EXHIBIT E

[LETTERHEAD OF CORPORATE PROPERTY INVESTORS]

June 26, 1996

To the Banks and the
Agents Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Administrative Agent
60 Wall Street
New York, New York 10260

Dear Sirs;

I am the Vice President and General Counsel of Corporate Property Investors (the Borrower) and have acted in such capacity in connection with the Credit Agreement (the Credit Agreement") dated as of June 26, 1996, among the Borrower, the Banks listed therein, Chemical Bank, as Documentation Agent, and Morgan Guaranty Trust Company of New York, as Administrative Agent (the "Agents") Terms defined in the Credit Agreement are used herein as therein defined. This opinion is being rendered to you pursuant to Section 3.01(c) of the Credit Agreement.

In connection with the rendering of this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, business records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is an unincorporated Massachusetts business trust duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has all powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's powers, have been duly authorized by all necessary action on the part of the Borrower, require no action by or in respect of, or

filing with, any governmental body, agency or official (other than such reports to United States governmental authorities regarding international capital and foreign currency transactions as may be required pursuant to 31 C.F.R. Part 128) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Second Amended and Restated Declaration of Trust or Trustees' Regulations of the Borrower or of any debt or other material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries. In connection with the foregoing, I wish to point out that certain of the debt and other material agreements referred to in the preceding sentence are or may be governed by laws other than those of the State of New York; for purposes of this opinion, however, I have assumed that all such debt and other material agreements would be governed by the laws of the State of New York.

3. The Credit Agreement and the Notes have been duly executed and delivered by the Borrower. The Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditor's rights generally from time to time in effect and to general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law. With respect to the foregoing opinion, (i) insofar as provisions contained in the Credit Agreement provide for indemnification, the enforceability thereof may be limited by public policy considerations, (ii) the availability of a decree for specific performance or an injunction is subject to the discretion of the court requested to issue any such decree or injunction and (iii) I express no opinion as to the effect of the laws of any jurisdiction other than the State of New York where any lender may be located or where enforcement of the Credit Agreement or the Notes may be sought that limits the rates of interest legally chargeable or collectible.

4. Except as described in subparagraph (2) of Commitments, Contingencies and Other Comments of Notes of Unaudited Consolidated Financial Statements of the Borrower arid its Consolidated Subsidiaries for the three months ended March 31, 1996, there is no action, suit or proceeding pending against, or to the best of my knowledge threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which

could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of the Credit Agreement or the Notes.

I express no opinion herein as to (i) Section 9.09 of the Credit Agreement insofar as such Section relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement or the Notes, (ii) the waiver of an inconvenient forum set forth in Section 9.08 of the Credit Agreement or (iii) Section 9.13 of the Credit Agreement insofar as it relates to setoffs in respect to participations purchased in Loans.

I am a member of the Bar of the State of New York and express no opinion as to any laws other than the laws of the State of New York and the Commonwealth of Massachusetts and the federal laws of the United States of America. In giving the opinions in paragraphs 1, 2 and 3 above, I have relied, as to all matters governed by the laws of the Commonwealth of Massachusetts, upon the opinion of Peabody & Arnold dated of even date herewith, a copy of which has been delivered to you.

Very truly yours,

/s/ Harold Rolfe

EXHIBIT F

[LETTERHEAD OF PEABODY & ARNOLD]

June 26, 1996

To the Banks and the
Agents Referred to Below,
c/o Morgan Guaranty Trust Company
of New York, as Administrative Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

We have acted as special counsel for Corporate Property Investors (the "Borrower') for the purpose of rendering this opinion pursuant to Section 3.01(d) of the Credit Agreement (the "Credit Agreement") dated as of June 26, 1996 among the Borrower, the Banks listed therein, Chemical Bank, as Documentation Agent and Morgan Guaranty Trust Company of New York, as Administrative Agent (the "Agents"). Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, business records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion. In rendering this opinion, we have assumed the authenticity and completeness of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies, and the accuracy of all statements contained in all documents reviewed by us. We express no opinion as to the enforceability of the Credit Agreement or the Notes or any document executed in connection therewith.

Upon the basis of the foregoing, we are of the opinion that:

1. The Borrower is an unincorporated Massachusetts business trust duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all powers required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's powers, have been duly authorized by all

necessary action on the part of the Borrower, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Declaration of Trust or Trustee's Regulations of the Borrower.

3. The Credit Agreement and the Notes have been duly executed and delivered by the Borrower.

We are members of the Bar of the Commonwealth of Massachusetts and the foregoing opinion is limited to the laws of the Commonwealth of Massachusetts.

We are furnishing this opinion to you solely for your benefit. This opinion is not to be relied upon for any other purpose without prior written consent. This opinion is given as of the date hereof, and we assume no obligation to advise you of any facts or circumstances which may hereafter be brought to our attention or any changes in the law which may hereafter occur.

Very truly yours,

/s/ Peabody & Arnold

EXHIBIT G

[LETTERHEAD OF CRAVATH, SWAINE & MOORE]

June 26, 1996

Corporate Property Investors
$250,000,000 Credit Agreement

Dear Sirs:

We have acted as special counsel for Corporate Property Investors (the "Borrower") for the purpose of rendering this opinion pursuant to Section 3.01(e) of the Credit Agreement (the Credit Agreement") dated as of June 26, 1996 among the Borrower, the Banks listed therein, Chemical Bank, as Documentation Agent and Morgan Guaranty Trust Company of New York, as Administrative Agent (the "Agents"). Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, business records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing and certain information as to matters of fact furnished to us by officers of the Borrower, we are of the opinion that:

1. The organization of each of the Borrower and its Subsidiaries and their respective methods of operation will permit (i) the Borrower to meet the requirements of the Internal Revenue Code of 1986, as amended to date, and the regulations and rulings thereunder as in effect on the date hereof (the "Code"), for qualification as a "real estate investment trust" within the meaning of Section 856 of the

Code and (ii) the Subsidiaries of the Borrower (other than subsidiaries that are considered, for Federal income tax purposes, as partnerships, non-entities or joint ventures) to meet the requirements of the Code for qualification as "real estate investment trusts" or "qualified REIT subsidiaries"), as the case may be. Each of the Borrower and its Subsidiaries (other than Subsidiaries that were considered, for tax purposes, as partnerships, non-entities or joint ventures) was qualified as a real estate investment trust or a qualified REIT subsidiary, as the case may be, for the Borrower's tax years through December 31, 1994.

2. The Borrower is a "real estate operating company" as defined in Section 2510.3-101 of the Regulations of the Department of Labor, as currently in effect.

Very truly yours,

/s/ Cravath, Swaine & Moore

To the Banks and the
Agents Referred to Below,
In care of Morgan Guaranty Trust Company
of New York, as Administrative Agent
60 Wall Street
New York, NY 10260

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EXHIBIT H

OPINION OF
DAVIS POLK & WARDWELL, SPECIAL COUNSEL
FOR THE ADMINISTRATIVE AGENT

[Effective Date]

To the Banks and the Agents Referred to Below,
c/o Morgan Guaranty Trust Company
of New York, as Administrative Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

We have participated in the preparation of the Credit Agreement (the "Credit Agreement") dated as of June 26, 1996 among Corporate Property Investors, an unincorporated Massachusetts business trust (the "Borrower"), the Banks listed therein (the "Banks"), Chemical Bank, as Documentation Agent (the "Documentation Agent") and Morgan Guaranty Trust Company of New York, as Administrative Agent (the "Administrative Agent" and, together with the Documentation Agent, the "Agents"), and have acted as special counsel for the Administrative Agent for the purpose of rendering this opinion pursuant to Section 3.01(f) of the Credit Agreement. Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, business records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that, assuming that the execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's powers and have been duly

authorized by all necessary action on the part of the Borrower and that the Credit Agreement and the Notes have been duly executed and delivered by the Borrower (as to which matters you have received the opinions of Harold E. Rolfe, Esq., general counsel to the Borrower, and Peabody & Arnold, special Massachusetts counsel to the Borrower, each dated of even date herewith), the Credit Agreement constitutes a valid and binding agreement of the Borrower and the Notes constitute valid and binding obligations of the Borrower in each case enforceable in accordance with its respective terms, except as any of the foregoing may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights generally and by general principles of equity.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the federal laws of the United States of America. In giving the foregoing opinion, we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Bank is located which limits the rate of interest that such Bank may charge or collect.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without our prior written consent.

Very truly yours,

Exhibit I

CPI LEASING STATUS

	TOTAL GLA	HELD FOR EXPANSION NOT LSBLE.	NET GLA	VACANT & LEASABLE	LEASED* (OCCUP. OR LSE.SIGNED)	% LEASED	COMMITTED (REVISED DRAFT)	% COMMITTED	COMMITTED (DRAFT SENT)	% COMMITTED
AURORA										
BREA										
BURLINGTON										
BURNSVILLE										
COUNTRYSIDE										
GWINNETT										
HAYWOOD										
LENOX										
LENOX EXPANSION										
LIVINGSTON										
MAPLEWOOD										
MAPLEWOOD EXPANSION										
NANUET										
NORTHLAKE										
OCEAN COUNTY										
ROCKAWAY										
ROOSEVELT FIELD										
SANTA ROSA										
SOUTH SHORE										
[ILLEGIBLE] FOOD COURT										
TOWN CTR AT BOCA										
TOWN CTR AT COBB										
WALT WHITMAN										
WESTMINSTER										
TOTAL RETAIL										
OTHER										
TOTAL GLA										

Exhibit J

CORPORATE PROPERTY INVESTORS
LEASING STATUS SUMMARY
AT 6/04/96 THRU 11/30/97

		SQUARE FEET					COMMITTED SQUARE FEET					
PROPERTY	GLA	VACANT	RENEWAL	TURNOVER	TOTAL	% OF GLA	VACANT	RENEWAL	TURNOVER	TOTAL	% OF GLA	% OF TOTAL ACTIVITY
AURORA												
BREA												
BURLINGTON												
BURNSVILLE												
COUNTRYSIDE												
GWINNETT												
HAYWOOD												
LENOX												
LENOX EXPANSION												
LIVINGSTON												
MAPLEWOOD												
MAPLEWOOD EXPANSION												
NANUET												
NORTHLAKE												
OCEAN COUNTY												
ROCKAWAY TOWNSQUARE												
ROOSEVELT FIELD												
SANTA ROSA												
SOUTH SHORE												
[ILLEGIBLE] FOOD COURT												
TOWN CTR AT BOCA												
TOWN CTR AT COBB												
WALT WHITMAN												
WESTMINSTER												
TOTAL RETAIL												
OTHER												
TOTAL												
PRIOR MONTH INCREASE/DECREASE												

EXHIBIT K

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 19__ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), CORPORATE PROPERTY INVESTORS (the "Borrower"), CHEMICAL BANK, as Documentation Agent (the "Documentation Agent") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Administrative Agent (the "Administrative Agent" and, together with the Documentation Agent, the "Agents").

W I T N E S E T H

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Credit Agreement (the "Credit Agreement") dated as of _____, 19__ among the Borrower, the Assignor and the other Banks party thereto, as Banks, the Documentation Agent and the Administrative Agent;

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed $_____;

WHEREAS, Committed Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of $_____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to $_____ (the "Assigned Amount"), together with a corresponding portion of its outstanding Committed Loans, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. Assignment. The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower and each of the Agents and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds an amount equal to $_____*. It is understood that commitment fees accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

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* Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee, net of any portion of any upfront fee to be paid by the Assignor to the Assignee.

SECTION 4. Consent of the Borrower and the Agents. This Agreement is conditioned upon the consent of the Borrower and each of the Agents pursuant to Section 9.05(c) of the Credit Agreement. The execution of this Agreement by the Borrower and the Agents is evidence of this consent. Pursuant to Section 9.05(c) the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. Non-Reliance on Assignor. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. Limitation of Liability. Corporate Property Investors is the designation of the Board of Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of the Commonwealth of Massachusetts, and neither the shareholders nor the Board of Trustees, officers, employees or agents of the Borrower, nor any of their personal assets, shall be liable under the Credit Agreement, and all Persons dealing with the Borrower shall look solely to the assets of the Borrower for the payment of any claims hereunder or for the performance hereof.

SECTION 8. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By_____
Title:

[ASSIGNEE]

By_____
Title:

CORPORATE PROPERTY INVESTORS

By_____
Title:

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as
Administrative Agent

By_____
Title:

CHEMICAL BANK, as
Documentation Agent

By_____
Title:

EXHIBIT L

SUBORDINATION PROVISIONS

Subordinated Securities that are Debt ("Subordinated Debt") shall be expressly made subordinate and junior in right of payment to the "Obligations" referred to in the Credit Agreement dated as of June 26, 1996 among Corporate Property Investors (the "Borrower"), the banks listed on the signature pages thereof, Chemical Bank, as Documentation Agent and Morgan Guaranty Trust Company of New York, as Administrative Agent (as the sane may be amended from time to time, the "Credit Agreement") (such obligations, the "Senior Debt") by provisions no less favorable to the holders of the Senior Debt than the following:

(i) No payment or prepayment of any principal, premium (if any) or interest on account of and no repurchase, redemption or other retirement (whether at the option of the holder or otherwise) of Subordinated Debt (other than the conversion of any convertible Subordinated Debt into common stock of the Borrower) shall be made, if at the time of such payment, prepayment, repurchase, redemption or retirement or immediately after giving effect thereto (1) there shall exist a default in the payment or prepayment of any principal, interest, fees or any other amount then due with respect to any Senior Debt or (2) a Standstill Period shall be in effect;

(ii) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Borrower or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Borrower, whether or not involving insolvency or bankruptcy, then the holders of Senior Debt shall be entitled to receive payment in full in cash of all principal, premium (if any), interest and fees on all Senior Debt (including interest thereon accruing after the commencement of any such proceedings, whether or not allowed or allowable as a claim in such proceedings) before the holders of the Subordinated Debt are entitled to receive any

payment or other distribution on account of principal, premium (if any) or interest upon the Subordinated Debt, and to that end the holders of Senior Debt shall be entitled to receive distributions of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of the Subordinated Debt, except for distributions in the form of securities which are subordinate and junior in right of payment to the payment of all Senior Debt then outstanding to the same or a greater extent than the Subordinated Debt hereunder;

(iii) In the event that any Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of an event of default (under circumstances when the provisions of the foregoing paragraphs (i) or (ii) are not applicable), the holders of the Senior Debt outstanding at the time such Subordinated Debt so becomes due and payable because of such occurrence of such an event of default shall be entitled to receive payment in full in cash of all principal, premium (if any), interest and fees on all Senior Debt before the holders of the Subordinated Debt are entitled to receive any payment or other distribution on account of the principal, premium (if any) or interest upon the Subordinated Debt;

(iv) In the event that, notwithstanding the occurrence of any of the events described in paragraphs (i), (ii) and (iii), any such payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, shall be received by the holders of Subordinated Debt before all Senior Debt is paid in full in cash, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of such Senior Debt or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Senior Debt remaining unpaid to the extent necessary to pay such Senior Debt in full in cash, including principal, premium (if any), interest and fees thereon, in accordance with its terms, after giving effect to any concurrent payment or distribution to the holders of such Senior Debt; and

(v) No holder of Senior Debt shall be prejudiced in his right to enforce subordination of the

Subordinated Debt by any act or failure to act on the part of the Borrower;

provided, that the Subordinated Debt may provide that the foregoing provisions are solely for the purpose of defining the relative rights of the holders of Senior Debt, on the one hand, and the holders of Subordinated Debt, on the other hand, and that nothing therein shall impair, as between the Borrower and the holders of the Subordinated Debt, the obligation of the Borrower, which may be unconditional and absolute, to pay to the holders of the Subordinated Debt the principal and premium (if any) thereof and interest thereon in accordance with its terms, nor shall anything therein prevent the holders of the Subordinated Debt from exercising all remedies otherwise permitted by applicable law or the instruments pursuant to which the Subordinated Debt was issued upon default thereunder, subject to the rights under paragraphs (i), (ii), (iii), (iv) and (v) above of holders of Senior Debt to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Debt.

As used herein, a "Standstill Period" means the period beginning on the date on which the Administrative Agent shall have notified the Borrower (as well as any trustee or representative of holders of Subordinated Debt and any original holder of at least $5,000,000 principal amount of Subordinated Debt, in each case only if such trustee, representative or holder was notified to the Administrative Agent at the time such Debt was issued, and at the address specified in the Borrower's notice to the Administrative Agent) of the existence of an event of default under the Senior Debt, other than an event of default referred to in clause (1) of paragraph (i) above (a "Nonpayment Default"), and the determination of the holders of the Senior Debt to initiate a Standstill Period by reason thereof, and ending on the earlier of (x) the date on which such Nonpayment Default shall have been cured and (y) the close of business on the 180th day after the commencement of such period; provided that Standstill Periods shall not be in effect for more than 180 days in any consecutive 360-day period. If a Nonpayment Default has occurred and is continuing but no Standstill Period is in effect, no holder of Subordinated Debt will demand, accept or receive, and the Borrower shall not make, any payment with respect to the Subordinated Debt without giving the Administrative Agent at least 10 business days' prior written notice of such action.

Exhibit 10.37

EXECUTION COPY

THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES,

Seller,

and

CPI-PHIPPS LIMITED LIABILITY COMPANY,

Purchaser

PURCHASE AND SALE AGREEMENT

November 26, 1997

Premises:

Phipps Plaza, Atlanta, Georgia

PURCHASE AND SALE AGREEMENT ("Agreement") made this 26th day of November 1997 by and between THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a New York corporation with an office at 1290 Avenue of the Americas, New York, New York 10104 ("Equitable" or "Seller"), as Seller, and CPI-PHIPPS LIMITED LIABILITY COMPANY, a Delaware limited liability company with an office at 305 East 47th Street, New York, New York 10017 ("Purchaser"), as Purchaser.

W I T N E S S E T H :

WHEREAS Equitable is owner in fee (other than the improvements operated by Saks Fifth Avenue (the "Saks Fifth Avenue Store")) of Phipps Plaza, a regional shopping mall located in Atlanta, Georgia, which is more particularly described in and is the subject of this Agreement.

WHEREAS Equitable desires to sell such shopping mall to Purchaser, and Purchaser desires to purchase such shopping mall from Equitable, subject to and upon all of the terms, covenants and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings in this Agreement, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. Wherever used in this Agreement, the following terms shall have the meanings set forth in this Article I unless the context of this Agreement clearly requires another interpretation:

"Adjustment Point" shall have the meaning set forth in Article VI.

"Anchor" shall mean Saks Fifth Avenue, Lord & Taylor, Parisian and any other Tenant leasing an aggregate amount of space in the Mall in excess of 50,000 square feet of gross leasable area.

"Appurtenances" shall mean all right, title and interest, if any, of Equitable in and to the following: (a) all land lying in the bed of any street, highway, road or avenue, open or proposed, public or private, in front of or adjoining the Land, to the center line thereof; (b) all rights of way, highways, public places, easements, appendages, appurtenances, sidewalks, alleys, strips and gores of land adjoining or appurtenant to the Land which are now or hereafter used in connection with the Mall; (c) all awards to be made in lieu of any of the foregoing, or for damages to the Land by reason of the change of grade of any street, highway, road or avenue; and (d) all easements, rights and privileges benefiting the Land but excluding the Development Impact Fee Credits.

"Bill of Sale" shall mean the bill of sale to the Personal Property and the Intangible Personal Property to be delivered at the Closing as provided in Section 7.01(b).

"Broker" shall have the meaning set forth in Section 15.01.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which national banking institutions in New York City are authorized or required to close.

"Closing" shall mean the closing of the sale of the Mall by Equitable to Purchaser provided for in Article V.

"Closing Date" shall have the meaning specified in Section 5.01.

"Deed" shall have the meaning set forth in Section 7.01(a).

"Deposit" shall have the meaning set forth in Section 3.01(a).

"Development Impact Fee Credits" shall mean those development impact fee credits held by Equitable with respect to system or other improvements in the vicinity of the Mall.

"Entitlements" shall mean all permits, zoning and/or land use classifications and rights, site plan approvals, ordinances adopted with respect to the Mall and adjoining properties, variances, certificates of occupancy or other rights or entitlements relevant to the operation and future expansion of the Mall, including any thereof

relating to the streets, roads, utility services, water, sewage and all other infrastructures necessary for the operation by Purchaser of the Mall.

"Equitable's Copy" or "Equitable's Copies" shall mean Equitable's executed counterpart of the instrument in question or, if an executed counterpart is not in Equitable's or the Managing Agent's possession, such conformed or photostatic copies as may be in Equitable's or the Managing Agent's possession, each of which shall be certified by Equitable or the Managing Agent as being true and complete.

"ERE" shall mean ERE Yarmouth, the name under which Equitable Real Estate Investment Management, Inc. now transacts business.

"Escrow Agent" shall have the meaning set forth in Section 3.02(a).

"Excepted Items" shall mean (i) all items of personal property owned by Tenants, subtenants, independent contractors, business invitees or utilities; (ii) all items of personal property not owned but leased by Equitable as identified on Exhibit B annexed hereto; (iii) all cash on hand, checks, money orders, prepaid postage in postage meters and subject to Article VI, accounts receivable; (iv) the Agreement Regarding Special Public Interest District 12 (and the affected area) Development Goals dated as of July 8, 1997 between Equitable and Buckhead Forest Civic Association, Inc. and (v) the Development Impact Fee Credits.

"Exhibits" shall mean the exhibits attached to this Agreement (or such other documents which are referred to in this Agreement as Exhibits and are initialed for identification by the parties hereto), each of which shall be deemed to form part of this Agreement whether or not so stated in this Agreement. In the case of Exhibits D and G, the term "Exhibits" shall mean such Exhibits as supplemented in accordance with Article VII.

"Governmental Authorities" shall mean all agencies, bureaus, departments and officials of Federal, state, county, municipal and local governments and public authorities having jurisdiction over the Mall or any part thereof.

"Impositions" shall mean all real estate and personal property taxes, general and special assessments, water and sewer charges, license fees and other fees and

charges assessed or imposed by Governmental Authorities upon the Property, the Intangible Personal Property and/or the Personal Property.

"Improvements" shall mean all buildings, facilities, equipment, structures and improvements now located or hereafter erected on the Land, and all fixtures constituting a part thereof, other than the Saks Fifth Avenue Store, which is not owned by Seller.

"Income" shall have the meaning set forth in Section 3.02(a).

"Intangible Personal Property" shall mean all right, title and interest of Equitable in and to all telephone numbers listed after the name of the Mall, all names, trade names, designations, logos and service marks, and the appurtenant good will, used in connection with operation of the Mall (other than the names or variations thereof of Equitable, the Managing Agent and Tenants), agreements to operate for specific periods, radius restriction agreements and similar agreements made by Tenants and Anchors, whether in their Leases or in separate agreements, and all similar items of intangible personal property owned by Equitable and utilized solely in connection with the operation of the Mall (excluding Excepted Items).

"knowledge" or "notice" when used in respect of Equitable shall mean, without independent investigation other than inquiry of the Managing Agent of the Mall, the actual knowledge or written notice received by any of Dexter Warrior, Gene Conway and Michael McNamara.

"Land" shall mean the following: all those certain lots, pieces or parcels of land situate, lying and being in the County of Fulton, State of Georgia, more particularly described in Exhibit A annexed hereto and made a part hereof.

"Leases" shall mean all ground leases, leases, licenses, concessions and other forms of agreement, written or oral, however denominated, wherein Equitable (as a party named therein or the successor thereto) grants to any party or parties, other than the Managing Agent, the right of use or occupancy of any portion of the Mall or land comprising a part thereof, and all renewals, modifications, amendments, guaranties and other agreements affecting the same, the documents comprising which as at the date set forth in Exhibit G are listed in said Exhibit.

"Leasing Costs" shall have the meaning set forth in Section 6.02.

"Legal Requirements" shall mean all statutes, laws, ordinances, rules, regulations, executive orders and requirements of all Governmental Authorities which are applicable to the Mall or any part thereof or the use or manner of use thereof, or to the owners, Tenants or occupants thereof in connection with such ownership, occupancy or use.

"Mall" or "Phipps Plaza" shall mean the Land, the Appurtenances, the Improvements, the Personal Property, the Intangible Personal Property, the Leases and the Other Agreements.

"Management Agreement" shall mean the agreement, as amended, for the management and leasing of the Mall.

"Managing Agent" shall mean the manager at the time under the Managing Agreement for the Mall.

"Master Mall/Office Tract" shall mean that certain tract or parcel of land described on Exhibit A annexed hereto.

"Master Phipps Tract" shall mean the approximately 37.5 acre tract of land on which the Mall is located.

"New Lease Notice" shall have the meaning specified in Section 13.04.

"Other Agreements" shall mean all contracts, agreements and documents pertaining to the Mall to which Equitable or its predecessor in interest is a party and by which Equitable is bound, other than the Management Agreement and the Leases, and including without limitation, all service contracts, operating agreements, reciprocal easement agreements, the agreements contemplated by Sections 11.06 and 11.07, construction contracts, leases of personal property, utility agreements and Entitlements, the documents comprising which are listed in Exhibit D; provided, however, that "Other Agreements" shall specifically exclude the Agreement Regarding Special Public Interest District 12 (and the affected area) Development Goals dated as of July 8, 1997 between Equitable and Buckhead Forest Civic Association, Inc.

"Permitted Encumbrances" shall have the meaning set forth in Article IV.

"Personal Property" shall mean all apparatus, machinery, devices, appurtenances, equipment, furniture, furnishings, seasonal decorations and other items of personal property (other than Intangible Personal Property and the Excepted Items) owned by Equitable and located at and used in connection with the ownership operation or maintenance of the Mall, and shall include the items listed in Exhibit B.

"Property" shall mean the Land and the Improvements.

"Purchase Price" shall have the meaning set forth in Section 3.01.

"Recording Office" shall mean the appropriate office or offices in the State of Georgia for the recording or filing of the documents to be delivered at Closing which are to be recorded or filed therein in order to give notice of the sale of the Mall to third parties.

"Rents" shall mean all fixed, minimum, additional, percentage, overage and escalation rents, common area and/or mall maintenance charges, advertising and promotional charges, insurance charges, rubbish removal charges, sprinkler charges, shoppers aid charges, water charges, utility charges, HVAC charges and other amounts payable under the Leases.

"Tenants" shall mean the tenants, licensees, concessionaires or other users or occupants under Leases.

"Title Company" shall mean First American Title Insurance Company.

"Violations" shall mean violations of Legal Requirements existing with respect to the Mall.

ARTICLE II

Agreement To Sell and Purchase the Mall

Upon and subject to the terms and conditions of this Agreement, Equitable agrees to sell and convey all of Equitable's right, title and interest in and to the Mall to Purchaser and Purchaser agrees to purchase all of Equitable's right, title and interest in and to the Mall from Equitable. Equitable shall convey and Purchaser shall accept fee simple title to the Land and Improvements in

accordance with the terms of this Agreement, subject only to the Permitted Encumbrances.

ARTICLE III

Purchase Price

SECTION 3.01. Purchase Price. The purchase price (the "Purchase Price") for the Mall is One Hundred Eighty-eight Million Five Hundred Thousand and no/100 Dollars ($188,500,000.00), and shall be payable as follows:

(a) One Million Nine Hundred Thousand and no/100 Dollars ($1,900,000) (the "Deposit") shall be paid by Purchaser to Escrow Agent within one (1) Business Day after the date of this Agreement, such payment to be made by wire transfer of immediately available federal funds to an account to be designated by Escrow Agent.

(b) The balance of the Purchase Price, plus or minus adjustments and credits provided for in Article VI and any other applicable provisions of this Agreement, shall be paid by Purchaser to Equitable prior to 2:00 p.m. Eastern Standard Time on the Closing Date by wire transfer of immediately available federal funds to an account designated by Equitable.

SECTION 3.02. Escrow Provisions. (a) The Title Company (referred to in this Section and sometimes in other sections hereof as "Escrow Agent") shall hold the Deposit in escrow in an interest-bearing bank account at The Chase Manhattan Bank or in such other type or types of investments as may be agreed to in writing by Equitable and Purchaser, until the Closing or such other time as is specified herein, and shall pay over or apply the Deposit in accordance with the terms of this Section 3.02. All interest or other income earned on the Deposit (the "Income") shall be paid to or applied for the benefit of Purchaser unless the Deposit is to be paid to Equitable as provided in Section 16.01, in which case the Income shall be paid to Equitable. The party that receives the Income or the benefit thereof shall be responsible for paying any income taxes thereon. The tax identification numbers of the parties hereto shall be furnished to Escrow Agent upon request.

(b) If the Closing occurs, the Deposit shall be paid to Equitable and credited against the Purchase Price and the Income shall be paid to or at the direction of Purchaser. If this Agreement is terminated pursuant to Section 16.01, the Deposit and the Income shall be paid to

Equitable as liquidated damages. If the Closing does not occur for any reason other than termination pursuant to Section 16.01, then the Deposit and the Income shall be paid to Purchaser.

(c) Escrow Agent shall not be required to make any disposition of the Deposit and the Income unless (i) Escrow Agent is directed to do so in writing by Equitable and Purchaser or (ii) Escrow Agent is directed to do so in writing by the party which claims to be entitled to receive the Deposit and the Income and the other party does not object to such disposition within ten (10) days after the giving of notice by Escrow Agent to such other party of such direction or (iii) Escrow Agent is directed to do so by a final order or judgment of a court as hereinafter provided. The notice given by Escrow Agent pursuant to clause (ii) above shall state in capital letters that failure of the addressee to object to the disposition of the Deposit described in such notice within ten (10) days after the giving thereof shall constitute a waiver of the addressee's right to contest or object to such disposition. In the event that any dispute shall arise with respect to the entitlement of either party to the Deposit and the Income, Escrow Agent shall continue to hold the Deposit and the Income until otherwise directed by written instruction from Equitable and Purchaser or a final order or judgment of a court of competent jurisdiction entered in an action or proceeding to which Escrow Agent is a party. In addition, in the event of any such dispute, Escrow Agent shall have the right at any time to commence an action in interpleader and to deposit the Deposit and the Income with the clerk of a court of appropriate jurisdiction in the State of New York. Upon the commencement of such action and the making of such deposit, Escrow Agent shall be released and discharged from and of all further obligations and responsibilities hereunder. For the purposes of this Section 3.02(c), no dispute shall be deemed to exist as to the entitlement of either party to the Deposit and Income if the party receiving notice from Escrow Agent pursuant to clause (ii) of this Section 3.02(c) objects to disposition of the Deposit and Income provided for in such notice more than ten (10) days after the giving of such notice by Escrow Agent.

(d) The parties hereto acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that with respect to the Deposit and the Income, Escrow Agent shall not be deemed to be the agent of either of the parties hereto and that Escrow Agent shall not be liable to either of the parties hereto for any act or omission on its part unless taken or suffered in bad faith,

in willful disregard of this Agreement or involving gross negligence on the part of Escrow Agent. Escrow Agent may act upon any instrument or other writing and upon signatures believed by it to be genuine, without any duty of independent verification. Escrow Agent shall not be bound by any modification of this Agreement unless the same is in writing and signed by the parties hereto and a counterpart thereof is delivered to Escrow Agent and, if Escrow Agent's duties, rights or liabilities hereunder are affected, unless Escrow Agent shall have given its prior consent thereto in writing. Escrow Agent shall not be required or obligated to determine any questions of law or fact. The parties hereto shall jointly and severally indemnify and hold harmless Escrow Agent from and against all costs, claims and expenses, including reasonable attorneys' fees and litigation costs, incurred by Escrow Agent in connection with the performance of its duties under this Section 3.02 (including, without limitation, in an interpleader action or other litigation regarding the disposition of the Deposit and the Income), except with respect to acts or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Agreement or involving gross negligence on the part of Escrow Agent.

(e) Escrow Agent shall have no liability for the selection of any particular account or investment made by the parties hereto, for fluctuations in the value of said account or investment, for the amount of Income earned on said account or investment or for any loss incurred in connection therewith.

(f) Escrow Agent has acknowledged its agreement to the provisions of this Section 3.02 by signing this Agreement, and Escrow Agent has executed this Agreement solely for such purpose.

(g) References in succeeding provisions of this Agreement to the Deposit shall be deemed to be references both to the Deposit and the Income.

ARTICLE IV

Permitted Encumbrances

The Mall is sold and shall be conveyed subject to the following matters ("Permitted Encumbrances"):

(a) the matters set forth in Exhibit E annexed hereto and made a part hereof;

(b) liens for Impositions which are not due and payable as of the Closing Date or which are apportioned in accordance with Article VI;

(c) liens for Impositions which are paid directly by Tenants in occupancy on the Closing Date to the entity imposing same;

(d) zoning, sub-division, environmental, building and all other Legal Requirements applicable to the ownership, use or development of or the right to maintain or operate the Mall, or have space therein used and occupied by Tenants, presently existing or enacted prior to the Closing;

(e) all Leases listed on Exhibit G annexed hereto, any extensions or renewals of such Leases pursuant to options contained therein and any extensions, renewals or amendments of such Leases or additional or substituted Leases made between the date hereof and the Closing Date in accordance with the provisions of Section 13.03 and/or Section 13.04, as applicable;

(f) mechanics' liens against any Tenants in occupancy under Leases which are in full force and effect on the Closing Date and which obligate the Tenants thereunder to remove and discharge such liens at their expense;

(g) the Other Agreements listed on Exhibit D, as the same may be modified, terminated, renewed or additional Other Agreements entered into in compliance with the provisions of Article XIII; and

(h) all other matters affecting title to the Mall which are hereafter (A) approved in writing by Purchaser or deemed approved by Purchaser in accordance with the terms of this Agreement or (B) waived by Purchaser as provided in Article XIV.

ARTICLE V

The Closing

SECTION 5.01. Closing Date. The Closing shall be held at 10:00 a.m. on December 12, 1997 (as the same may be adjourned or advanced pursuant to the terms of this Agreement, the "Closing Date"), at the offices of Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the

Americas, New York, New York 10019. Time shall be of the essence with respect to the Closing Date, subject to the following: (i) Purchaser shall have the right to adjourn the Closing Date one or more times for an aggregate of not more than thirty (30) days; (ii) Equitable shall have the right to adjourn the Closing Date one or more times for an aggregate of not more than thirty (30) days to cure exceptions to title, obtain estoppel letters or satisfy other closing conditions; and (iii) such other extensions as are expressly provided for in this Agreement. If either party elects to adjourn the Closing Date pursuant to this Section 5.01, it shall do so on notice to the other given on or before the Closing Date, as the same may have been previously adjourned.

SECTION 5.02. Actions at Closing. At the Closing, the parties shall deliver and accept the documents and instruments and take all other action required of them pursuant to this Agreement.

ARTICLE VI

Apportionments

At the Closing (except where a later date is specifically provided for in this Article), the parties hereto shall adjust the items set forth below as of 11:59 p.m. on the day preceding the Closing Date (the "Adjustment Point"), and the net amount thereof shall be paid by Purchaser to Equitable, or credited by Equitable to Purchaser, as the case may be, at the Closing.

SECTION 6.01. Rents. Rents shall be apportioned as and when collected. Any Rents collected by Purchaser (which, for purposes of this Section 6.01, shall include Rents collected by the Managing Agent or other agent acting for Purchaser) subsequent to the Closing (whether due and payable prior to or subsequent to the Adjustment Point) shall be adjusted as of the Adjustment Point, and any portion thereof properly allocable to periods prior to the Adjustment Point, net of costs of collection properly allocable thereto, if any, shall be paid by Purchaser to Equitable promptly after the collection thereof by Purchaser, but subject to the further provisions of this Section 6.01 in the case of Rents due prior to the Adjustment Point. If prior to the Closing Equitable shall have collected, or if subsequent to the Closing Equitable shall collect, any Rents (which, for the purposes of this Section 6.01, shall include Rents collected by the Managing Agent or other agent acting for Equitable) which are

properly allocable in whole or in part to periods subsequent to the Adjustment Point, the portion thereof so allocable to periods subsequent to the Adjustment Point, net of costs of collection properly allocable thereto, if any, shall be credited to Purchaser by Equitable at the Closing or, if collected after the Closing, promptly remitted by Equitable to Purchaser. As used in this Section 6.01 the term "costs of collection" shall mean and include reasonable attorneys' fees and other costs incurred by Purchaser or Equitable in collecting any Rents, but shall not include (1) the regular fees payable to any property manager for the Mall or (2) the payroll costs of any employees of Equitable, Purchaser or its or their affiliates or agents or any other internal costs or overhead of Equitable or Purchaser.

(a) One week prior to the Closing Equitable shall deliver to Purchaser (i) a list of all Tenants that are delinquent in payment of Rents as at the Adjustment Point, which list shall set forth the amount of each such delinquency, the period to which each such delinquency relates and the nature of the amount due, itemizing separately fixed monthly rent, escalation charges or reimbursements, common area maintenance, electric charges, charges for tenant services, charges for overtime services, percentage rent and other charges, if any, and (ii) a list of each Tenant that paid percentage or overage rent based on sales or gross income during the fiscal year in which the Closing Date occurs and the amount so paid by each such Tenant through the Adjustment Point. All amounts collected by Purchaser from each delinquent Tenant within 30 days after the Closing, net of costs of collection, if any, shall be deemed to be in payment of Rents (or the specific components of Rents) for the month in which the Closing occurs, next in payment of Rents (or the specific components of Rents) then due on account of any month after the month in which the Closing occurs and finally in payment of delinquent Rents (or the specific components of Rents) which are in arrears as of the first day of the month in which the Closing occurs, as set forth on such list. All amounts collected by Purchaser from each delinquent Tenant more than 30 days after the Closing, net of costs of collection, if any, shall be deemed to be in payment of Rents (or the specific components of Rents) then due on account of each month after the month in which the Closing occurs, next in payment of Rents (or the specific components of Rents) due for the month in which the Closing occurs and finally in payment of delinquent Rents (or the specific components of Rents) which are in arrears as of the first day of the month in which the Closing occurs, as set forth on the aforesaid list. Any amounts collected by Purchaser from each delinquent Tenant which, in accordance with the preceding

two sentences, are allocable to the month in which the Closing occurs (as adjusted as of the Adjustment Point) or any prior month, net of costs of collection properly allocable thereto, if any, shall be paid promptly by Purchaser to Equitable.

(b) Purchaser shall use commercially reasonable efforts to bill and collect any delinquencies set forth on the list delivered by Equitable pursuant to Section 6.01(a) for a period of one (1) year after the Closing and the amount thereof, as, when and to the extent collected by Purchaser, shall, if due to Equitable pursuant to the provisions of Section 6.01(a), be paid by Purchaser to Equitable, net of costs of collection, if any, properly allocable thereto, promptly after the collection thereof by Purchaser. In no event shall Purchaser be obligated to institute any actions or proceedings or to seek the eviction of any Tenant in order to collect any such delinquencies.

(c) Following the Closing, Purchaser shall submit or cause to be submitted to Equitable, within 30 days after the end of each calendar quarter up to and including the calendar quarter ending on December 31, 1998, but only so long as any delinquencies shall be owed to Equitable, a statement which sets forth all collections made by Purchaser from the Tenants which owe such delinquencies through the end of such calendar quarter. Equitable shall have the right from time to time following the Closing until 90 days after receipt by Equitable of the last quarterly statement required hereunder, at Equitable's expense, to examine and audit so much of the books and records of Purchaser as relate to such delinquencies in order to verify the collections reported by Purchaser in such quarterly statements.

(d) Nothing contained in this Section 6.01 shall be deemed to prohibit Equitable, at its own expense, from instituting any actions or proceedings in its own name against any Tenant after the Closing in order to collect the amount of any delinquencies due in whole or in part to Equitable from such Tenant; provided, however, that in no event shall Equitable be entitled in any such action or proceeding to seek to evict any Tenant or to recover possession of its space. Purchaser agrees that prior to January 1, 1999, it will not waive or settle any delinquency owed in whole or in part to Equitable without the prior written consent of Equitable, which consent may be granted or withheld in Equitable's sole discretion. From and after January 1, 1999, Purchaser may waive or settle any delinquency (other than any delinquency as to which Equitable is conducting a litigation as of January 1, 1999)

owed in whole or in part to Equitable without the prior written consent of Equitable.

(e) With respect to that portion of the Rents which constitute percentage or overage rents, or other amounts payable by Tenants based upon the sales or gross receipts of such entities, the following shall apply: (i) at the Closing and/or, in the case of percentage or overage rents which are in arrears or are payable in other than monthly installments, subsequent to the Closing, percentage or overage rents shall be apportioned as provided in the other subsections of this Section 6.01 in the case of Rents generally; and (ii) following the end of the fiscal year on account of which such percentage or overage rents are payable by each Tenant and receipt by Purchaser of any final payment on account thereof due from such Tenant (including, without limitation, any amount due as a result of an audit conducted by Equitable or Purchaser), Purchaser shall pay to Equitable, net of costs of collection and audit, if any, the excess, if any, of (x) the amount of percentage or overage rents paid by such Tenant on account of such entire fiscal year multiplied by a fraction, the numerator of which is the number of months (including any fraction of a month expressed as a fraction) of such fiscal year prior to the Adjustment Point and the denominator of which is 12 or such lesser number of months (including any fraction of a month expressed as a fraction) as may have elapsed in such fiscal year prior to the expiration of the Lease in question over (y) all amounts theretofore received by Equitable on account of the percentage or overage rents in question for such fiscal year. If in any case the amount provided for in (y) above exceeds the amount provided for in (x) above, Equitable shall pay the amount of such excess to Purchaser upon demand. If on the Closing Date Equitable shall be conducting any audits of payments of percentage or overage rents previously made by Tenants for fiscal years prior to the ones in effect on the Closing Date, Equitable shall have the right to continue all such audits until completion thereof and to collect and retain any amounts payable by reason thereof and in addition, Equitable shall have the right to initiate any such audit within one year subsequent to the Closing. A schedule of all such audits in progress at the date hereof is annexed hereto as Exhibit S. In addition, Equitable shall have until December 31, 1998, to commence any audit of payments of percentage or overage rents previously made by Tenants for the 1997 calendar year or fiscal year ending January 31, 1998, and Equitable shall have the right to continue all such audits until completion thereof and to collect and retain any amounts payable by reason thereof.

(f) With respect to that portion of Rents which are payable on an annual, semi-annual or other non-monthly basis, Purchaser shall use commercially reasonable efforts to bill and collect all such payments which become due after the Closing, which payments, to the extent allocable to periods prior to the Adjustment Period, shall be paid by Purchaser to Equitable promptly after receipt thereof, subject to costs of collection, if any, properly allocable thereto. With respect to that portion of Rents that are attributable to payment of expenses such as common area/mall maintenance charges, merchants' or other association charges or advertising and promotional charges, such Rents shall be apportioned based upon which party paid or will pay the correlating expenses for the relevant period. With respect to that portion of Rents which are billed on an index-based formula or on an estimated basis during the fiscal or other period for which paid, at the end of such fiscal or other period Purchaser shall determine whether the items in question have been overbilled or underbilled. If Purchaser determines that there has been an overbilling and an overbilled amount has been received, Equitable shall, promptly after request by Purchaser, pay to Purchaser the portion of such overbilled amount which is allocable (as provided for such Rent in this Section 6.01) to the period prior to the Adjustment Point, and promptly thereafter Purchaser shall reimburse the entire overbilled amount to the Tenants which paid the same. If Purchaser determines that there has been an underbilling, the additional amount shall be billed by Purchaser to the Tenants, and any amount received by Purchaser, net of costs of collection, if any, to the extent allocable (as provided for such Rent in this Section 6.01) to periods prior to the Adjustment Point shall promptly be paid by Purchaser to Equitable.

(g) Notwithstanding anything to the contrary set forth in this Section 6.01, Equitable shall be entitled to receive, and Purchaser shall pay to Equitable promptly after the receipt thereof, net of costs of collection, if any, properly allocable thereto, (i) all amounts payable by Tenants on account of Impositions which, pursuant to the terms of Section 6.03(a), it is Equitable's obligation to pay and discharge, which amounts shall be apportioned between Equitable and Purchaser in the same manner as the Impositions to which they relate and (ii) all amounts payable by Tenants on account of utilities which, pursuant to the terms of Sections 6.03(b) and/or 6.03(c), it is Equitable's obligation to pay and discharge, which amounts shall be apportioned between Equitable and Purchaser in the same manner as the utilities to which they relate.

(h) Any advance rental deposits or payments held by Equitable on the Closing Date and applicable to periods of time subsequent to the Adjustment Point, and any security deposits held by Equitable on the Closing Date, together with interest thereon, if any, which under the terms of the applicable Leases, is payable to the Tenants thereunder, shall be paid or credited to Purchaser at the Closing.

SECTION 6.02. Leasing Costs. Equitable shall pay and indemnify Purchaser in respect of all leasing commissions, costs of tenant alterations and improvements performed or to be performed for Tenants at the expense of the landlord thereof (or allowances payable by the landlord in lieu thereof), moving and other allowances and inducements, if any, and fees and disbursements of architects, engineers and attorneys (collectively, "Leasing Costs") in respect of (i) all Leases executed by or on behalf of all parties thereto prior to the date of this Agreement other than any actual or proposed Lease identified on Exhibit N and any Lease approved by Purchaser in accordance with Article XIII, (ii) any renewal of any Lease executed by all parties thereto prior to the date of this Agreement and not resulting from the exercise of any extension option by the Tenant thereunder and (iii) any amendment to a lease increasing the space demised thereby executed by all parties thereto prior to the date of this Agreement. Purchaser shall and hereby does assume and agree to pay and indemnify Equitable in respect of all Leasing Costs payable in respect of Leases, renewals and amendments of the nature described in clauses (i), (ii) and (iii) above with respect to the actual or proposed Lease identified on Exhibit N and any Lease approved by Purchaser in accordance with Article XIII. If any Leasing Costs shall be paid by Equitable prior to the Closing, which, in accordance with this Section 6.02, it is Purchaser's obligation to pay, Purchaser shall reimburse Equitable for the documented amount thereof at the Closing. Purchaser shall receive credit at Closing for unpaid Leasing Costs that are Equitable's obligation to pay to the extent such unpaid Leasing Costs can be identified at Closing.

SECTION 6.03. Additional Items. At the Closing, the following additional items shall be apportioned between the parties hereto as of the Adjustment Point, with Equitable to be obligated for or entitled to amounts apportioned to the period through the Adjustment Point and Purchaser to be obligated for or entitled to amounts apportioned to the period following the Adjustment Point:

(a) Impositions payable by Equitable in respect of the Mall for the calendar year 1997. In the case of

special assessments payable in installments, the installment for the fiscal year in which the Closing Date occurs shall be apportioned as of the Adjustment Point and Purchaser shall be responsible for paying all subsequent installments thereof. If any Tenant in occupancy at the Closing Date is obligated to pay any Impositions directly to the applicable taxing authority, such Impositions shall not be apportioned. Any refund obtained by either Equitable or Purchaser for real estate taxes for which an apportionment is made pursuant to this Section 6.03(a), net of the costs of obtaining such refund and the amount thereof payable to Tenants, shall be apportioned as of the Adjustment Point.

(b) Water and sewer charges, if any, payable by Equitable on the basis of the periods for which the same are payable. If there are water meters at the Mall, Equitable shall furnish readings to date not more than thirty (30) days prior to the Closing Date, and the unfixed meter charges and the unfixed sewer charges, if any, based thereon for the intervening time shall be apportioned on the basis of such last readings. Any water and sewer charges payable by Tenants in occupancy on the Closing Date directly to the entity or the entities furnishing such services shall not be apportioned.

(c) Utilities and fuel payable by Equitable, including without limitation electricity and gas. Equitable shall endeavor to have the meters for such utilities read the day on which the Adjustment Period occurs and will pay the bills rendered to it on the basis of such readings. If Equitable does not obtain such a meter reading with respect to any such utility, the adjustment therefor shall be made on the basis of the most recently issued bills therefore which are based on meter readings not earlier than thirty (30) days prior to the Adjustment Point. Equitable will receive a credit in the full amount of any cash security deposits held by any utility companies (with interest thereon, if any, in the amount accrued on such security deposits), and shall assign to Purchaser at the Closing all of Equitable's right, title and interest in and to such security deposits. Purchaser will make its own arrangements for any security bonds required by any utility companies within 60 days following the Closing Date, and Equitable will thereafter cancel any bonds previously furnished. If fuel oil, propane or other fuel is used at the Mall, Equitable shall deliver to Purchaser at the Closing statements of the suppliers of such fuel dated within three days of the Adjustment Point setting forth the quantity of fuel on hand and the cost paid by Equitable therefor, and Purchaser shall pay to Equitable at the Closing the cost of such fuel (including taxes thereon, if any) as shown on such

statements. Charges for any utilities payable by Tenants in occupancy on the Closing Date directly to the utility companies furnishing the same shall not be apportioned.

(d) Charges payable by Equitable under the Other Agreements.

(e) Ancillary income receivable by Equitable in connection with the licensing of the name of the Mall to third parties, the furnishing of utilities from the Mall to third parties, the leasing of kiosks, antennae, baby strollers and other items and the like.

(f) Contributions payable by Equitable to merchants' and other associations, and to promotional activities at the Mall.

(g) Any other items of income or expense of the Mall which, in accordance with generally accepted business practices, should be apportioned between Equitable and Purchaser.

SECTION 6.04. Adjustment Statement. Equitable will deliver to Purchaser prior to the Closing a copy of proposed adjustment statement showing all adjustments to be made at the Closing. The parties shall then endeavor to agree upon such statement or any modification thereof so that it or such modification can be executed by them at the Closing. To the extent that there is an error or omission in any of the adjustments made pursuant to such statement and the same is discovered following the Closing, the parties agree to rectify the same as promptly as possible following such discovery.

SECTION 6.05. Survival. The provisions of this Article VI shall survive the Closing.

ARTICLE VII

Documents To Be Delivered at the Closing

SECTION 7.01. Equitable's Deliveries. At or prior to the Closing, Equitable will deliver or cause to be delivered to Purchaser each of the instruments and documents listed in this Section 7.01, executed and acknowledged where appropriate by Equitable and/or the other party or parties thereto, but none of such instruments and documents shall be

deemed delivered or any other action taken until all Closing deliveries and actions are complete:

(a) A limited warranty deed (the "Deed") with respect to the Property, in proper statutory form for recording, conveying the Property from Equitable to Purchaser, subject to Permitted Encumbrances.

(b) A bill of sale transferring the Personal Property to Purchaser, which bill of sale shall contain no warranties, express or implied, by Equitable except that Equitable owns the Personal Property and the Intangible Personal Property transferred thereby, free and clear of all liens or encumbrances except for Permitted Encumbrances.

(c) An assignment by Equitable to Purchaser, in the form annexed hereto as Exhibit J, of all of the landlord's right, title and interest in, to and under all the Leases, and in and to all security deposits and any interest thereon which, under the terms of the applicable Leases, is payable to the Tenants thereunder.

(d) An assignment by Equitable to Purchaser, in the form annexed hereto as Exhibit K, of all of the owner's right, title and interest in, to and under all Other Agreements.

(e) A "General Assignment" by Equitable to Purchaser, in the form annexed hereto as Exhibit L, of all of Equitable's right, title and interest in and to the following, if any: (i) all warranties and guarantees of manufacturers, suppliers and contractors, to the extent the same are assignable, (ii) all permits of Governmental Authorities, and licenses and approvals of private utilities and others, required for or necessary to the operation and maintenance of the Mall, to the extent the same are assignable and relate to the Mall, (iii) all cash security deposits held by any utility with respect to the Mall (plus the interest accrued thereon, if any), (iv) the Intangible Personal Property and all names, trade names, trademarks, service marks and logos (and all good will associated therewith) by which the Mall or any part thereof may be known or which may be used in connection therewith, together with all registrations, if any, for the same and other intangible property relating thereto, and all telephone numbers and listings employed in connection with the Mall, (v) all site plans, surveys, plans or specifications and floor plans relating to the Mall, (vi) all traffic pattern and similar studies, all architectural and engineering plans (whether "as built" or design), including, without limitation, any such plans relating to any proposed

expansion or renovation, and any feasibility or marketing studies prepared by third parties for Equitable or any affiliate of Equitable, (vii) all catalogues, booklets, manuals, files, logs, records, correspondence, tenant lists, tenant prospect lists, tenant histories, tenant files, brochures and materials, advertisements and other similar intangible property directly relating to the Mall or any part thereof and, if necessary, separate assignments in proper form relating to items in clause (iv) and (viii) all agreements to operate for specific periods, radius restriction agreements and similar agreements made by the tenants and anchor stores operating at or in connection with the Premises.

(f) The estoppel letters provided for in Article XVII.

(g) Consents from third parties, if any, as indicated on Exhibit D annexed hereto, which are required to the assignment of any material Other Agreement, dated within 45 days prior to the Closing Date.

(h) Equitable's Copies of the Leases.

(i) Equitable's Copies of the Other Agreements.

(j) An executed copy of an agreement between Equitable and the Managing Agent terminating its Management Agreement as of the Closing Date.

(k) Notices to Tenants notifying each of them of the sale of the Mall to Purchaser as of the Closing Date, in a form reasonably satisfactory to Purchaser.

(l) A supplement to the schedule of Leases annexed hereto as Exhibit G which shows all Leases terminated and/or amended and all new Leases entered into between the date of Exhibit G annexed hereto and the Closing Date, together with Equitable's Copy of each such new Lease or amendment to an existing Lease.

(m) The list provided for in Section 6.01(a).

(n) A supplement to the schedule of Other Agreements annexed hereto as Exhibit D, showing all Other Agreements terminated and/or amended and all new Other Agreements entered into between the date of Exhibit D annexed hereto and the Closing Date, together with Equitable's Copy of each such new Other Agreement or amendment to an existing Other Agreement.

(o) A schedule setting forth all tenant alterations which are required to be performed by Equitable (whether or not at its expense) pursuant to the Leases listed in Exhibit G, as updated pursuant to Section 7.01(l), in order to prepare space for occupancy by Tenants which have not been completed, and all allowances payable by Equitable to such Tenants in lieu of such work which have not been paid.

(p) The certificate of Equitable provided for in Section 8.06(c), if Equitable elects to deliver such certificate to Purchaser.

(q) A certificate that Equitable is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

(r) Counterparts of the adjustment statement provided for in Section 6.04 showing all adjustments in respect of the Purchase Price to be made at the Closing.

(s) All sales tax, transfer tax and other tax returns, if any, which Equitable is required by law to execute and deliver, either individually or together with Purchaser, to any Governmental Authority as a result of the sale.

(t) A copy of the resolutions of the Investment Committee or Separate Account Committee of the Board of Directors of Equitable, certified to by the secretary or an assistant secretary of Equitable, which authorize (i) the transactions contemplated by this Agreement and (ii) the execution by Equitable of this Agreement and the documents, instruments and Agreements to be executed and delivered by Equitable pursuant hereto, together with an incumbency certificate as to the authority of the person(s) executing and delivering this Agreement and such documents, instruments and Agreements on behalf of Equitable.

(u) A good standing certificate from the Insurance Department of the State of New York for Equitable, dated within 15 days of the Closing Date, and good standing certificates issued in respect of Equitable by the Secretary of State of Georgia, dated within 30 days of the Closing Date.

(v) All records and files which are in the possession or control of Equitable, ERE or the Managing Agent relating to the operation and maintenance of the Mall, including without limitation, to the extent in the possession of such parties, (i) current tax bills, current

water, sewer, utility and fuel bills, payroll records and billing records for Tenants, (ii) repair and maintenance records and the like which affect or relate to the Mall, (iii) plans, drawings, blueprints and specifications for the Mall and all warranties and guarantees of manufacturers, suppliers and contractors in effect on the Closing Date, (iv) certificates of occupancy and other licenses and permits, (v) all of the items of property covered by the documents specified in Sections 7.01(b) and 7.01(e) and (vi) keys to the Mall. Delivery of such materials shall be effectuated pursuant to arrangements made by the Managing Agent for the Mall and the property manager retained by Purchaser to operate the Mall.

(w) All documents reasonably requested by the Title Company in order to enable Purchaser to obtain title insurance in the form required by Section 11.05 hereof, together with such extended coverage and/or other endorsements to such title insurance policies as may be required by Purchaser, including, without limitation, a lien waiver from Broker and such instruments as shall be required by the Title Company to insure title to the Mall without exception for mechanic's liens which could be filed as a result of actions by Equitable, but only provided that such documents do not expose Equitable to any material expense or liability not already provided for in this Agreement.

(x) All other instruments and documents, if any, to be executed, acknowledged and/or delivered by Equitable pursuant to any of the other provisions of this Agreement or which are reasonably requested by Purchaser.

(y) Such affidavits and other documents as shall be required (in Purchaser's sole judgment) to lawfully exempt Purchaser from the withholding requirements of Section 48-7-128 of the Official Code of Georgia (failing which Purchaser shall be fully authorized to withhold and pay to the appropriate taxing authority the amounts required to be withheld pursuant to said Section 48-7-128).

SECTION 7.02. Purchaser's Deliveries. At or prior to the Closing, Purchaser will deliver or cause to be delivered to Equitable or the other parties indicated below each of the payments, documents and instruments listed in this Section 7.02, such instruments and documents to be executed and acknowledged where appropriate:

(a) The balance of the Purchase Price as set forth in Section 3.01(b), as such balance may be reduced or increased pursuant to Article VI or any other applicable provision of this Agreement.

(b) All sales tax, transfer tax and other tax returns, if any, certificates of value and similar documents which Purchaser is required by law to execute and deliver, either individually or together with Equitable, to any Governmental Authority as a result of the sale.

(c) Counterparts of each of the instruments and documents listed in Sections 7.01(c), 7.01(d) and 7.01(r).

(d) A copy of resolutions or a consent of the Trustees or the Investment Committee of the member of Purchaser which authorize (i) the transactions contemplated by this Agreement, and (ii) the execution of this Agreement and the documents, instruments and Agreements to be executed and delivered by Purchaser pursuant hereto, together with an incumbency certificate as to the authority of the person(s) executing and delivering this Agreement and such documents, instruments and Agreements on behalf of Purchaser.

(e) A good standing certificate from the Secretary of State of the State of Delaware for Purchaser, dated within 15 days of the Closing Date.

(f) All other payments, instruments and documents, if any, to be executed, acknowledged and/or delivered by Purchaser pursuant to any of the other provisions of this Agreement.

SECTION 7.03. Access to Records. Purchaser agrees for a period of seven (7) years following the Closing Date to retain and make available to Equitable or to any Governmental Authority having jurisdiction over Equitable for inspection and copying, at Equitable's expense, on reasonable advance notice at reasonable times at the place in the continental United States where Purchaser then maintains its records in respect of the Mall, all documents and records concerning the Mall delivered by Equitable to Purchaser, actually or constructively, in connection with the Closing. If Purchaser desires to destroy any such records prior to the expiration of such seven (7) year period, Purchaser shall first notify Equitable and permit Equitable to take delivery of the records in question at its sole cost and expense; and if Equitable declines to do so, Purchaser shall then be free to destroy the same. The provisions of this Section 7.03 shall survive the Closing.

ARTICLE VIII

Mall Conveyed As Is; Representations
and Warranties of Equitable

SECTION 8.01. No Implied Representations. Purchaser acknowledges that except as expressly set forth in this Agreement and in the documents and instruments delivered by Equitable at the Closing, neither Equitable nor any agent or representative or purported agent or representative of Equitable has made, and Equitable is not liable for or bound in any manner by, any express or implied warranties, guarantees, promises, statements, inducements, representations or information (including, without limitation, any information set forth in offering materials heretofore furnished to Purchaser) pertaining to the Mall or any part thereof, the physical condition thereof, environmental matters, income, expenses or operation thereof or of the Personal Property or Intangible Personal Property, the uses which can be lawfully made of the same under applicable zoning or other laws or any other matter or thing with respect thereto, including, without limitation, any existing or prospective Leases or Other Agreements. Without limiting the foregoing, Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement and in the documents and instruments delivered by Equitable at the Closing, Equitable is not liable for or bound by (and Purchaser has not relied upon) any verbal or written statements, representations, real estate brokers' "set-ups" or offering materials or any other information respecting the Mall furnished by Equitable or any broker, employee, agent, consultant or other person representing or purportedly representing Equitable. Nothing contained in this Section 8.01 shall be deemed to impair, limit or otherwise affect Purchaser's rights under this Agreement in respect of the representations, warranties and covenants of Equitable set forth in this Agreement and the other provisions hereof binding upon Equitable.

SECTION 8.02. "As-Is" Purchase. Purchaser represents that it has inspected the Mall, the physical and environmental condition and the uses thereof and the fixtures, equipment and Personal Property included in this sale to its satisfaction, that it has independently investigated, analyzed and appraised the value and profitability thereof, the creditworthiness of Tenants and the presence of Hazardous Materials, if any, in or on the Mall, that it has received copies of and/or has reviewed the Leases, the Other Agreements and all other documents referred to herein, that it is thoroughly acquainted with all of the foregoing and that Purchaser, in purchasing the

Mall, will rely upon its own investigations, analyses, studies and appraisals and not upon any information provided to Purchaser by or on behalf of Equitable with respect thereto (except in each case to the extent covered by any warranties or representations of Equitable set forth in this Agreement, in any Seller's Estoppel Letters (as defined in Section 17.02) or in any other document or instrument delivered by Equitable in connection with the Closing). Purchaser agrees to accept the Mall "as is" and in its condition as at the date hereof, reasonable wear and tear and damage by fire or other casualty (subject to the provisions of Article XII) between the date hereof and the Closing Date excepted, and Purchaser shall assume the risk that adverse matters, including, but not limited to, construction defects and adverse physical and environmental conditions may not have been revealed by Purchaser's investigations; and Purchaser, upon closing, shall be deemed to have waived, relinquished and released Equitable from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Equitable by reason of or arising out of any latent or patent construction defects or physical conditions, violations of applicable laws (including, without limitation, environmental laws) and any and all other acts, omissions, events, circumstances or matters with respect to the Mall, subject, however, to Purchaser's rights and remedies provided for in this Agreement in the event of the breach of any of Equitable's warranties, representations or covenants contained herein, in any Seller's Estoppel Letter or in any other document or instrument delivered by Equitable in connection with the Closing. Nothing contained in this Section 8.02 shall be deemed to constitute a waiver by Purchaser of its rights at law or in equity, if any (to the extent such rights are not limited under any other applicable provision of this Agreement), to seek contribution or other recourse against Equitable in the event of a claim asserted against Purchaser by a third party with respect to liabilities arising from or relating to any circumstances or conditions which exist at or in respect of the Mall prior to the Closing. Nothing contained in this Section 8.02 shall be deemed to impair, limit or otherwise affect Purchaser's rights under this Agreement in respect of the representations, warranties and covenants of Equitable set forth in this Agreement and the other provisions hereof binding on Equitable. The provisions of this Section 8.02 shall survive the Closing.

SECTION 8.03. Representations and Warranties of Equitable. Equitable hereby represents and warrants to Purchaser as follows:

(a) Equitable is a corporation duly organized, validly existing and in good standing under the laws of the State of New York. Equitable has full power and authority to enter into this Agreement and to perform its obligations hereunder in accordance with the terms hereof. The execution, delivery and performance by Equitable of this Agreement and the documents to be executed by Equitable pursuant hereto have been duly and validly authorized by all necessary corporate action on the part of Equitable. This Agreement constitutes the legal, valid and binding obligation of Equitable, enforceable against Equitable in accordance with its terms, subject as to enforceability to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors generally and to general principles of equity. No bankruptcy, insolvency, reorganization, liquidation, arrangement or moratorium proceeding or allegation of fraudulent conveyance is now pending or, to Equitable's knowledge, threatened against Equitable or the Mall.

(b) Equitable is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

(c) Execution by Equitable of this Agreement and all documents provided for herein to be executed by Equitable, and performance by Equitable of the provisions hereof and thereof, will not (i) violate or result in any breach of, or constitute a default under, any law, regulation, rule, order or judgment of any governmental authority to which Equitable is subject, or any agreement, indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Equitable is a party or by which Equitable is bound, where such breach or default might adversely affect Equitable's ability to perform its obligations hereunder or under such other documents or (ii) require any approval or consent which has not been obtained of any Governmental Authority or any Tenant or (iii) require any approval or consent or other action by any pension or retirement plan which has an interest in Equitable's Separate Account No. 16-VII or any other person which has not been obtained or taken. Equitable is not in default under any note, evidence of indebtedness, lease, contract, license, undertaking or other Agreement where the liability thereunder might adversely affect Equitable's

ability to perform its obligations under this Agreement or any document executed by Equitable pursuant hereto.

(d) With respect to the Leases:

(i) Exhibit G annexed hereto is a list of all of the Leases in effect on the date of such exhibit setting forth, with respect to each Lease: (A) the date thereof and the date of each amendment or supplement thereto; (B) the name of the current Tenant thereunder; (C) the premises demised thereby; (D) the current term of each Lease, including commencement date and expiration date; (E) the amount, if any, of the security deposit held by Equitable thereunder; (F) the number of square feet of rentable or gross leasable area, as applicable; (G) the fixed rent currently payable under such Lease and the percentage rent percentage and breakpoint with respect to such Lease; (H) noting (by "y" or "n") whether any exclusive rights have been granted to the Tenant; and (I) in the case of the Anchors, the commencement date and expiration date of the operating covenant, if any. All of the information set forth on Exhibit G is true, correct and complete. As of the date of Exhibit G, there are no leases, licenses or other rights of occupancy or use of any portion of the Mall granted by Equitable or its predecessors in title other than the Leases set forth in said Exhibit. None of the Leases has been modified, amended or supplemented (whether orally or in writing) except as set forth in Exhibit G. No Tenant has any option to purchase the Mall or a right of first refusal in respect of the sale of the Mall to a third party and no Tenant has the right to purchase any portion of the Mall.

(ii) True, correct and complete copies of the Leases, and all amendments and supplements thereto, have heretofore been made available and/or delivered to Purchaser for review.

(iii) Exhibit M annexed hereto is a true, correct and complete list of Tenants that are delinquent in the payment of Rents as of the date of said schedule, which schedule sets forth the information specified in clause (i) of Section 6.01(a).

(iv) Except as set forth in Exhibit G annexed hereto, each of the Leases listed in Exhibit G is in full force and effect as of the date hereof. Equitable has received no written notice from any Tenant under a Lease listed in Exhibit G which is still outstanding

(x) that Equitable has defaulted in performing any of its material obligations under such Lease or (y) that such Tenant is entitled to any reduction in, refund of or counterclaim or offset against, or is otherwise disputing, any Rents paid, payable or to become payable by such Tenant thereunder or is entitled to cancel or terminate such Lease or to be released of any of its material obligations thereunder, except as set forth in Exhibit G. With the exception of the delinquencies in the payment to Rents specified in Exhibit M annexed hereto, to Equitable's knowledge no material default exists under any Lease by the Tenant thereunder except as set forth in Exhibit G. For purposes of this Section 8.03(d)(iv) the term "Lease" does not include licenses and concession agreements which have original terms, as they may be extended by renewal rights, of less than six (6) months.

(v) All leasing commissions in respect of the Leases listed in Exhibit G which were entered into before, and in respect of the terms in effect on the Execution Date (including in respect of any renewals) extensions or amendments thereof), have been, or by the Closing Date will have been, paid in full by Equitable.

(vi) All tenant alterations which are required to be performed by Equitable at its expense pursuant to the Leases listed in Exhibit G on or prior to the date hereof in order to prepare space for occupancy by Tenants have been performed by Equitable, and all allowances payable to such Tenants in lieu of such work which were payable in respect of such Leases prior to the date hereof have been paid.

(e) With respect to the Other Agreements:

(i) Exhibit D annexed hereto is a true, correct and complete list as of the date of such exhibit of all Other Agreements affecting the Mall, setting forth, with respect to such Other Agreements, the date thereof and of each amendment or supplement thereto, the name of each party thereto (other than Equitable) and a brief description of the services provided thereunder or property covered thereby. Except as specifically identified in Exhibit D, each Other Agreement can be terminated by Purchaser on not more than thirty (30) days' notice without penalty.

(ii) True, correct and complete copies of the Other Agreements, and all amendments and supplements

thereto, have heretofore been made available and/or delivered to Purchaser for review.

(iii) To Equitable's knowledge, each of the Other Agreements is in full force and effect on the date hereof, and Equitable has received no written notice from any party to any Other Agreement which is still outstanding that Equitable has defaulted in performing any of its obligations under such Other Agreement, except as set forth in Exhibit D. None of the Other Agreements listed on Exhibit D has heretofore been amended or supplemented (whether orally or in writing), except as set forth on Exhibit D.

(f) Equitable has not received (i) any written notice of any Violation with respect to the Mall from any Governmental Authority which has not heretofore been complied with except as set forth in Exhibit H, or (ii) any written notice from any Governmental Authority which is still outstanding of any failure by Equitable to obtain any certificate, permit, license or approval with respect to the Mall, or any intended revocation, modification or cancelation of any of the same; and to Equitable's knowledge no notice of the nature described in this Section 8.03(f) is about to be issued.

(g) No condemnation, eminent domain, zoning, land-use or similar proceeding in which Equitable has been served with process or of which Equitable has otherwise received written notice is pending with respect to all or any part of the Mall or access thereto, and Equitable has no knowledge that any such proceeding is threatened or contemplated.

(h) Equitable has not received any written notice which is still outstanding of any violation of any restriction, condition, covenant or agreement contained in any easement, restrictive covenant or any similar instrument or agreement which constitutes a Permitted Encumbrance.

(i) There are no pending litigations or other proceedings against Equitable affecting the Mall in respect of which Equitable has been served with process or otherwise received written notice except for (i) claims for personal injury, property damage or worker's compensation for which the insurance carrier has been notified on a timely basis and has not disclaimed liability or reserved its rights and in which the amounts claimed do not exceed the applicable insurance policy limits and (ii) other litigations or proceedings shown on Exhibit I annexed hereto. Equitable has no knowledge of any threatened litigation or proceedings

against Equitable affecting the Mall except litigation of the nature described in clause (i) above.

(j) All fixtures, equipment and articles of personal property attached or appurtenant to or used in connection with the Mall and located thereat, except those belonging to Tenants, subtenants of Tenants and independent contractors or utility companies, and items which are leased by Equitable, are owned or leased by Equitable, free from all liens and encumbrances (other than, in the case of leased property, the lessor's interest therein and any encumbrance on such lessor's interest), and Equitable's interest therein is included in this sale and shall be deemed conveyed from Equitable to Purchaser at the Closing. A schedule of the material items of such personal property, which in any event includes all items of such personal property having a cost of $5,000 or more, is attached hereto as Exhibit B, which Exhibit separately identifies any leased personal property, the leases for which are listed on Exhibit D annexed hereto.

(k) Equitable has no employees or agreements with any employees who will continue performing services after the Closing in connection with the operation of the Mall. All persons who regularly perform services at the Mall are employees of the Managing Agent or other independent contractors.

(l) Exhibit F annexed hereto lists all environmental reports relating to asbestos (whether or not friable and whether or not posing a threat to human health) or other Hazardous Materials at the Mall which Equitable caused to be prepared or otherwise has in its possession dated after January 1, 1986, each of which has heretofore been delivered to Purchaser. As used herein, the term "Hazardous Materials" means (i) toxic wastes, hazardous materials, hazardous substances or other substances which are defined, prohibited or regulated by, or listed in, any federal, state or local law or regulation addressing environmental protection or pollution control matters, (ii) asbestos in friable condition or otherwise posing a threat to human health, (iii) polychlorinated biphenyls (PCBs) and (iv) oil, petroleum and their by-products. Except as may be specifically disclosed in the reports listed on Exhibit F or in any environmental reports obtained by Purchaser, and except with respect to cleaning fluids and similar substances which may be used in the routine operation or maintenance of the Mall in accordance with Legal Requirements, (A) Equitable has not itself caused any Hazardous Materials to be utilized or stored in or on the Mall, or to be disposed of thereat or therefrom, except in

accordance with the provisions of applicable laws and (B) to Equitable's knowledge, no Hazardous Materials are present in, on or under the Mall at levels or in quantities or amounts which would be in violation of, or would require investigation or cleanup under, applicable laws. Equitable has not received any written notice from any Governmental Authority or other person or entity that any condition exists at the Mall which constitutes or has resulted in a violation of any Legal Requirement relating to Hazardous Materials or which requires investigation or cleanup under any such Legal Requirements, or that any claim has been or may be asserted against Equitable by reason of any such violation.

(m) Equitable has not received any written notice from any insurer of the Mall requiring any work to be performed as a condition to the renewal of any insurance policy carried by Equitable in respect thereof which has not heretofore been complied with.

(n) Except as set forth on Exhibit F, no structural or other engineering reports dated after January 1, 1989 by a third party engineer relating to the condition or structural soundness of the entire Mall are in the possession or control of Equitable.

(o) The financial statements described on Exhibit C annexed hereto have previously been delivered to Purchaser and fairly present the results of operations and changes in financial position of the subjects thereof for the periods referred to therein, in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved.

(p) The property to be conveyed and transferred to purchaser at the Closing constitutes all of the real property, personal property and other property owned or leased or otherwise used by Equitable in connection with its ownership and operation of the Mall, except for the Excepted Items.

(q) Equitable has not entered into any letter of intent with any Tenant which occupies or will occupy more than 10,000 square feet of gross leasable area in the Mall with respect to the entering into, amendment or termination of any Lease.

SECTION 8.04. No Independent Investigation. All representations and warranties made herein by Equitable which are based on Equitable's knowledge are made, and are hereby acknowledged by the Purchaser to be made, without

independent investigation regarding the facts contained therein, other than due inquiry of the Managing Agent for the Mall, and are otherwise limited as provided in the definition of "knowledge" or "notice".

SECTION 8.05. Effect of Estoppels. If prior to the Closing a Tenant provides to Purchaser an estoppel letter addressed to Purchaser and delivered in response to a request made pursuant to this Agreement which sets forth information with respect to any item as to which Equitable has made a representation or warranty, then Equitable's representation and warranty in respect of such information shall thereafter be null and void and of no further force or effect, such representation and warranty shall not be deemed to have been remade as of the Closing and Purchaser shall rely solely on the information set forth in such estoppel letter. Nothing contained in this Section 8.05 shall affect or negate Purchaser's right to refuse to proceed with the Closing as provided in Section 17.03.

SECTION 8.06. Survival of Equitable's Warranties, etc. (a) Except as otherwise provided in Section 8.05, all of Equitable's representations and warranties contained in this Article VIII (other than those contained in Sections 8.03(a), 8.03(b) and 8.03(c), which shall survive the Closing without limitation as to time), as remade as of the Closing as provided in Section 8.06(c) and subject to any modifications thereof made in any certificate provided for in said Section, and all certifications, representations and warranties made by Equitable in any Seller's Estoppel Letter delivered by Equitable to Purchaser, shall survive until 12 months after the date of the Closing; provided, however, that Equitable's liability for any breach of such warranties, representations and certifications shall not expire as to any breach or alleged breach thereof if notice of such breach or alleged breach is given by Purchaser to Equitable prior to 12 months after the date of the Closing and, if such notice is given, legal proceedings are instituted in respect of such breach or alleged breach within one (1) year after such notice is given.

(b) Notwithstanding anything to the contrary set forth in this Article VIII, Equitable shall have no liability to Purchaser for breach of any warranty and representation set forth in this Article VIII or in any Seller's Estoppel Letter or for breach by Equitable of any of its Agreements set forth in Article XIII unless and except to the extent that the damages due to Purchaser by reason of all such breaches exceed $100,000, and in no event shall Equitable be liable to Purchaser for consequential damages in respect of any such breach.

(c) All of Equitable's representations and warranties set forth in this Article VIII shall be deemed to have been remade on and as of the Closing Date, subject, however, to the provisions of Section 8.05 and facts disclosed on the updated Exhibits to this Agreement which are to be delivered by Equitable to Purchaser at the Closing pursuant to Section 7.01 (which updated Exhibits, upon their delivery by Equitable to Purchaser, shall for all purposes of this Agreement constitute the indicated Exhibit or a part thereof); provided, however, that if any matter or event shall have occurred between the date hereof and the date of the Closing which does not result from any intentional act or omission of Equitable (other than one permitted under this Agreement), and which makes any such warranty or representation untrue in any material respect as of the Closing Date, Equitable shall have the right to deliver a certificate to Purchaser at or prior to the Closing which discloses such matter or event, and if Equitable does so, Equitable shall not be liable to Purchaser following the Closing for the breach of the warranty or representation in question which results from the occurrence of such matter or thing, but in no event shall Purchaser be obligated to close hereunder unless the conditions precedent to Purchaser's obligation to close set forth in this Agreement (including, without limitation, in Section 11.01) shall have been fulfilled. If Equitable shall deliver such a certificate to Purchaser less than five (5) Business Days prior to the Closing, Purchaser shall have the right, by giving notice to Equitable of its electing so to do, to adjourn the Closing to a day which is the fifth (5th) Business Day after its receipt of such certificate (or if such day is not a Business Day, to the next Business Day). The right provided for in the preceding sentence shall be exercisable by Purchaser notwithstanding the fact that Purchaser may have theretofore utilized in full its right of adjournment under Section 5.01.

(d) Notwithstanding anything to the contrary set forth in this Article VIII or elsewhere in this Agreement, if prior to the Closing Purchaser has or obtains knowledge that any of Equitable's warranties or representations set forth in this Article VIII (except for those set forth in Sections 8.03(a), 8.03(b), 8.03(c), 8.03(k), 8.03(o) and 8.03(p)), or any of Equitable's certifications, warranties or representations made in any Seller's Estoppel Letter, is untrue in any respect, and Purchaser nevertheless proceeds with the Closing, then the breach by Equitable of the warranties, representations or certifications as to which Purchaser shall have such knowledge shall automatically be deemed waived by Purchaser and Equitable shall have no liability to Purchaser or its successors or assigns in

respect thereof. For the purposes of this subsection 8.06(d), Purchaser shall be deemed to have or to have obtained knowledge of any such matter or thing only if such matter or thing (i) is set forth in any Lease, Other Agreement or estoppel certificate which (or a copy of which) is stated in this Agreement to have been delivered to and/or made available for review by Purchaser, (ii) was contained in any written studies or reports furnished to Purchaser by any third party consultants retained by it, (iii) was set forth in a letter, memorandum or other written communication from Cravath, Swaine & Moore in this transaction to Purchaser on or prior to the Closing Date or (iv) was set forth in a letter, memorandum or other written communication from Equitable or Equitable's agents to Jane A. Fortenberry. For purposes of this subsection 8.06(d), the term "Lease" shall include only those Leases listed on Exhibit G and those Leases that are approved by Purchaser in accordance with Article XIII.

ARTICLE IX

Representations and Warranties of Purchaser

SECTION 9.01. Purchaser's Warranties. Purchaser warrants and represents to Equitable as follows:

(a) Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Purchaser has full power and authority to enter into this Agreement and perform its obligations hereunder in accordance with the terms hereof. The execution, delivery and performance of this Agreement by Purchaser and the documents to be executed by Purchaser pursuant hereto have been duly and validly authorized by all necessary action on the part of the managers and members of Purchaser. This Agreement continues the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject as to enforceability to the effect of applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the rights of creditors generally and to general principles of equity. No bankruptcy, insolvency, reorganization, arrangement or moratorium proceeding, or allegation of fraudulent conveyance, is now pending or, to Purchaser's knowledge, threatened against Purchaser.

(c) Execution by Purchaser of this Agreement and all documents provided for herein to be executed by Purchaser, and performance by Purchaser of the provisions hereof and thereof, will not violate or result in any breach of, or constitute a default under, any law, regulation, order or judgment of any governmental authority to which Purchaser is subject, or any agreement, indenture, mortgage, deed of trust, bank loan, credit agreement or any other instrument to which Purchaser is a party or by which Purchaser is bound, where such breach or default might adversely affect Purchaser's ability to perform its obligations hereunder or under such other documents. Purchaser is not in default under any note, evidence of indebtedness, lease, contract, license, undertaking or other agreement where the liability thereunder might adversely affect Purchaser's ability to perform its obligations under this Agreement or such other documents.

(d) Purchaser is not utilizing the assets of any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) for or in connection with its acquisition of the Mall.

SECTION 9.02. Remaking of Warranties; Survival. All of Purchaser's representations and warranties set forth in this Article IX shall be deemed to have been remade on and as of the Closing Date. Such representations and warranties, as remade, shall survive the Closing without limitation as to time.

ARTICLE X

Conditions to the Obligation of Equitable To Close Title

The obligation of Equitable to close title under this Agreement is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Equitable, at its election, may waive all or any of such conditions, which election shall be conclusively evidenced by Equitable's proceeding with and completing the closing of the transactions provided for herein:

(a) Purchaser shall have paid to Equitable the Purchase Price as provided in Article III hereof and all other amounts due to Equitable hereunder.

(b) All representations and warranties of Purchaser set forth in Article IX shall be true and correct

in all material respects on and as of the Closing Date as if made on and as of such date.

(c) Purchaser shall have executed and/or delivered or caused to be delivered at the Closing all documents and executed counterparts of documents and instruments required by this Agreement to be executed and/or delivered by Purchaser and shall have taken all other actions and fulfilled all other covenants and conditions required of Purchaser under this Agreement.

ARTICLE XI

Conditions to the Obligation of Purchaser To Close Title

The obligation of Purchaser to close title under this Agreement is conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Purchaser, at its election, may waive all or any of such conditions, which election shall be conclusively evidenced by Purchaser's proceeding with and completing the closing of the transactions provided for herein:

SECTION 11.01. Representations and Warranties. Subject to the provisions of Section 8.05, all representations and warranties of Equitable set forth in Section 8.03 shall be true and correct in all material respects on and as of the Closing Date as if made on and as of such date (without reference to any modifications thereof contained in any certificate delivered by Equitable to Purchaser pursuant to Section 8.06(c)), subject, however, to changes resulting from the operation of the Mall between the date hereof and the Closing Date in accordance with the provisions of Article XIII.

SECTION 11.02. Closing Documents. Equitable shall have executed and/or delivered or caused to be delivered at Closing all of the documents and executed counterparts of documents and instruments required by this Agreement to be executed and/or delivered by Equitable and shall have taken all other actions and fulfilled all other covenants and conditions required of Equitable under this Agreement.

SECTION 11.03. Condition of Title. Title to the Mall shall be in the condition called for by this Agreement.

SECTION 11.04. Estoppels. The conditions set forth in Sections 17.01 and 17.03 shall be satisfied.

SECTION 11.05. ALTA Title Policy. The Title Company shall be willing to issue to Purchaser an ALTA extended coverage owner's policy of title insurance (without regional exceptions) with respect to the Mall, together with such customary endorsements and affirmative coverage (including, without limitation, an ALTA 3.1-Zoning-completed structure endorsement) as Purchaser shall reasonably request, dated as of the Closing Date and insuring Purchaser's interest in the Mall in an amount equal to the Purchase Price, free of any exceptions other than Permitted Exceptions.

SECTION 11.06 Unified Control of Master Phipps Tract. Purchaser, Equitable and all other necessary parties shall have entered into a binding agreement satisfactory in all respects to Seller and Purchaser in their sole discretion sufficient (a) to ensure that upon sale of the Mall to Purchaser and upon any other or future sale of any other portion of the Master Phipps Tract, the Master Phipps Tract will continue to be under "unified control" for purposes of applicable City of Atlanta Zoning Ordinances, (b) to establish procedures in conformity with applicable City of Atlanta Ordinances for owners of the Master Phipps Tract to request future site plan amendments to portions of the Master Phipps Tract, which procedures shall protect and preserve the current zoning status of the Master Phipps Tract and (c) to require all owners of portions of the Master Phipps Tract to comply with all zoning conditions applicable to the Master Phipps Tract, or any portion thereof.

SECTION 11.07. Cross-Easement Agreements. Binding agreements satisfactory in all respects to Seller and Purchaser in their sole discretion shall be in effect on the Closing Date sufficient to ensure that (i) all easements and similar arrangements (including cost-sharing arrangements for roadways and similar common areas) and/or restrictions determined by Purchaser to be necessary or advisable in connection with its ownership of the Mall have been created with all relevant parties and (ii) persons other than the Purchaser have assumed responsibility for all costs and other obligations which (x) relate to, or arise out of or are caused by the construction of improvements on land other than the land described on Exhibit A and (y) are currently obligations imposed upon the landlord under one or more of the Leases.

ARTICLE XII

Risk of Loss

SECTION 12.01. Material Casualty or Condemnation. If prior to the Closing the Mall shall suffer any damage by fire or other casualty, the cost of which to repair exceeds $5,000,000, or if any proceeding shall be instituted for the taking in condemnation or by eminent domain of any material portion of the Mall, Purchaser shall have the right to terminate this Agreement by giving written notice to Equitable within thirty (30) days after Purchaser is first given written notice of such damage or taking. Equitable agrees to give Purchaser prompt notice of the occurrence of any such damage or taking. If this Agreement is so terminated by Purchaser, the Escrow Agent shall return the Deposit to Purchaser (and Equitable and Purchaser shall execute a written instruction to Escrow Agent to do so) and neither party shall have any further obligations or liabilities hereunder, or otherwise with respect to the subject matter hereof, except as otherwise expressly provided herein to the contrary.

SECTION 12.02. Election to Purchase After Casualty or Condemnation. Notwithstanding the foregoing, if all or any portion of the Mall shall be damaged by fire or other casualty or taken in whole or in part in condemnation or by eminent domain, and if as a result of such damage or taking Purchaser shall be entitled to be relieved of its obligations under this Agreement pursuant to Section 12.01 above, Purchaser shall have the right, by giving written notice to Equitable within thirty (30) days after receipt by Purchaser from Equitable of written notice of such damage or taking, to elect nevertheless to purchase the Mall. If Purchaser makes such election (which election shall be deemed to have been made by Purchaser if it for any reason fails to give Equitable notice of its election to terminate this Agreement within the thirty (30)-day period provided for in Section 12.01) or if the damage or taking shall not be of sufficient magnitude to entitle Purchaser to terminate this Agreement pursuant to Section 12.01, this Agreement and the obligations of Equitable and Purchaser hereunder shall remain in full force and effect except that (i) Purchaser shall accept the Mall notwithstanding such damage or taking and shall pay the full Purchase Price therefor and (ii) at the Closing (a) Equitable shall assign to Purchaser all of its right, title and interest in and to all insurance proceeds (including, without limitation, business interruption or rent insurance proceeds) payable by reason of such damage or all awards payable by reason of such taking, and, in the case of insurance proceeds, shall credit

against the Purchase Price the amount of any deductible under Equitable's insurance policies, (b) Equitable shall assign and pay over to Purchaser the amount of such proceeds or award, if any, received by Equitable prior to the date of the Closing, and (c) Equitable shall not settle or compromise any claim for such proceeds or award without the prior consent of Purchaser, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Equitable shall be entitled to receive or retain (i) out of such casualty insurance proceeds or award, any amounts expended by Equitable to restore or protect the Mall and (ii) in the case of rental or business interruption proceeds allocable to periods prior to the Adjustment Point (apportioned consistent with Section 6.01), loss of rents by reason of the fire or other casualty suffered by Equitable prior to the closing, which entitlement shall survive the Closing.

ARTICLE XIII

Operation of the Mall Until Closing

SECTION 13.01. Standard of Operation. Equitable agrees to operate and maintain the Mall, or cause the Mall to be operated and maintained, between the date of this Agreement and the Closing Date in the ordinary course of business and consistent with past procedures and practices heretofore followed in connection with such operation and maintenance, except as otherwise specifically provided in this Agreement; provided, however, that nothing contained in this Section 13.01 or elsewhere in this Agreement shall require Equitable to make or undertake any capital improvements, repairs or replacements at the Mall between the date hereof and the Closing Date.

SECTION 13.02. Notice Requirements. Equitable will notify Purchaser of any of the following matters which occur between the date of this Agreement and the Closing Date: (i) notices of default received or given by Equitable with respect to any Lease, any Operating Agreement or any material Other Agreement, (ii) litigation commenced by Equitable, or litigation of which Equitable has received notice commenced or threatened against Equitable, with respect to the Mall (other than litigation covered by insurance as to which the insurer has been notified on a timely basis and has not disclaimed liability or reserved its rights), (iii) notices of condemnation proceedings commenced or threatened against all or any portion of the Mall received by Equitable and (v) casualty losses to the Improvements of the Mall.

SECTION 13.03. Equitable's Rights and Covenants. (i) Between the date of this Agreement and the Closing Date, Equitable shall maintain all insurance currently maintained by Equitable on the Mall in full force and effect, a true, correct and complete description of which is annexed hereto as Exhibit O; (ii) between the date of Exhibit D and the Closing Date, Equitable shall not without the prior written consent of Purchaser enter into any new Other Agreements for the Mall except those which can be canceled by Purchaser on thirty (30) days' notice without penalty; (iii) between the date of this Agreement and the Closing Date, Equitable shall have the right, upon prior written notice to Purchaser, to take such action as is appropriate to collect Rents or damages in lieu of Rents under any Lease which shall be in default, whether or not such default existed prior to the date of this Agreement, provided that Equitable shall not seek to evict any Tenant without Purchaser's prior written consent; and (iv) between the date of Exhibit G and the Closing Date, Equitable shall not without the prior written consent of Purchaser (a) amend, modify or terminate any Lease or enter into any new agreement with a Tenant, (b) subject to Section 13.04, enter into any new Lease or (c) terminate any Lease except by reason of the default of the Tenant thereunder, and then only in accordance with clause (iii) of this Section 13.03.

SECTION 13.04. New Leases. If between the date hereof and the Closing Date, Equitable desires to enter into any new Lease, Equitable shall give Purchaser notice (the "New Lease Notice") which sets forth with respect to such proposed new Lease (i) the name of the prospective tenant, (ii) the term of the Lease, (iii) the Rents payable under the Lease, (iv) the location and size of the premises, (v) the permitted uses under the Lease, (vi) the expenses associated with the consummation of the Lease, including without limitation leasing commissions, tenant improvements costs, tenant allowances and the like, and (vii) any concessions or free Rent being granted, and which sets forth on its face the substance of the last sentence of this Section 13.04. No such Lease shall be entered into by Equitable without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. If Purchaser does not respond to any New Lease Notice within ten (10) Business Days after its receipt thereof, Purchaser shall be conclusively deemed to have approved the new Lease which is the subject of such New Lease Notice and Equitable shall have the right to enter into such new Lease.

SECTION 13.05. Survival. The provisions of this Article XIII shall survive the Closing for a period of six (6) months; provided, however, that Equitable's liability

for any breach of any of the provisions of this Article XIII shall not expire as to any breach or alleged breach thereof if notice of such breach or alleged breach is given by Purchaser to Equitable prior to 6 months after the date of the Closing and, if such notice is given, legal proceedings are instituted in respect of such breach or alleged breach within one (1) year after such notice is given. The liability of Equitable under this Article XIII shall be subject to the provisions of Section 8.06(b).

ARTICLE XIV

Title to Mall

SECTION 14.01. Title Defects. If, on the Closing Date, Equitable shall be unable to convey to Purchaser title to the Mall subject to and in accordance with the provisions of this Agreement, Equitable shall be entitled, but shall not be obligated, to adjourn the Closing for one or more periods not to exceed thirty (30) days in the aggregate (taking into account any other adjournments taken by Equitable hereunder) for the purpose of causing title to be placed in the condition called for by this Agreement. If on the Closing Date, as the same may be adjourned as above provided, Equitable shall be unable to convey title to the Mall in accordance with the terms of this Agreement, Purchaser may terminate this Agreement by notice to Equitable delivered on or prior to the Closing Date, as the same may have been extended, in which event this Agreement shall be terminated and of no further effect and neither party shall have any obligations of any nature to the other hereunder or by reason hereof, except as to those obligations hereunder that are specifically stated to survive such termination, and the Deposit and the Income shall be returned to Purchaser by Escrow Agent (and Equitable shall join with Purchaser in executing a written instruction to Escrow Agent to do so). Equitable shall be under no obligation to take any steps or to institute or prosecute any action or proceedings, or expend any sums of money, to remove from title to the Mall any defect, encumbrance or objection to title; provided, however, that Equitable shall be responsible for discharging or causing the Title Company affirmatively to insure over any liens or encumbrances which do not constitute Permitted Encumbrances, which can be discharged solely by the payment of a sum of money and which arise on account of obligations undertaken or actions performed by, or at the direction of, Equitable. Equitable may use any part of the cash portion of the Purchase Price to discharge the same; provided, however, that Equitable shall deliver to Purchaser or the Title

Company at the Closing instruments in recordable form sufficient for the Title Company to discharge such liens and encumbrances of record or shall obtain the commitment of the Title Company affirmatively to insure over such liens or encumbrances. Except for Equitable's failure to discharge or cause the Title Company affirmatively to insure over such liens or encumbrances as aforesaid, Equitable shall not be deemed in default of this Agreement, and Purchaser shall not be entitled to damages of any kind, if Equitable shall be unable to convey title to the Mall in the condition called for by this Agreement, nor shall Purchaser in such circumstances be entitled to specific performance of this Agreement; provided, however, that the foregoing provisions of this sentence shall not apply in respect of any exception to title which is created as a result of the intentional act of Equitable between the date hereof and the Closing Date and which is not permitted under the terms of Article XIII. In no event shall Equitable be obligated to discharge any mechanic's or similar lien created by a Tenant in occupancy, but Equitable shall use commercially reasonable efforts to cause such Tenant to do so.

SECTION 14.02. Waiver by Purchaser. Purchaser, at its election, may at the Closing accept such title as Equitable can convey, without reduction of the Purchase price or any credit or allowance on account thereof or any claim against Equitable by reason thereof.

SECTION 14.03. Affirmative Insurance. Except as set forth in Section 14.01, Equitable shall not have the right, without the prior written consent of Purchaser (which consent may be withheld in Purchaser's sole discretion), and shall not have the obligation, to cause the Title Company affirmatively to insure over any defects in title which do not constitute Permitted Exceptions and which do not constitute defects which can be removed solely by the payment of a sum of money.

SECTION 14.04. Deed Full Performance; Survival. The acceptance of the Deed and other closing documents by Purchaser from Equitable shall be deemed full performance on the part of Equitable of all of its obligations under this Agreement, except as to any such obligation which is specifically stated in this Agreement to survive the Closing or is expressly contained in documents delivered at Closing. Except when otherwise expressly provided in this Agreement, none of the provisions of this Agreement shall survive the Closing.

ARTICLE XV

Brokers, etc.

SECTION 15.01. Equitable's Representation. Equitable represents and warrants to Purchaser that Equitable dealt with no broker, finder or like agent who might claim a commission or fee in connection with the transaction contemplated in this Agreement or on account of introducing the parties, the preparation or submission of brochures, the negotiation or execution of this Agreement or the closing of the transaction contemplated herein other than ERE Yarmouth ("Broker"). The fee of Broker shall be paid by Equitable pursuant to a separate Agreement between Equitable and Broker. Equitable agrees to indemnify and hold harmless Purchaser and its successors and assigns from and against any and all claims, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, disbursements and charges, arising out of any claim or demand for commissions or other compensation for bringing about this transaction by any broker, finder or similar agent or party, including, without limitation, Broker, who claims to have dealt with Equitable or any affiliate thereof in connection with this transaction.

SECTION 15.02. Purchaser's Representation. Purchaser represents and warrants to Equitable that neither Purchaser, nor any affiliate thereof, has dealt with any broker, finder or like agent who might claim a commission or fee in connection with the transaction contemplated in this Agreement or on account of introducing the parties, the preparation or submission of brochures, the negotiation or execution of this Agreement or the closing of the transaction contemplated herein, other than Broker. Purchaser agrees to indemnify and hold harmless Equitable and its successors and assigns from and against any and all claims, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, disbursements and charges, arising out of any claim or demand for commissions or other compensation for bringing about this transaction by any broker, finder or similar agent or party other than Broker who claims to have dealt with Purchaser or any affiliate thereof in connection with this transaction.

SECTION 15.03. Survival. The provisions of this Article XV shall survive the Closing or the termination of this Agreement.

ARTICLE XVI

Default; Remedies

SECTION 16.01. Purchaser's Default. If at the Closing Date the conditions to the obligation of Equitable to close title as set forth in Article X have not been fulfilled solely as a result of the default of Purchaser in performing any of its obligations hereunder, and the Closing does not occur as a result thereof, then Equitable shall be entitled as its sole and exclusive remedy to terminate this Agreement and receive the Deposit from the Escrow Agent as liquidated damages for Purchaser's default (and in such circumstances Purchaser shall join with Equitable in a written instruction to Escrow Agent to pay the Deposit to Equitable) and Equitable expressly waives any and all other rights and remedies which Equitable may have at law or in equity against Purchaser. Purchaser and Equitable agree that such liquidated damages are not intended as a penalty, and are their best estimate of the actual damages that would be incurred by Seller based in part upon the following damages which Equitable will suffer on account of a default by Purchaser and the failure of the Closing to occur, which damages Purchaser and Equitable agree are incapable of an exact determination of amount: the removal of the Mall from the real estate market from September 17, 1997 and the loss of the possibility of obtaining a new purchaser during such time at a higher amount; the possibility of being unable to find a new purchaser for the amount of the Purchase Price after Purchaser's default; various restrictions related to the management and maintenance of the Mall during the period of this Agreement; the inconvenience and expense of remarketing the Mall for sale; and the expense of negotiating and documenting a new transaction.

SECTION 16.02. Equitable's Default. If at the Closing Date the conditions to the obligation of Purchaser to close title as set forth in Article XI have not been fulfilled solely as a result of the default of Equitable hereunder, and the Closing shall not occur as a result thereof, then Purchaser shall be entitled to pursue, at its election, one of the following as its sole and exclusive remedy: (i) terminate this Agreement and have the Deposit returned to it by the Escrow Agent (and in such circumstances Equitable shall join with Purchaser in a written instruction to Escrow Agent to pay the Deposit to Purchaser), (ii) seek specific performance of Equitable's obligations under this Agreement or (iii) in the case of prior sale or mortgaging of the Mall to any person or entity (other than Purchaser or its successors or assigns) in breach of this Agreement, seek damages (but excluding

consequential damages) but only if Purchaser has theretofore brought an action seeking specific performance of Equitable's obligations under this Agreement within six months after such prior sale or mortgaging. Except as provided in the preceding clause (iii), Purchaser hereby waives any right to sue Equitable for damages (including consequential damages) for any default by Equitable hereunder, but if the Closing occurs, subject to the provisions of Sections 8.05 and 8.06 such waiver shall not apply to damages to which Purchaser may be entitled hereunder by reason of any breach by Equitable of any of its warranties or representations hereunder which survive the Closing.

SECTION 16.03. Survival. The provisions of this Article XVI shall survive the termination of this Agreement.

ARTICLE XVII

Estoppels

SECTION 17.01. Required Estoppels. At or before the Closing, Equitable shall deliver to Purchaser estoppel letters (a) from all Anchors and all other Tenants leasing 10,000 or more square feet of gross leasable area and (b) from 75% (by base rent and gross leasable area) of all Tenants at the Mall which are not Anchors or Tenants described in clause (a) above, such estoppel letters to be in substantially the form annexed hereto as Exhibit P (in the case of Anchors) or Exhibit Q (in the case of all other Tenants); provided, however, that if any Lease provides for the form or content of an estoppel letter, Purchaser shall accept an estoppel letter as called for therein if any Tenant refuses to execute one in the applicable form annexed hereto as an exhibit after being requested to do so by Equitable. Each estoppel letter provided for above shall be dated no earlier than 45 days prior to the Closing Date. If Equitable shall deliver to Purchaser 50 or more estoppel letters within five (5) Business Days prior to the Closing, Purchaser shall have the right, by giving notice to Equitable of its election to do so, to adjourn the Closing to a day which is the fifth (5th) Business Day after its receipt of the last such estoppel letter (or if such day is not a Business Day, to the next Business Day). The right provided for in the preceding sentence shall be exercisable by Purchaser notwithstanding the fact that Purchaser may have theretofore fully utilized its rights of adjournment under Section 5.01. For purposes of this Section 17.01, the term "Tenant" shall not include Tenants under Leases that are licenses and concession agreements which have original

terms, as they may be extended by renewal rights, of less than six (6) months.

SECTION 17.02. Seller's Estoppels. If Equitable shall be unable to obtain one or more of the estoppel letters which Equitable is obligated to deliver to Purchaser pursuant to Section 17.01, if Purchaser so agrees in its sole discretion Equitable may deliver to Purchaser, and Purchaser shall accept in lieu thereof, an estoppel letter signed by Equitable in the applicable form annexed hereto as Exhibit R ("Seller's Estoppel Letter") with respect to each of the parties from which it has not obtained an estoppel letter. Statements made by Equitable in a Seller's Estoppel Letter shall constitute warranties and representations by Equitable which shall survive the Closing for the period, and shall otherwise be subject to the limitations, set forth in Section 8.06. A Seller's Estoppel Letter shall be of no further force or effect as of the date on which there is delivered to Purchaser an estoppel letter from the party in respect of which such Seller's Estoppel Letter was given, but only to the extent that the estoppel letter executed by such party confirms the statements made in such Seller's Estoppel Letter. Except as otherwise provided in the following sentence, nothing contained in this Section 17.02 shall be construed as affording Equitable the right to substitute a Seller's Estoppel Letter for any estoppel letter required under this Article unless Purchaser agrees, in its sole discretion, to accept the same in lieu of the required estoppel letter. Notwithstanding anything to the contrary set forth in this Section 17.02, if Equitable shall obtain estoppel letters from at least 70%, but less than 75%, of the Tenants at the Mall of the nature specified in Section 17.01(b), Seller may deliver to Purchaser one or more Seller's Estoppel Letters in respect of any such Tenant or Tenants at the Mall which has or have not executed and delivered estoppel letter(s) and, for the purposes of satisfying the 75% requirement set forth in Section 17.01(b), each such Seller's Estoppel Letter shall be deemed to be an estoppel letter which has been executed and delivered by such a Tenant at the Mall.

SECTION 17.03. Variance between Estoppels and Forms Annexed as Exhibits. Equitable shall not be in default under this Agreement if one or more estoppel letters signed by Anchors, other Tenants or other third parties set forth allegations or facts at variance with statements in the forms annexed hereto as exhibits, but it shall be a condition to Purchaser's obligation to close the transactions provided for herein that such estoppel letters, taken as a whole, do not reveal facts which, in the commercially

reasonable judgment of Purchaser, have a material adverse effect on the value of the Mall.

SECTION 17.04. All Estoppels To Be Delivered. Equitable agrees that notwithstanding the fact that estoppel letters are required from only 75% of the Tenants specified in clause (b) of Section 17.01, Equitable will request all Tenants (other than Anchors) to execute estoppel letters in the form annexed hereto as Exhibit Q. Equitable further agrees that all Estoppels received by it will be delivered to Purchaser promptly after receipt, whether or not such estoppels are required in order to satisfy any of the requirements of this Article XVII and whether or not such estoppels are received before or after the Closing. The provisions of the preceding sentence shall survive the Closing.

ARTICLE XVIII

Notices

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals or other communications which are required or permitted to be given under this Agreement or which either party desires to give with respect to this Agreement shall be in writing and shall be delivered by hand or sent by telecopy (with the original sent by first-class mail, postage prepaid), or sent postage prepaid, by registered or certified mail, return receipt requested, or by reputable overnight courier service addressed to the party to be notified as follows (or to such other address as such party shall have specified at least ten (10) days prior thereto by like notice) and shall be deemed given when so delivered by hand or telecopied, and if mailed, three (3) Business Days after mailing (one (1) Business Day in case of overnight courier service), as follows:

if to Equitable, to:

ERE Yarmouth
3424 Peachtree Road, N.E.
8th Floor
Atlanta, Georgia 30326
Attn: Gene Conway
Telecopier: (404) 848-8910

with copies at the same time to:

ERE Yarmouth
3424 Peachtree Road, N.E.
8th Floor
Atlanta, Georgia 30326
Attn: Michael McNamara
Telecopier: (404) 848-8905

and

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Attn: Walter F. Leinhardt, Esq.
Telecopier: (212) 373-2771

if to Purchaser, to:

c/o Corporate Property Investors
305 East 47th Street
New York, NY 10017
Attn: J. Michael Maloney
Telecopier: (212) 755-9296

with copies at the same time to:

c/o Corporate Property Investors
305 East 47th Street
New York, NY 10017
Attn: Harold E. Rolfe, Esq.
Telecopier: (212) 755-9296

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019-7475
Attn: Kevin J. Grehan, Esq.
Telecopier: (212) 474-3700

ARTICLE XIX

Further Assurances

Each of Equitable and Purchaser agrees, at any time and from time to time after the Closing, to execute, acknowledge, where appropriate, and deliver such further instruments and documents and to take such other action as the other party may reasonably request in order to carry out the intents and purposes of this Agreement, provided that

such request is made by notice given within two (2) years after the Closing Date. If required by the other party, the party making the request will bear the reasonable cost involved. Neither party shall be required to execute any instrument or document pursuant to this Article XIX which would increase the liability or obligations of such party over that provided for in this Agreement and the instruments and documents executed by such party pursuant hereto in any material respect. The provisions of this Article XIX shall survive the Closing.

ARTICLE XX

Captions

The article and section titles or captions in this Agreement and the Table of Contents and the Schedule of Exhibits prefixed hereto are for convenience only and shall not be deemed to be part of this Agreement.

ARTICLE XXI

Governing Law; Construction

This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of New York applicable to contracts negotiated, executed and to be performed wholly within such State; provided, however, that matters relating to title to the Mall or instruments conveying or affecting such title shall be governed by the laws of the State of Georgia. Each party hereto acknowledges that it was represented by counsel in connection with this Agreement and the transactions contemplated herein, that it and its counsel reviewed and participated in the preparation and negotiation of this Agreement and the documents and instruments to be delivered hereunder, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or the documents and instruments to be delivered hereunder.

ARTICLE XXII

Entire Agreement;
No Third Party Beneficiary, etc.

This Agreement, including all Exhibits, contains the entire Agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. The parties have made no representations with respect to the subject matter of this Agreement and have given no warranties with respect to the subject matter hereof except as expressly provided herein and/or expressly provided in the documents delivered at Closing. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm, corporation or other entity other than the parties hereto and their permitted assigns. The provisions of this Article XXII shall survive the Closing or termination of this Agreement.

ARTICLE XXIII

Waivers; Extensions

No waiver of any breach of any Agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other Agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts. Whenever in this Agreement it is provided that a document, such as an estoppel letter or good standing certificate, must be dated within a specified number of days prior to the Closing Date, the reference to be December 12, 1997 and not any date to which such Closing Date may be adjourned pursuant to the provisions of this Agreement or by Agreement of the parties hereto. The provisions of this Article XXIII shall survive the Closing or termination of this Agreement.

ARTICLE XXIV

Pronouns

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties may require.

ARTICLE XXV

Transaction Expenses; Other Expenses; Confidentiality; Indemnity

SECTION 25.01. Transaction Expenses. Each of Equitable and Purchaser shall pay 50% of the cost of updating the existing survey of the Mall described in Section 4.01(d), the cost of title insurance ordered by the Purchaser and all endorsements, extended coverage, affirmative insurance and all reinsurance or coinsurance costs in connection therewith (including reasonable attorneys' fees in connection with any legal opinions necessary to obtain the zoning endorsement contemplated by Section 11.05) and all recording fees and charges, transfer taxes payable in connection with the Deeds and transfer of title to the Mall and all sales or similar taxes, if any, on the transfer of the Personal Property and the Intangible Personal Property; provided, however, that Equitable shall pay 100% of any and all recording fees and charges for documents required to remove exceptions to title which do not constitute Permitted Exceptions and/or the cost of causing the Title Company to insure over any such exceptions that Purchaser has agreed in writing may be insured over or that are insured over in accordance with Section 14.01. Equitable shall pay 100% of the fees of the Broker.

SECTION 25.02. Other Expenses. Subject to Section 25.01, each party shall pay its own expenses in connection with the transactions contemplated in this Agreement, including the fees, disbursements and charges of its own counsel, accountants, consultants, experts and other advisors in connection with the negotiation and preparation of this Agreement and the Closing.

SECTION 25.03. Confidentiality. Neither Seller nor Purchaser (nor any officer, director, trustee, employee, agent, partner, member or affiliate thereof) shall disclose the existence or contents of this Agreement to any third party without the consent of both of the parties hereto. Prior to the Closing, all information respecting the Mall or Seller's operations or business (including documents, records, analyses, or other data or materials) either furnished to Purchaser or disclosed by Purchaser's due diligence (including all materials prepared by Purchaser

based on such information) will be treated confidentially by Purchaser. If the transaction contemplated herein is terminated or does not close, Purchaser will promptly upon Seller's request either deliver all such information to Seller or destroy all such information (without retaining copies thereof) and shall certify in writing to Equitable that it has done so. Nothing contained in this Section shall limit the ability of either party (a) to disclose such information as may be required by law or (b) to disclose information to a party's (or in the case of Purchaser, Corporate Property Investors') partners, officers, shareholders, pension plan participants, trustees, directors, employees, lenders, rating agencies, accountants and lawyers and to other parties who reasonably need to be informed of such matters by a party hereto in order to evaluate the acquisition contemplated herein (but only to the extent necessary in connection therewith). All persons or entities to whom any information which is confidential hereunder is disclosed will first be informed of the confidential nature thereof and shall be instructed to keep such information confidential. No advertisement or other publicity concerning this transaction (including, without limitation, any tombstones or similar advertisements) will be made or disseminated by any party or any broker, and no evidence of or information with respect to the Purchase Price shall be (i) disclosed to third parties except as set forth above or (ii) placed of record in a deed or other instrument unless required by law, in the case of any period before the Closing hereunder without both parties' consent, or in the case of any period after the Closing hereunder, without Purchaser's consent (which consent may be withheld in any such party's sole discretion). Notwithstanding the foregoing, after the Closing, Seller may place tombstone or similar advertisements concerning the transaction contemplated by this Agreement, provided that such tombstone or similar advertisement is prepared in reasonable consultation with Purchaser.

SECTION 25.04. Indemnity. (a) Seller hereby indemnifies Purchaser (and its affiliates) for, and holds Purchaser (and its affiliates) harmless from and against, all costs, losses, damages, penalties, liabilities and expenses, including without limitation reasonable attorneys' fees and disbursements (collectively, "Losses"), actually imposed upon or incurred by Purchaser (or any affiliate thereof) by reason of claims made by any person or entity for personal injury, death or property damage that arise from actions or omissions of Seller (or any of Seller's agents, employees or representatives) relating to the Mall and occurring prior to the Closing Date.

(b) Purchaser hereby indemnifies Seller (and its affiliates) for, and holds Seller (and its affiliates) harmless from and against, all Losses actually imposed upon or incurred by Seller (or any affiliate thereof) by reason of claims made by any person or entity for personal injury, death or property damage that arise from actions or omissions of Purchaser (or any of Purchaser's agents, employees or representatives) relating to the Mall and occurring on or after the Closing Date.

SECTION 25.05. Survival. The provisions of this Article XXV shall survive the Closing or termination of this Agreement.

ARTICLE XXVI

Assignment

Purchaser shall not, without the prior written consent of Equitable, assign this Agreement or its rights hereunder, in whole or in part, to any other person or entity other than to one or more entities controlled by Corporate Property Investors, a Massachusetts business trust.

ARTICLE XXVII

Counterparts

This Agreement may be executed in counterparts, each of which (or any combination of which, signed by all of the parties) shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

ARTICLE XXVIII

No Recording

The parties agree that neither this Agreement nor any memorandum or notice hereof shall be recorded or filed in any public records. If Purchaser violates the terms of this Article, Equitable, in addition to any other rights or remedies it may have, may immediately terminate this Agreement by giving notice to Purchaser of its election so to do and, in the event of such termination, Equitable shall be entitled to receive the Deposit from the Escrow Agent as liquidated damages for Purchaser's breach. The provisions

of this Article shall not be construed as preventing Purchaser from filing a lis pendens against the Mall in the event it institutes any litigation against Equitable with respect to the transaction provided for herein and, under applicable law, it is entitled to file such lis pendens. The provisions of this Article shall survive the Closing or any termination of this Agreement.

ARTICLE XXIX

Prevailing Party's Attorneys' Fees

In connection with any litigation, including appellate proceedings, initiated by a party hereto against the other party hereto and arising out of this Agreement or any instrument or document executed pursuant hereto, the party adjudicated to be the substantially prevailing party shall be entitled to recover reasonable attorneys' fees and disbursements from the other party. The provisions of this Article shall survive the Closing or the termination of this Agreement.

ARTICLE XXX

Waiver of Trail by Jury

Equitable and Purchaser waive any right to trial by jury of any claim arising under or with respect to this Agreement, whether now existing or hereafter arising. Equitable and Purchaser hereby agree that any such claim shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the

consent of the other party hereto to waiver of its right to trial by jury.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SELLER:

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES,

by /s/ Paul A. Mucci

Name: Paul A. Mucci

Title: Investment Officer

PURCHASER:

CPI-PHIPPS LIMITED LIABILITY
COMPANY,

by Corporate Property
Investors, its sole member

by /s/ J. M. Maloney

Name: J. Michael Maloney
Title: Senior Vice President

The undersigned hereby executes this Agreement solely to evidence its Agreement to hold the Deposit and the Income in accordance with Section 3.02.

FIRST AMERICAN TITLE
INSURANCE COMPANY

by /s/ Mindy B. Haas

Name: Mindy B. Haas
Title: Vice President

Exhibit 10.38

EXECUTION COPY

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AGREEMENT OF PURCHASE AND SALE

BETWEEN

CORPORATE PROPERTY INVESTORS

("Seller")

AND

DEVELOPMENT OPTIONS, INC.

("Purchaser")

Dated December 31, 1997

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THIS AGREEMENT OF PURCHASE AND SALE is made this 31st day of December, 1997 by and between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("Seller"), and DEVELOPMENT OPTIONS, INC., a Wyoming corporation ("Purchaser").

W I T N E S S E T H :

WHEREAS Seller is owner in fee (other than the portions thereof owned by Adjoining Owners) of Burnsville Center, a regional shopping mall located in Burnsville, Minnesota and more particularly described in this Agreement.

WHEREAS Seller desires to sell such shopping mall to Purchaser, and Purchaser desires to purchase such shopping mall from Seller, subject to and upon all the terms, covenants and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings in this Agreement, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. Wherever used in this Agreement, the following terms shall have the meanings set forth in this Article I unless the context of this Agreement clearly requires another interpretation:

"Adjoining Owners" shall mean J.C. Penney Properties, Inc., a Delaware corporation, Dayton-Hudson Corporation, a Minnesota corporation, Sears, Roebuck & Co., a New York corporation and Mervyn's, a California corporation.

"Adjoining Properties" shall mean the land and/or the improvements thereon of Adjoining Owners which are not part of but are operated in conjunction with such Mall under the terms of an Operating Agreement.

"Adjustment Point" shall have the meaning set forth in Section 6.01.

"Appurtenances" shall mean, with respect to the Mall and the Land, all right, title and interest, if any, of Seller in and to the following: (a) all land lying in the bed of any street, highway, road or avenue, open or proposed, public or private, in front of or adjoining the Land, to the center line thereof; (b) all rights of way, highways, public places, easements, appendages, appurtenances, sidewalks, alleys, strips and gores of land adjoining or appurtenant to the Land which are now or hereafter used in connection with the Mall; (c) all awards to be made in lieu of any of the foregoing, or for damages to the Land by reason of the change of grade of any street, highway, road or avenue; and (d) all easements, rights and privileges benefiting the Land, including those under the applicable Operating Agreement or Agreements.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which national banking institutions in New York City are authorized or required to close.

"Closing" shall mean the closing of the sale of the Mall by Seller to Purchaser provided for in Article V.

"Closing Date" shall have the meaning specified in Section 5.01.

"Deposit" shall have the meaning set forth in Section 3(a).

"Escrow Holder" shall mean the Title Company acting in its capacity as escrow agent under Article III.

"Excepted Items" shall mean: (i) all items of personal property owned by the Managing Agent, Tenants, subtenants, independent contractors, business invitees, utilities or Adjoining Owners including all gift certificates, registers and stock; (ii) all items of personal property not owned but leased by Seller as identified on Exhibit A annexed hereto; and (iii) all cash on hand, checks, money orders, prepaid postage in postage meters and, subject to Article VI, accounts receivable.

"Governmental Authorities" shall mean all agencies, bureaus, departments and officials of Federal, state, county, municipal and local governments and public authorities having jurisdiction over the Mall or any part thereof.

"Hazardous Materials" shall have the meaning set forth in subsection 10.01(k).

"Impositions" shall mean all real estate and personal property taxes, general and special assessments, water and sewer charges, license fees and other fees and charges assessed or imposed by Governmental Authorities upon the applicable Property, Intangible Personal Property and/or Personal Property.

"Improvements" shall mean all buildings, facilities, equipment, structures and improvements now located or hereafter erected on the Land, and all fixtures constituting a part thereof, other than those owned by Adjoining Owners.

"Inspection Period" shall have the meaning set forth in Article XII.

"Intangible Personal Property" shall mean all right, title and interest of Seller in and to all telephone numbers listed after the name of the Mall, all names (including the right to use the name Burnsville Mall), trade names, designations, logos and service marks, licenses and permits (in each case, the extent assignable) and the appurtenant good will, used in connection with operation of the Mall (other than the names or variations thereof of Seller, the Managing Agent, Adjoining Owners and Tenants), agreements to operate for specific periods, radius restriction agreements and similar agreements made by Tenants and Major Tenants, whether in their Leases or Operating Agreements or in separate agreements, and all similar items of intangible personal property owned by Seller and utilized solely in connection with the operation of the Mall (excluding Excepted Items) including without limitation those set forth on Exhibit S.

"knowledge" or "notice" when used in respect of Seller shall mean, without independent investigation other than inquiry of the Managing Agent of the Mall, the actual knowledge of or written notice received by Robert Johnson, Wendy Thompson, James Selonick or Robert Lowenfish.

"Land" shall mean the following: all those certain lots, pieces of parcels of land situate, lying and being in the County of Dakota, State of Minnesota, more particularly described in Exhibit B annexed hereto and made a part hereof, together with the Appurtenances.

"Leases" shall mean all leases, licenses, concessions and other forms of agreement, written or oral, however denominated, wherein Seller (as a party named therein or the successor thereto) grants to any party or parties, other than the Managing Agent, the right of use or occupancy of any portion of the Mall, and all renewals, modifications, amendments and guaranties affecting the same, but expressly excluding the Operating Agreements and Other Agreements.

"Legal Requirements" shall mean all statutes, laws, ordinances, rules, regulations, executive orders and requirements of all Governmental Authorities which are applicable to the Mall or any part thereof or the use or manner of use thereof, or to the owners, Tenants or occupants thereof in connection with such ownership, occupancy or use.

"Letter of Credit" shall have the meaning set forth in Article III.

"Losses" shall have the meaning set forth in Section 11.01.

"Major Tenant" shall mean any Tenant of the Mall leasing an aggregate amount of space in such Mall in excess of 15,000 square foot of gross leasable area.

"Mall" shall mean the Land, the Improvements, the Appurtenances, the Personal Property, the Leases, the Operating Agreements, the Other Agreements and the Intangible Personal Property.

"Management Agreement" shall mean that certain agreement dated as of November 15, 1996 between Seller and Managing Agent, as amended from time to time.

"Managing Agent" shall mean Pembrook Management, Inc., a New York corporation.

"Operating Agreements" shall mean all agreements and/or ground or operating leases, as amended, by and between Seller or its predecessor in title to the Mall and the Adjoining Owners and relating to the Mall.

"Other Agreements" shall mean all contracts, agreements and documents relating to the Mall to which Seller or its predecessor in interest shall be, at Closing, a party and by which Seller is bound and which Purchaser is obligated to assume hereunder, other than the Operating

Agreements and Leases, and including without limitation, all service contracts, construction contracts, leases of personal property and utility agreements.

"Permitted Encumbrances" shall have the meaning set forth in Section 5.02.

"Personal Property" shall mean all apparatus, machinery, devices, appurtenances, equipment, furniture, furnishings, seasonal decorations and other items of personal property (other than Intangible Personal Property and the Excepted Items) owned by Seller and located at and used in connection with the ownership, operation or maintenance of the Mall, and shall include the items listed in Exhibit A.

"Property" shall mean the Land and the Improvements.

"Purchase Price" shall have the meaning set forth in Article III.

"Rents" shall mean all fixed, minimum, additional, percentage, overage and escalation rents, common area and/or mall maintenance charges, advertising and promotional charges, insurance charges, rubbish removal charges, sprinkler charges, shoppers aid charges, water charges, utility charges, HVAC charges and other amounts payable under the Leases or the Operating Agreements.

"Seller Estoppel" shall have the meaning specified in subsection 5.02(h).

"Surviving Covenants" shall mean any covenant contained in this Agreement that by its terms survives the Closing.

"Tenants" shall mean the tenants, licensees, concessionaires or other users or occupants under Leases.

"Tenant Notices" shall have the meaning specified in subsection 5.02(f).

"Title Company" shall mean First American Title Insurance Company, 228 East 45th Street, New York, New York 10017.

"Violations" shall mean violations of Legal Requirements existing with respect to the Mall.

SECTION 1.02. Definitions Generally. Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation" when such phrase does not otherwise appear. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. The article and section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All article, section, paragraph, clause, exhibit or schedule references not attributed to a particular document shall be references to such parts of this Agreement.

ARTICLE II

Agreement to Sell and Purchase the Mall

Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell and convey all of Seller's rights, title and interest in and to the Mall to Purchaser and Purchaser agrees to purchase all of Seller's right, title and interest in and to the Mall from Seller. Seller shall convey and Purchaser shall accept fee simple title to the Property in accordance with the terms of this Agreement, subject only to the Permitted Encumbrances.

ARTICLE III

Purchase Price, Deposits and Escrow

The purchase price which the Purchaser agrees to pay and the Seller agrees to accept for the Property shall be the sum of Eighty One Million Dollars ($81,000,000.00) (hereinafter referred to as the "Purchase Price"), payable as follows:

(a) On or before January 6, 1998, Purchaser shall deliver to Escrow Agent an irrevocable letter of credit in the stated amount of One Million Six Hundred Sixty Thousand Dollars ($1,660,000), having terms and conditions (including the issuer thereof and the expiry date thereof) satisfactory in all respects to Seller (the "Letter of Credit"). The Letter of Credit, together with the proceeds of any drawing thereunder, is sometimes referred to in this Agreement as the "Deposit".

(b) The Purchase Price, plus or minus adjustments and credits provided for in Article VI and any other applicable provisions of this Agreement, shall be paid by Purchaser to Seller at the time of Closing by wire transfer of immediately available Federal funds through the Escrow Holder, with the transfer of funds to an account to be designated by Seller to be completed by 2:00 p.m. on the Closing Date.

In addition to the Deposit, Purchaser shall deposit three (3) fully executed copies of this Agreement with the Escrow Holder immediately after both parties have executed it. The Escrow Holder shall retain one copy of this Agreement and deliver one copy hereof to each of Purchaser and Seller. The parties acknowledge that (i) Escrow Holder is acting solely as a stakeholder at their request and for their convenience, (ii) Escrow Holder shall not be deemed to be the agent of either of the parties and (iii) Escrow Holder shall have no liability to any party on account of its failure to disburse the Deposit (beyond disbursing the Deposit and any earnings thereon as directed by the parties or a court of competent jurisdiction). As between Escrow Holder on the one hand, and Seller and Purchaser on the other hand, Seller and Purchaser shall jointly and severally indemnify and hold Escrow Holder harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Holder's duties hereunder, except with respect to actions or omissions taken or permitted by Escrow Holder in disregard of this Agreement or involving bad faith or negligence on the part of the Escrow Holder. As between Seller and Purchaser, the prevailing party in any dispute concerning the Deposit shall be indemnified and held harmless from payments due to the Escrow Holder under the preceding sentence.

ARTICLE IV

Failure to Close

SECTION 4.01. Purchaser's Default. (a) If Seller has complied with all of the covenants and conditions contained herein in all material respects and Purchaser fails to consummate this Agreement and take title by reason of a default on Purchaser's part, then the parties hereto recognize and agree that the damages that Seller will sustain as a result thereof will be substantial, but difficult if not impossible to ascertain. Therefore, the parties agree that, in the event of Purchaser's default as

aforesaid, Seller shall, as its sole remedy, first demand payment from Purchaser in an amount equal to the Deposit as liquidated damages (in which event, following full payment, the Letter of Credit shall be returned to Purchaser), and if Seller has not received such amount by the earlier of five days after Seller's demand or the day prior to the expiry date of the Letter of Credit, then Seller shall be entitled to direct the Escrow Agent to draw under the Letter of Credit in the full amount thereof and pay the proceeds of such drawing to the Seller plus interest earned thereon, if any, as liquidated damages, and after such payment or drawing neither party shall have any further rights or obligations with respect to the other under this Agreement, except for the Surviving Covenants. Seller acknowledges and agrees (1) that the Deposit plus interest earned thereon is a reasonable estimate of and bears a reasonable relationship to the damages that would be suffered and costs incurred by Seller as a result of having withdrawn the Property from sale and the failure of closing to occur due to a default by Purchaser under this Agreement and (2) Purchaser seeks to limit its liability under this Agreement to the amount of the Deposit plus interest earned thereon in the event this Agreement is terminated and the transaction contemplated by this Agreement does not close due to a default by Purchaser hereunder.

(b) In the event that after the Closing Date (i) Purchaser is in default in the payment of any monetary obligation hereunder which continues for more than ten days or (ii) is in default in the performance of any other obligation hereunder which continues for more than 45 days, then Seller may seek damages (but excluding consequential damages) from Purchaser.

SECTION 4.02. Seller's Default. In the event that Purchaser has complied with all of the covenants and conditions contained herein and is ready, willing and able to take title to the Property in accordance with this Agreement, and Seller defaults in performance of its obligations in any material respect hereunder and fails to consummate this Agreement, then Purchaser shall be entitled to pursue, at its election, one of the following as its sole and exclusive remedy: (i) terminate this Agreement and recover the Deposit plus any interest accrued thereon, (ii) not terminate this Agreement and seek specific performance of this Agreement or (iii) in the case of prior sale or mortgaging of the Mall to any person or entity (other than Purchaser or its successors or assigns) in breach of this Agreement, seek damages (but excluding consequential damages) but only if Purchaser has theretofore

brought an action seeking specific performance of Seller's obligations under this Agreement within six months after such prior sale or mortgaging. Except as provided in the preceding clause (iii), Purchaser hereby waives any right to sue Seller for damages (including consequential damages) for any default by Seller hereunder, but if the Closing occurs, subject to the provisions of Sections 10.06 and 10.07, such waiver shall not apply to damages to which Purchaser may be entitled hereunder by reason of any breach by Seller of any of its warranties or representations hereunder which survive the Closing.

SECTION 4.03. Survival. The provisions of this Article IV shall be Surviving Covenants.

ARTICLE V

Closing and Transfer of Title

SECTION 5.01. Closing. The parties hereto agree to conduct the Closing at 10:00 a.m. New York, New York time on January 30, 1998 (the "Closing Date") at the offices of Cravath, Swaine & Moore in New York, New York. Time shall be of the essence with respect to the Closing Date, and this Agreement shall terminate if for any reason the Closing does not occur on the Closing Date.

SECTION 5.02. Closing Procedure. Seller shall execute and deliver or cause to be delivered to Purchaser on or before the Closing:

(a) a Limited Warranty Deed, in the form attached hereto as Exhibit E, proper for recording, conveying the Land and Improvements to Purchaser, subject, however, to such title matters as are set forth in Exhibit F (the "Permitted Encumbrances");

(b) a Bill of Sale in the form attached hereto as Exhibit G, dated as of the date of Closing transferring the Personal Property to Purchaser, which bill of sale shall contain no warranties, express or implied, by Seller except that Seller owns the Personal Property transferred thereby, free and clear of all liens or encumbrances except as set forth in Exhibit F (the "Permitted Encumbrances");

(c) an Assignment and Assumption of Leases in the form attached hereto as Exhibit H, dated the date of Closing, assigning all of the Seller's right, title and interest as landlord in and to any Leases;

(d) an Assignment and Assumption of Operating Agreements in the form attached hereto as Exhibit I, dated the date of Closing, assigning to Purchaser all of Seller's right, title and interest in, to and under the Operating Agreements;

(e) an Assignment and Assumption of Other Agreements in the form attached hereto as Exhibit J, dated the date of Closing, assigning to Purchaser all of Seller's right, title and interest in, to and under the Other Agreements;

(f) a "General Assignment" by Seller to Purchaser, in the form annexed hereto as Exhibit T, of all of Seller's right, title and interest in and to the following, if any: (i) all warranties and guarantees of manufacturers, suppliers and contractors, to the extent the same are assignable, (ii) all permits of Governmental Authorities, and licenses and approvals of private utilities and others, required for or necessary to the operation and maintenance of the Mall, to the extent the same are assignable and relate to the Mall, (iii) all cash security deposits held by any utility with respect to the Mall (plus the interest accrued thereon, if any), (iv) the Intangible Personal Property, (v) all site plans, surveys, plans or speci fications and floor plans relating to the Mall, (vi) all traffic pattern and similar studies, all architectural and engineering plans (whether "as built" or design), including, without limitation, any such plans relating to any proposed expansion or renovation, and any feasibility or marketing studies prepared by third parties for Seller or any affiliate of Seller, (vii) all catalogues, booklets, manuals, files, logs, records, correspondence, tenant lists, tenant prospect lists, tenant histories, tenant files, brochures and materials, advertisements and other similar intangible property directly relating to the Mall or any part thereof and, if necessary, separate assignments in proper form relating to items in clause (iv) and (viii) all agreements to operate for specific periods, radius restriction agreements and similar agreements made by the tenants and anchor stores operating at or in connection with the Premises.

(g) Tenant Notification Agreements (the "Tenant Notices"), dated the date of the Closing, executed by Seller, and complying with applicable statutes in order to relieve Seller of liability for tenant security deposits (provided the security deposits are paid or

otherwise transferred to Purchaser), notifying the Tenants that the Property has been sold to Purchaser and directing the Tenants to pay future rentals to Purchaser (or Purchaser's designated agent);

(h) a standard form owner's policy of title insurance issued by the Title Company with respect to the Mall, together with such customary endorsements and affirmative coverage as Purchaser shall reasonably request, dated as of the Closing Date, subject only to Permitted Encumbrances;

(i) (x)(a) tenant estoppel certificate executed by each Major Tenant in the form attached hereto as Exhibit K; provided that to the extent that a Major Tenant fails to provide an estoppel certificate required to be delivered hereunder and Purchaser elects to proceed with the Closing, Seller shall deliver an estoppel certificate from Seller in the form attached hereto as Exhibit K (the "Seller Estoppel"); plus (y) tenant estoppel certificates from 60% of the remaining Tenants (by base rent and by gross leasable area) in the form attached hereto as Exhibit K, provided that to the extent that such estoppel certificates are not delivered and Purchaser elects to proceed with the Closing, Seller shall deliver a Seller's Estoppel with respect thereto; plus (z) an estoppel certificate executed by all Adjoining Owners in the form attached hereto as Exhibit L; provided, however, that if Seller has delivered estoppel certificates to Purchaser more than 5 days prior to December 30, 1997 and Purchaser has not disapproved such certificates in writing by December 30, 1997, such estoppel certificates shall be deemed to satisfy the conditions specified in this paragraph for the delivery thereof;

(j) an updated Rent Roll, in the form of the Rent Roll attached hereto as Exhibit N, dated within 15 days of the date of the Closing;

(k) to the extent in Seller's possession or at Seller's disposal, the originals of all Leases, as-built plans and specifications, Operating Agreements, Other Agreements, all engineering and maintenance records related to the Mall and all licenses, permits and certificates of occupancy for the Property or the Improvements;

(l) an affidavit that Seller is not a "foreign person" in the form attached as Exhibit O;

(m) a master key or duplicate key for all locks in the Improvements;

(n) such title affidavits and other customary documents are reasonably requested by the Title Company to issue the owner's title policy described in paragraph (g) above;

(o) an executed original of the closing statement in form and substance mutually agreeable to Seller and Purchaser;

(p) evidence of termination of the Management Agreement and all other agreements encumbering the Mall other than the Leases, the Operating Agreements and the Other Agreements; and

(q) a certificate of Seller certifying to Purchaser that, subject to Sections 10.06 and 10.07, the representations and warranties of Seller set forth herein are true and correct in all material respects as of the Closing Date as if made on such date.

SECTION 5.03. Purchaser's Performance. At the Closing, Purchaser will cause the Purchase Price to be paid to Seller, will execute and deliver the Tenant Notices, the Assignment and Assumption of Leases, the Assignment and Assumption of Other Agreements, the Assignment and Assumption of Operating Agreements and the Bill of Sale. It is a condition to Seller's obligations hereunder that on the Closing Date all of Purchaser's representations and warranties shall be true and correct in all material respects. It is a condition to Purchaser's obligations hereunder that on the Closing Date all of Seller's representations and warranties shall be true and correct in all material respects.

SECTION 5.04. Evidence of Authority; Miscellaneous. Both parties will deliver to the Title Company and each other such evidence or documents as may reasonably be required by the Title Company or either party hereto evidencing the power and authority of Seller and Purchaser and the due authority of, and execution and delivery by, any person or persons who are executing any of the documents required hereunder in connection with the sale of the Property. Both parties will execute and deliver such

other documents as are reasonably required to effect the intent of this Agreement.

ARTICLE VI

Prorations of Rents, Taxes, Etc.

At the Closing (except where a later date is specifically provided for in this Article), the parties hereto shall adjust the items set forth below as of 11:59 p.m. on the day preceding the Closing Date (the "Adjustment Point"), and the net amount thereof shall be paid by Purchaser to Seller, or credited by Seller to Purchaser, as the case may be, at the Closing.

SECTION 6.01. Rents; Rents as and when Collected. Rents shall be apportioned as and when collected. Any Rents collected by Purchaser (which, for purposes of this Section 6.01, shall include Rents collected by any property manager or other agent acting for Purchaser) subsequent to the Closing (whether due and payable prior to or subsequent to the Adjustment Point) shall be adjusted as of the Adjustment Point, and any portion thereof properly allocable to periods prior to the Adjustment Point, net of costs of collection properly allocable thereto, if any, shall be paid by Purchaser to Seller promptly after the collection thereof by Purchaser, but subject to the further provisions of this Section 6.01 in the case of Rents due prior to the Adjustment Point. If prior to the Closing Seller shall have collected, or if subsequent to the Closing Seller shall collect, any Rents (which, for the purposes of this Section 6.01, shall include Rents collected by any property manager or other agent acting for Seller) which are properly allocable in whole or in part to periods subsequent to the Adjustment Point, the portion thereof so allocable to periods subsequent to the Adjustment Point net of costs of collection properly allocable thereto, if any, shall be credited to Purchaser by Seller at the Closing or, if collected after the Closing, promptly remitted by Seller to Purchaser. As used in this Section 6.01 the term "cost of collection" shall mean and include reasonable attorneys' fees, a reasonable allocation of Seller's internal collection costs and other costs incurred by Purchaser or Seller in collecting any Rents, but shall not include (1) the regular fees payable to any property manager for the Mall or (2) except for a reasonable allocation of Seller's internal collection costs, the payroll costs of any employees of Seller, Purchaser or its or their affiliates or

agents or any other internal costs or overhead of Seller or Purchaser.

6.1.1 One week prior to the Closing Seller shall deliver to Purchaser (x) a list of all Tenants and Adjoining Owners which are delinquent in payment of Rents as of such date, which list shall set forth the amount of each such delinquency, whether such delinquency is (i) under 30 days, (ii) between 31 days and 60 days, (iii) between 61 days and 90 days or (iv) over 90 days and the nature of the amount due, and (y) a list of each Tenant and Adjoining Owner which paid percentage or overage rent based on sales or gross income during the fiscal year in which the Closing Date occurs and the amount so paid by each such Tenant or Adjoining Owner through the Adjustment Point. All amounts collected by Purchaser from each delinquent Tenant or Adjoining Owner within 30 days after the Closing, net of costs of collection, if any, shall be deemed to be in payment of Rents (or the specific components of Rents) for the month in which the Closing occurs, next in payment of Rents (or the specific components of Rents) then due on account of any month after the month in which the Closing occurs and finally in payment of delinquent Rents (or the specific components of Rents) which are in arrears as of the first day of the month in which the Closing occurs, as set forth on such list. All amounts collected by Purchaser from each delinquent Tenant or Adjoining Owner more than 30 days after the Closing, net of costs of collection, if any, shall be deemed to be in payment of Rents (or the specific components of Rents) then due on account of each month after the month in which the Closing occurs, next in payment of Rents (or the specific components of Rents) due for the months in which the Closing occurs and finally in payment of delinquent Rents (or the specific components of Rents) which are in arrears as of the first day of the month in which the Closing occurs, as set forth on the aforesaid list. Any amounts collected by Purchaser from each delinquent Tenant or Adjoining Owner which, in accordance with the preceding two sentences, are allocable to the month in which the Closing occurs (as adjusted as of the Adjustment Point) or any prior month, net of costs of collection properly allocable thereto, if any, shall be paid promptly by Purchaser to Seller.

6.1.2 Purchaser shall use commercially reasonable efforts to bill and collect any delinquencies set forth on the list delivered by Seller pursuant to subsection 6.1.1 for a period of one (1) year after the Closing and the amount thereof, as, when and to the extent collected by Purchaser, shall, if due to Seller pursuant to the

provisions of subsection 6.1.1, be paid by Purchaser to Seller, net of costs of collection, if any, properly allocable thereto, promptly after the collection thereof by Purchaser. In no event shall Purchaser be obligated to institute any actions or proceedings or to seek the eviction of any Tenant or Adjoining Owner in order to collect any such delinquencies.

6.1.3 Following the Closing and upon Seller's written request, Purchaser shall submit or cause to be submitted to Seller, within 30 days after the end of each calendar quarter up to and including the calendar quarter ending on March 31, 1999, but only so long as any delinquencies shall be owed to Seller, a statement which sets forth all collections made by Purchaser from the Tenants and Adjoining Owners which owe such delinquencies through the end of such calendar quarter. Seller shall have the right from time to time following the Closing until 90 days after receipt by Seller of the last quarterly statement required hereunder, at Seller's expense, to examine and audit so much of the books and records of Purchaser as relate to such delinquencies in order to verify the collections reported by Purchaser in such quarterly statements.

6.1.4 Nothing contained in this Section 6.01 shall be deemed to prohibit Seller, at its own expense, from instituting after the Closing any actions or proceedings in its own name against any Tenant or Adjoining Owner that is delinquent in the payment of $5,000 or more to Seller in order to collect the amount of any delinquencies due in whole or in part to Seller from such Tenant or Adjoining Owner; provided, however, that in no event shall (1) Seller be entitled in any such action or proceeding to seek to evict any Tenant or Adjoining Owner or to recover possession of its space or (2) Seller be entitled to initiate or participate in any involuntary bankruptcy or similar proceeding against any Tenant or Adjoining Owner. Purchaser agrees not to waive or settle any delinquency owed in whole or in part to Seller without the prior written consent of Seller, which consent may be granted or withheld in Seller's sole discretion.

6.1.5 With respect to that portion of the Rents which constitute percentage or overage rents, or other amounts payable by Tenants based upon the sales or gross receipts of such entities, the following shall apply: (i) at the Closing and/or, in the case of percentage or overage rents which are in arrears or are payable in other than monthly installments, subsequent to the Closing,

percentage or overage rents shall be apportioned as provided in the other subsections of this Section 6.01 in the case of Rents generally; and (ii) following the end of the fiscal year on account of which such percentage or overage rents are payable by each Tenant and receipt by Purchaser of any final payment on account thereof due from such Tenant (including, without limitation, any amount due as a result of an audit conducted by Seller or Purchaser), Purchaser shall pay to Seller, net of costs of collection and audit, if any, the excess, if any, of (x) the amount of percentage or overage rents paid by such Tenant on account of such entire fiscal year multiplied by a fraction, the numerator of which is the number of months (including any fraction of a month expressed as a fraction) of such fiscal year prior to the Adjustment Point and the denominator of which is 12 or such lesser number of months (including any fraction of a month expressed as a fraction) as may have elapsed in such fiscal year prior to the expiration of the Lease in question over (y) all amounts theretofore received by Seller on account of the percentage or overage rents in question for such fiscal year. If in any case the amount provided for in (y) above exceeds the amount provided for in (x) above, Seller shall pay the amount of such excess to Purchaser upon demand. If on the Closing Date Seller shall be conducting any audits of payments of percentage or overage rents previously made by Tenants for fiscal years prior to the ones in effect on the Closing Date, Seller shall have the right to continue all such audits until completion thereof and to collect and retain any amounts payable to Seller hereunder by reason thereof. A schedule of all such audits in progress at the date hereof is annexed hereto as Exhibit U. In addition, Seller shall have the right to initiate any such audit within six months subsequent to the Closing.

6.1.6 With respect to that portion of Rents which are payable on an annual, semi-annual or other non-monthly basis, Purchaser shall use commercially reasonable efforts to bill and collect all such payments which become due after the Closing, which payments, to the extent allocable to periods prior to the Adjustment Period, shall be paid by Purchaser to Seller promptly after receipt thereof, subject to costs of collection, if any, properly allocable thereto. With respect to that portion of Rents that are attributable to payment of expenses such as common area/mall maintenance charges, merchants' or other association charges or advertising and promotional charges, such Rents shall be apportioned based upon which party paid or will pay the correlating expenses for the relevant period. With respect to that portion of Rents which are billed on an index-based formula or on an estimated basis during the fiscal or other

period for which paid, at the end of such fiscal or other period Purchaser shall determine whether the items in question have been overbilled or underbilled. If Purchaser determines that there has been an overbilling and an overbilled amount has been received, Seller shall, promptly after request by Purchaser, pay to Purchaser the portion of such overbilled amount which is allocable (as provided for such Rent in this Section 6.01) to the period prior to the Adjustment Point, and promptly thereafter Purchaser shall reimburse the entire overbilled amount to the Tenants which paid the same. If Purchaser determines that there has been an underbilling, the additional amount shall be billed by Purchaser to the Tenants, and any amount received by Purchaser, net of costs of collection, if any, to the extent allocable (as provided for such Rent in this Section 6.01) to periods prior to the Adjustment Point shall promptly be paid by Purchaser to Seller.

6.1.7 Notwithstanding anything to the contrary set forth in this Section 6.01, Seller shall be entitled to receive, and Purchaser shall pay to Seller promptly after the receipt thereof, net of costs of collection, if any, properly allocable thereto, (i) all amounts payable by Tenants on account of Impositions which, pursuant to the terms of Section 6.02, it is Seller's obligation to pay and discharge, which amounts shall be apportioned between Seller and Purchaser in the same manner as the Impositions to which they relate and (ii) all amounts payable by Tenants on account of utilities which, pursuant to the terms of Section 6.02, it is Seller's obligation to pay and discharge, which amounts shall be apportioned between Seller and Purchaser in the same manner as the utilities to which they relate.

6.1.8 Any advance rental deposits or payments held by Seller on the Closing Date and applicable to periods of time subsequent to the Adjustment Point, and any security deposits held by Seller on the Closing Date, together with interest thereon, if any, which, under the terms of the applicable Leases, is payable to the Tenants thereunder, shall be paid or credited to Purchaser at the Closing.

SECTION 6.02. Additional Items. At the Closing, the following additional items shall be apportioned between the parties hereto as of the Adjustment Point, with Seller to be obligated for or entitled to amounts apportioned to the period through the Adjustment Point and Purchaser to be

obligated for or entitled to amounts apportioned to the period following the Adjustment Point:

6.2.1 Impositions payable by Seller in respect of the Mall in the calendar year 1998 regardless of the valuation date or lien affixation date associated with such payments. In the case of special assessments payable in installments specified in Exhibit W attached hereto, the installment for the fiscal year in which the Closing Date occurs shall be apportioned as at the Adjustment Point and Purchaser shall be responsible for paying all subsequent installments thereof. If any Tenant in occupancy at the Closing Date or Adjoining Owner is obligated to pay any Impositions directly to the applicable taxing authority, such Impositions shall not be apportioned. Any refund obtained by either Seller or Purchaser of real estate taxes for which an apportionment is made pursuant to this subsection 6.2.1, net of the costs of obtaining such refund and the amount thereof payable to Tenants and Adjoining Owners, shall be apportioned as of the Adjustment Point.

6.2.2 Water and sewer charges, if any, payable by Seller on the basis of the period or periods for which the same are payable. If there are water meters at the Mall, Seller shall furnish readings to a date not more than thirty (30) days prior to the Closing Date, and the unfixed meter charges and the unfixed sewer charges, if any, based thereon for the intervening time shall be apportioned on the basis of such last readings. Any water and sewer charges payable by Tenants in occupancy on the Closing Date or Adjoining Owners directly to the equity or entities furnishing such services shall not be apportioned.

6.2.3 Utilities and fuel payable by Seller, including without limitation electricity and gas. Seller shall endeavor to have the meters for such utilities read the day on which the Adjustment Point occurs and will pay the bills rendered to it on the basis of such readings. If Seller does not obtain such a meter reading with respect to any such utility, the adjustment therefor shall be made on the basis of the most recently issued bills therefor which are based on meter readings not earlier than thirty (30) days prior to the Adjustment Point. Seller will receive a credit in the full amount of any cash security deposits held by any utility companies (with interest thereon, if any, in the amount accrued on such security deposits) and shall assign to Purchaser at the Closing all of Seller's right, title and interest in and to such security deposits. Purchaser will make its own arrangements for any security bonds required by any utility companies by Closing and

Seller will be entitled to cancel any bonds previously furnished. If fuel oil, propane or other fuel is used at the Mall, Seller shall deliver to Purchaser at the Closing statements of the suppliers of such fuel dated within three days of the Adjustment Point setting forth the quantity of fuel on hand and the cost paid by Seller therefor, and Purchaser shall pay to Seller at the Closing the cost of such fuel (including taxes thereon, if any) as shown on such statements. Charges for any utilities payable by Tenants in occupancy on the Closing Date and Adjoining Owners directly to the utility companies furnishing the same shall not be apportioned.

6.2.4 Charges payable by Seller under the Other Agreements.

6.2.5 Contributions payable by Seller to merchants' and other associations, and to promotional activities at the Mall, including gift certificates.

6.2.6 Any other items of income or expense of the Mall, which, in accordance with generally accepted business practices, should be apportioned between Seller and Purchaser.

All prorated items that are not subject to an exact determination shall be estimated by the parties with prorations adjusted to actual within 60 days after the Closing. The provisions of this Article VI shall be Surviving Covenants.

ARTICLE VII

Loss due to Casualty or Condemnation

SECTION 7.01. Loss due to Condemnation. In the event of a condemnation of all or a Substantial Portion (as hereinafter defined) of the Land and Improvements which condemnation shall render a Substantial Portion of the Land and Improvements untenantable or results in the Property not having sufficient parking to comply with applicable law or the specific requirement of any Lease or Operating Agreement, Purchaser may, upon written notice to Seller given within ten (10) days of receipt of notice of such event, cancel this Agreement, in which event the Escrow Holder at Purchaser's request shall return the Deposit plus all interest earned thereon, this Agreement shall terminate and neither party shall have any rights or obligations hereunder except for the Surviving Covenants. In the event

that Purchaser does not elect to terminate, or if the condemnation affects less than a Substantial Portion and does not affect the parking area in the manner described above, then this Agreement shall remain in full force and effect, the Purchase Price shall not be reduced and Purchaser shall be entitled to an assignment of all of Seller's share of the condemnation award (net of (1) the costs of collection incurred to the Closing Date, if any, and (2) if the condemnation is temporary, the portion of such award, if any, attributable to the period from and after the Closing Date, after deducting therefrom reasonable expenditures made by Seller as a result of the related taking, but only to the extent such portion was paid to Seller prior to the Closing Date). Notwithstanding the foregoing, Seller shall be entitled to receive or retain out of such condemnation award any reasonable amounts expended by Seller to restore or protect the Mall. In no event shall Seller be obligated to repair or restore the Land or Improvements. For purposes of this Section 7.01, a Substantial Portion shall mean a condemnation of the Land and Improvements in excess of One Million Dollars ($1,000,000) in value of the Property.

SECTION 7.02. Loss due to Casualty. In the event of Substantial Loss or Damage (as hereinafter defined) to the Land and Improvements by fire or other casualty, Purchaser, upon written notice to Seller given within ten (10) days of receipt of notice of such event, may cancel this Agreement in which event the Escrow Holder at Purchaser's request shall return the Deposit plus all interest earned thereon to Purchaser and this Agreement shall terminate and neither party shall have any rights or obligations hereunder except for the Surviving Covenants. In the event that Purchaser elects not to terminate, or if the casualty results in less than Substantial Loss or Damage, then this Agreement shall remain in full force, the Purchase Price shall be reduced by the amount of any deductible or co-payment amount under the related insurance policy, Purchaser shall be entitled to an assignment of all of the proceeds of Seller's fire or other casualty insurance and Seller shall have no obligation to repair or restore the Land or Improvements. Notwithstanding the foregoing, Seller shall be entitled to receive or retain (i) out of such casualty insurance proceeds, any reasonable amounts expended by Seller to restore or protect the Mall and (ii) in the case of rental or business interruption proceeds allocable to periods prior to the Adjustment Point (apportioned consistent with Article VI), loss of rents by reason of the fire or other casualty suffered by Seller prior to the closing, which entitlement shall survive the Closing. At

the time of any assignment of insurance proceeds in accordance with this Section, Seller shall notify Purchaser of any disputes between Seller and the insurance carrier related to the claim giving rise to such proceeds. Seller will reasonably cooperate with Purchaser in attempting to collect such proceeds from the insurance carrier and if, in the reasonable judgment of Purchaser, a collection action is necessary to obtain such proceeds, the reasonable costs of such collection action will be paid by Seller. For purposes of this Section 7.02, "Substantial Loss or Damage" shall mean loss or damage to the Property the cost for repair of which exceeds One Million Dollars ($1,000,000) of the value of the Property.

ARTICLE VIII

Maintenance of the Property

Between October 28, 1997 and the Closing, Seller shall operate and maintain the Property (or caused the Property to be operated and maintained) in the ordinary course of business and consistent with past procedures and practices heretofore followed in connection with the operation and maintenance of the Property.

Between October 28, 1997 and the Closing, Seller shall not intentionally cause any lien or other encumbrances to attach to the Property, other then the lien for taxes not yet due and payable or any liens which Seller is contesting in good faith (provided that all liens are released of record or are adequately insured by Closing), and Seller shall not (i) lease any portion of the Property, (ii) terminate any Lease, (iii) amend any Major Lease in any manner or amend any other Lease if the effect thereof would be to reduce the Rent payable thereunder, increase landlord's obligations in any material respect, give rise to an obligation by Purchaser to pay any amounts in accordance with the last paragraph of this Article or alter the use of the premises by the Tenant or (iv) terminate any Operating Agreement or any Lease without first obtaining Purchaser's written approval, which approval shall not be unreasonably denied or delayed. Purchaser shall have ten (10) days from the date Seller provides Purchaser with written notice of the business terms of the new lease, or modification or termination of any existing lease, together with any information reasonably requested by Purchaser regarding such tenant, to approve or reject such lease, modification or termination. If Purchaser fails to respond within said time

period, it shall be deemed to approve said lease, modification or termination, as applicable.

Seller hereby agrees that it will be solely responsible for paying all tenant improvement costs and leasing commissions incurred in connection with any Lease entered into prior to October 28, 1997, whether such costs or commissions are due and payable prior to or after the Closing Date whether or not conditional as of the Closing Date upon subsequent extension or renewal and Purchaser hereby agrees that it will be solely responsible for paying all tenant improvement costs and leasing commissions incurred in connection with any Leases entered into on or subsequent to October 28, 1997, whether such costs or commissions are due and payable prior to or after the Closing Date. The obligations of Seller under this Article VIII shall be Surviving Covenants.

ARTICLE IX

Broker

Seller and Purchaser each represent to the other that it has dealt with no agent or broker who in any way has participated as a procuring cause of the sale of the Property. Each party agrees to defend, indemnify and hold harmless the other party for any and all judgments, costs of suit, attorneys' fees, and other reasonable expenses which the other may incur by reason of any action or claim against such party or the Property by any broker, agent, or finder with whom the indemnifying party has dealt arising out of this Agreement or any subsequent sale of the Property. The provisions of this Article IX shall be Surviving Covenants hereunder and shall survive the Closing and any termination of this Agreement.

ARTICLE X

Representations and Warranties

SECTION 10.01. Representations and Warranties of Seller. Seller makes the following representations and warranties and agrees that Purchaser's obligations under this Agreement are conditioned upon the truth and accuracy of such representations and warranties in all material respects, both as of this date and as of the date of the

Closing, subject to those limitations set forth in this Article X or otherwise in this Agreement:

(a) (i) The Seller is not a party to, subject to or bound by any agreement, contract, permit or other restriction of any nature, or any judgment, order, statute, rule or regulation of any court, governmental body, administrative agency or arbitrator, or any legal proceeding which would prevent or be violated by, or under which there would be a default, or which would result in creation of or claim of any lien, charge, or encumbrance upon any of the Property as a result of any of the items set forth below; and (ii) no registration or consent of, or payment of any premium, fee or penalty to, any governmental authority or any other person or entity, which has not been obtained or paid, is required for or will arise out of any of the items set forth below:

(1) the execution, delivery and performance of this Agreement or any other agreements, obligations or instruments referred to herein or contemplated hereby; and

(2) the transfer and assignment to the Purchaser in accordance with this Agreement of the Property and any agreements and liabilities to which the Purchaser is taking subject or assuming pursuant to this Agreement.

(b) Seller is a business trust, organized, existing, and in good standing under the laws of the Commonwealth of Massachusetts, and has all power and authority to conduct the business of the Property and to enter into and perform its obligations hereunder under the laws of the State of Minnesota.

(c) The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all necessary parties and no other proceedings on the part of Seller are necessary in order to permit them to consummate the transaction contemplated hereby. This Agreement has been duly executed and delivered by Seller and (assuming valid execution and delivery by the Purchaser) is a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms.

(d) With respect to the Leases:

(i) Exhibit N annexed hereto is a list of all of the Leases in effect on the date of such exhibit. All of the information set forth on Exhibit N is true, correct and complete. As of the date of Exhibit N, there are no leases, licenses or other rights of occupancy or use of any portion of the Mall granted by Seller or its predecessors in title and remaining in effect as of the date of Exhibit N other than the Leases set forth in said Exhibit. Except as set forth in the estoppel certificates transmitted by a letter dated December 16, 1997 from Seller to Purchaser, none of the Leases has been modified, amended or supplemented (whether orally or in writing). No Tenant has any option to purchase the Mall or a right of first refusal in respect of the sale of the Mall to a third party and no Tenant has the right to purchase any portion of the Mall;

(ii) True, correct and complete copies of the Leases, and all amendments and supplements thereto, have heretofore been made available and/or delivered to Purchaser for review;

(iii) Exhibit P annexed hereto is a true, correct and complete list of Tenants that are delinquent in the payment of Rents as of the date of said schedule, which schedule sets forth the information specified in clause (x) of Section 6.1.1; and

(iv) Each of the Leases listed in Exhibit N is in full force and effect as of the date hereof. Seller has received no written notice from any Tenant under a Lease listed in Exhibit N which is still outstanding (x) that Seller has defaulted in performing any of its material obligations under such Lease or (y) that such Tenant is entitled to any reduction in, refund of or counterclaim or offset against, or is otherwise disputing, any Rents paid, payable or to become payable by such Tenant thereunder or is entitled to cancel or terminate such Lease or to be released of any of its material obligations thereunder, except as set forth in Exhibit N. With the exception of the delinquencies in the payment to Rents specified in Exhibit P annexed hereto, to Seller's knowledge no material default exists under any Lease by the Tenant thereunder. For purposes of this Section 10.01(d)(iv) the term "Lease" does not include licenses and concession agreements

which have original terms, including rights to renew or extend, of less than six (6) months.

(e) With respect to the Operating Agreements:

(i) Exhibit C annexed hereto is a true, correct and complete list of all documents which comprise all of the Operating Agreements, setting forth the date of each such Operating Agreement and each amendment or supplement thereto and the names of the parties thereto;

(ii) True, correct and complete copies of the Operating Agreements and all amendments and supplements thereto have heretofore been made available and/or delivered to Purchaser for review;

(iii) Each Operating Agreement is in full force and effect as of the date hereof;

(iv) None of the Operating Agreements have been modified, amended or supplemented (whether orally or in writing) except as set forth in Exhibit C; and

(v) Seller has received no written notice from any party to an Operating Agreement which is still in effect (x) that Seller has defaulted in performing any of its obligations under such Operating Agreement or (y) that such party is entitled to any reduction in, refund of or counterclaim or offset against, or is otherwise disputing, any Rents paid, payable or to become payable thereunder by such party or is entitled to cancel or terminate such Operating Agreement or to be released of any of its material obligations thereunder, except as set forth in Exhibit M. Except as set forth on Exhibit P, to Seller's knowledge no material default exists under any Operating Agreement on the part of the other parties thereto. There are no obligations of Seller under or in respect of any of the Operating Agreements for leasing or similar commissions and there are no unperformed obligations for the performance of work (or payment of allowances in lieu thereof) in the nature of tenant alterations under such agreements.

(f) With respect to the Other Agreements:

(i) Exhibit D annexed hereto is a true, correct and complete list as of the date of such exhibit of all Other Agreements, setting forth, with respect to such

Other Agreements, the date thereof and of each amendment or supplement thereto, the name of each party thereto (other than Seller) and a brief description of the services provided thereunder or property covered thereby. Except as specifically identified in Exhibit D, each Other Agreement can be terminated by Purchaser on not more than thirty (30) days' notice without penalty;

(ii) True, correct and complete copies of the Other Agreements, and all amendments and supplements thereto, have heretofore been made available and/or delivered to Purchaser for review; and

(iii) To Seller's knowledge, each of the Other Agreements is in full force and effect on the date hereof, and Seller has received no written notice from any party to any Other Agreement which is still outstanding that Seller has defaulted in performing any of its obligations under such Other Agreement, except as set forth in Exhibit D. None of the Other Agreements listed on Exhibit D has heretofore been amended or supplemented (whether orally or in writing), except as set forth on Exhibit D.

(g) To Seller's knowledge, there is no condemnation proceeding pending with regard to all or any part of the Property and there is no such proceeding threatened or contemplated by any governmental authority.

(h) Seller has not received written notice of any violation of building, health, safety, pollution control, fire or similar law, ordinance, order or regulation respecting the Property which has not heretofore been complied with.

(i) There are no pending litigations or other proceedings against Seller affecting the Mall in respect of which Seller has been served with process or otherwise received written notice except for (i) claims for death, personal injury, property damage or worker's compensation for which the insurance carrier has been notified on a timely basis and (ii) other litigations or proceedings shown on Exhibit Q annexed hereto. Seller has no knowledge of any threatened litigation or proceedings against Seller affecting the Mall except litigation of the nature described in clause (i) above.

(j) Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended.

(k) The term "Hazardous Materials" means (i) toxic wastes, hazardous materials, hazardous substances or other substances which are defined, prohibited or regulated by, or listed in, any Federal, state or local law or regulation addressing environmental protection or pollution control matters, (ii) asbestos in friable condition or otherwise posing a threat to human health, (iii) polychlorinated biphenyls (PCBs) and (iv) oil, petroleum and their by-products. Except as may be specifically disclosed in the reports listed on Exhibit R or in any written environmental reports obtained by Purchaser, and except with respect to cleaning fluids and similar substances which may be used in the routine operation or maintenance of the Mall in accordance with Legal Requirements, (A) Seller has not itself caused any Hazardous Materials to be utilized or stored in or on the Mall, or to be disposed of thereat or therefrom, except in accordance with the provisions of applicable laws and (B) to Seller's knowledge, no Hazardous Materials are present in, on or under the Mall at levels or in quantities or amounts which would be in violation of, or would require investigation or cleanup under, applicable laws. Seller has not received any written notice from any Governmental Authority or other person or entity that any condition exists at the Mall which constitutes or has resulted in a violation of any Legal Requirement relating to Hazardous Materials or which requires investigation or cleanup under any such Legal Requirements, or that any claim has been or may be asserted against Seller by reason of any such violation.

(l) Seller has received a notice of proposed property taxes with respect to the Mall for 1998 of $3,967,482.58. There are no unpaid real estate taxes or special assessments with respect to the Mall except taxes not yet due and payable.

(m) The financial statements attached as Exhibit V hereto accurately and correctly reflect in all material respects the operation of the Mall for the periods covered thereby.

SECTION 10.02. Representations and Warranties of Purchaser. Purchaser makes the following representations and warranties and agrees that Seller's obligations under this Agreement are conditioned upon the truth and accuracy of such representations and warranties in all material

respects, both as of this date and as of the date of Closing:

(a) Purchaser is a corporation organized, existing and in good standing under the laws of the State of Wyoming, and has all power and authority to conduct the business of the Property and to enter into and perform its obligations hereunder under the laws of the State of Wyoming.

(b) The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all necessary parties and no other proceedings on the part of Purchaser are necessary in order to permit them to consummate the transaction contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and (assuming valid execution and delivery by the Seller) is a legal, valid and binding obligation of Purchaser enforceable against it in accordance with its terms.

SECTION 10.03. No Implied Representations. Purchaser acknowledges that except as expressly set forth in this Agreement and in the documents and instruments delivered by Seller to Purchaser, neither Seller nor any agent or representative or purported agent or representative of Seller has made, and Seller is not liable for or bound in any manner by, any express or implied warranties, guarantees, promises, statements, inducements, representations or information (including any information set forth in offering materials heretofore furnished to Purchaser) pertaining to the Mall or any part thereof, the physical condition thereof, environmental matters, income, expenses or operation thereof or of the Personal Property or Intangible Personal Property, the uses which can be lawfully made of the same under applicable zoning or other laws or any other matter or thing with respect thereto, including, without limitation, any existing or prospective Leases, Operating Agreements or Other Agreements. Without limiting the foregoing, Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement and in the documents and instruments delivered by Seller at the Closing, Seller is not liable for or bound by (and Purchaser has not relied upon) any verbal or written statements, representations, real estate brokers' "set-ups" or offering materials or any other information respecting the Mall furnished by Seller or any broker, employee, agent, consultant or other person representing or purportedly representing Seller. Nothing contained in this Section 10.03 shall be deemed to impair, limit or otherwise

affect Purchaser's rights under this Agreement in respect of the representations, warranties and covenants of Seller set forth in this Agreement and the other provisions hereof binding upon Seller.

SECTION 10.04. "As-Is" Purchase. Purchaser represents that it has inspected the Mall, the physical and environmental condition and the uses thereof and the fixtures, equipment and Personal Property included in this sale to its satisfaction, that it has independently investigated, analyzed and appraised the value and profitability thereof, the creditworthiness of Tenants and Adjoining Owners and the presence of Hazardous Materials, if any, in or on the Mall, that it has received copies of and/or has reviewed the Leases, the Operating Agreements, the Other Agreements and all other documents referred to herein, that it is thoroughly acquainted with all of the foregoing and that Purchaser, in purchasing the Mall, will rely upon its own investigations, analyses, studies and appraisals and not upon any information provided to Purchaser by or on behalf of Seller with respect thereto (except in each case to the extent covered by any warranties or representations of Seller set forth in this Agreement, the Seller Estoppel or in any other document or instrument delivered by Seller in connection with the Closing). Purchaser agrees to accept the Mall "as is" and in its condition as at the date hereof, reasonable wear and tear and damage by fire or other casualty (subject to the provisions of Article VII) between the date hereof and the Closing Date excepted, and Purchaser shall assume the risk that adverse matters, including, but not limited to, construction defects and adverse physical and environmental conditions may not have been revealed by Purchaser's investigations; and Purchaser, upon closing, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller by reason of or arising out of any latent or patent construction defects or physical conditions, violations of applicable laws (including, without limitation, environmental laws) and any and all other acts, omissions, events, circumstances or matters with respect to the Mall, subject, however, to Purchaser's rights and remedies provided for in this Agreement in the event of the breach of any of Seller's warranties, representations or covenants contained herein, in Seller's estoppel certificate or in any other document or instrument delivered by Seller in connection with the Closing. Nothing contained

in this Section 10.04 shall be deemed to constitute a waiver by Purchaser of its rights at law or in equity, if any (to the extent such rights are not limited under any other applicable provision of this Agreement), to seek contribution or other recourse against Seller in the event of a claim asserted against Purchaser by a third party with respect to liabilities arising from or relating to any circumstances or conditions which exist at or in respect of the Mall prior to the Closing. Nothing contained in this Section 10.04 shall be deemed to impair, limit or otherwise affect Purchaser's rights under this Agreement in respect of the representations, warranties and covenants of Seller set forth in this Agreement and the other provisions hereof binding on Seller. The provisions of this Section 10.04 shall survive the Closing.

SECTION 10.05. No Independent Investigation. All representations and warranties made herein by Seller which are based on Seller's knowledge are made, and are hereby acknowledged by the Purchaser to be made, without independent investigation regarding the facts contained therein, other than due inquiry of the Managing Agent for the Mall, and are otherwise limited as provided in the definition of "knowledge" or "notice".

SECTION 10.06. Effect of Estoppels. If prior to the Closing a Tenant or Adjoining Owner provides to Purchaser an estoppel letter addressed to Purchaser and delivered in response to a request made pursuant to this Agreement which sets forth information with respect to any item as to which Seller has made a representation or warranty or is otherwise set forth in the Seller Estoppel, then Seller's representation and warranty in respect of such information shall thereafter be null and void and of no further force or effect, such representation and warranty shall not be deemed to have been remade as of the Closing and Purchaser shall rely solely on the information set forth in such estoppel letter.

SECTION 10.07. Survival of Seller's Warranties, etc. (a) Except as otherwise provided in Section 10.06, all of Seller's representations and warranties contained in this Article X as remade as of the Closing as provided in Section 10.07(c) and subject to any modifications thereof made in any certificate provided for in said Section, and all certifications, representations and warranties made by Seller in the Seller Estoppel, shall survive until 14 months after the date of the Closing; provided, however, that (1) the representations and warranties set forth in Section 10.01(k) shall survive until 18 months after the

date of the Closing and (2) Seller's liability for any breach of such warranties, representations and certifications shall not expire as to any breach or alleged breach thereof if notice of such breach or alleged breach is given by Purchaser to Seller prior to 14 months after the date of the Closing (or, in the case of the representations and warranties set forth in Section 10.01(k), 18 months after the date of the Closing) and, if such notice is given, legal proceedings are instituted in respect of such breach or alleged breach within one year after such notice is given.

(b) Notwithstanding anything to the contrary set forth in this Article X, Seller shall have no liability to Purchaser for breach of any warranty and representation set forth in this Article X or in the Seller Estoppel or for breach by Seller of any of its agreements set forth in Article VII unless and except to the extent that the damages due to Purchaser by reason of all such breaches exceed $50,000, and in no event shall Seller be liable to Purchaser for consequential damages in respect of any such breach. For purposes of determining whether the dollar figure set forth in the preceding sentence has been exceeded, Seller agrees that damages arising from a breach of any warranty or representation with respect to a Lease, Operating Agreement or Other Agreement shall be calculated over the entire term (without giving effect to unexercised renewals) of such Lease, Operating Agreement or Other Agreement.

(c) All of Seller's representations and warranties set forth in this Article X shall be deemed to have been remade on and as of the Closing Date, subject, however, to the provisions of Section 10.06 and facts disclosed on the updated Exhibits to this Agreement which are to be delivered by Seller to Purchaser at the Closing pursuant to Article V (which updated Exhibits, upon their delivery by Seller to Purchaser, shall for all purposes of this Agreement constitute the indicated Exhibit or a part thereof); provided, however, that if any matter or event shall have occurred between the date hereof and the date of the Closing which does not result from any intentional act or omission of Seller (other than one permitted under this Agreement), and which makes any such warranty or representation untrue in any material respect as of the Closing Date, Seller shall have the right to deliver a certificate to Purchaser at or prior to the Closing which discloses such matter or event, and if Seller does so, Seller shall not be liable to Purchaser following the Closing for the breach of the warranty or representation in question which results from the occurrence of such matter or

thing, but in no event shall Purchaser be obligated to close hereunder unless the conditions precedent to Purchaser's obligation to close set forth in this Agreement (including in Section 5.02) shall have been fulfilled.

(d) Notwithstanding anything to the contrary set forth in this Article X or elsewhere in this Agreement, if prior to the Closing Purchaser has or obtains knowledge that any of Seller's warranties or representations set forth in this Article X or Seller's certifications, warranties or representations made in the Seller Estoppel, is untrue in any respect, and Purchaser nevertheless proceeds with the Closing, then the breach by Seller of the warranties, representations or certifications as to which Purchaser shall have such knowledge shall automatically be deemed waived by Purchaser and Seller shall have no liability to Purchaser or its successors or assigns in respect thereof. For the purposes of this Section 10.07(d), Purchaser shall be deemed to have or to have obtained knowledge of any such matter or thing only if such matter or thing (i) is set forth in any Lease, Operating Agreements, Other Agreement or estoppel certificate which (or a copy of which) is stated in this Agreement to have been delivered to and/or made available for review by Purchaser, (ii) was contained in any written studies or reports furnished to Purchaser by any third party consultants retained by it, (iii) was set forth in a letter, memorandum or other written communication from Purchaser's attorney to Purchaser in this transaction to Purchaser or (iv) was actually known (without independent investigation) by, or was contained in a written notice received by, John N. Foy or H. Jay Wiseman, Jr.

ARTICLE XI

Indemnification

SECTION 11.01. Seller's Indemnification. Seller hereby indemnifies Purchaser (and its affiliates) for, and defends and holds Purchaser (and its affiliates) harmless from and against, all costs, losses, damages, penalties, liabilities and expenses, including without limitation reasonable attorneys' fees and disbursements (collectively, "Losses"), actually imposed upon or incurred by Purchaser (or any affiliate thereof) by reason of claims accruing prior to the Closing Date that are made by any person or entity for personal injury, death or property damage relating to the Mall.

SECTION 11.02. Purchaser's Indemnification. Purchaser hereby indemnifies Seller (and its affiliates) for, and defends and holds Seller (and its affiliates) harmless from and against, all Losses actually imposed upon or incurred by Seller (or any affiliate thereof) by reason of claims accruing on or after the Closing Date made by any person or entity for personal injury, death or property damage.

SECTION 11.03. Surviving Covenants. The provisions of this Article XI shall be Surviving Covenants.

SECTION 11.04. No Limitations. Except as specifically limited herein, nothing contained in this Article XI is in any way intended to limit the rights of Seller or Purchaser to pursue any remedies as may exist at law or in equity against any unrelated third parties with respect to any liabilities covered by this Article XI.

ARTICLE XII

Inspection Period

Purchaser shall have until January 13, 1998 (the "Inspection Period") to (i) determine whether the aggregate annual income payable to the owner of the Property pursuant to the Leases and the Operating Agreements that does not qualify under the REIT income test set forth in Section 856(c)(2) of the Internal Revenue Code of 1986, as amended, exceeds $100,000 and (ii) to conduct interviews of any and all tenants of the Property. If Purchaser shall determine in its sole discretion that the results of the determination described in (i) above are unsatisfactory or that the results of interviews conducted pursuant to (ii) above are unsatisfactory, in either such event prior to the end of the Inspection Period, Purchaser may elect to terminate this Agreement and abandon the transaction by written notice (a "Termination Notice") to Seller. Any Termination Notice shall include reasonable detail as to the nature of the conditions underlying Purchaser's determination. A Termination Notice shall automatically become effective to terminate this Agreement unless Seller, by delivery of written notice to Purchaser no more than three (3) Business Days following Purchaser's delivery of a Termination Notice, elects to suspend the effectiveness of any such Termination Notice by agreeing to cure all of the matters specified in such Termination Notice as the basis for Purchaser's termination within a period specified in such written notice, provided that (i) such specified period shall in no

event be longer than 30 days and (ii) the matters specified in such Termination Notice could reasonably be expected to be cured in all material respects by Seller within such specified period. If such cure is not effected to Purchaser's satisfaction (as determined in Purchaser's sole discretion), as evidenced by a written acknowledgment of Purchaser, on or prior to the end of such 30-day period, the Termination Notice shall thereupon become automatically effective, this Agreement shall terminate without any further action of the parties hereto. Upon the effectiveness of any Termination Notice pursuant to this Article XII, the Deposit (including any interest earned thereon) shall be immediately returned to Purchaser by the Escrow Agent and Seller shall have no rights with respect thereto.

ARTICLE XIII

Assignment

Purchaser shall not, without the prior written consent of Seller, assign this Agreement or its rights hereunder, in whole or in part, to any other person or entity other than to one controlled by CBL & Associates Limited Partnership.

ARTICLE XIV

Notices

All notices hereunder or required by law shall be sent via United States Mail, postage prepaid, certified mail, return receipt requested, or via any nationally recognized commercial overnight carrier with provisions for receipt or via personal delivery, addressed to the parties hereto at their respective addresses set forth below or as they have theretofore specified by written notice delivered in accordance herewith:

Purchaser:

Development Options, Inc.
6148 Lee Highway, Suite 300
Chattanooga, TN 37421-2931
Attn: President

and

CBL & Associates Properties, Inc.
6148 Lee Highway, Suite 300
Chattanooga, TN 37421-2931
Attn: President

with a copy to:

Mary Ann Okrasinski, Esq.
CBL & Associates Properties, Inc.
6148 Lee Highway, Suite 300
Chattanooga, TN 37421-2931

Seller:

Corporate Property Investors
305 East 47th Street
New York, New York 10017
Attn: J. Michael Maloney

with a copy to:

Kevin J. Grehan, Esq.
Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019

Delivery will be deemed complete upon three business days following deposit in U.S. Mail with respect to mailed notices and one business day following deposit with a nationally recognized commercial overnight carrier with respect to notices transmitted in that manner, but in all events upon actual receipt or refusal to accept delivery.

ARTICLE XV

Expenses

Seller shall pay its own attorney's fees, the costs incurred to repay any liens filed against the Real Property required to be removed from title in accordance with the terms of this Agreement (other than taxes and assessments which are not yet due and payable) and shall provide to Purchaser an ALTA/ACSM survey of the Real

Property. Seller and Purchaser will each pay 50% of the Escrow Holder's escrow fee, all standard title insurance premiums for an ALTA Owner's title insurance policy and customary endorsements (excluding any premiums or other costs incurred in connection with any mortgage financing), and all recording fees, conveyance, transfer, and intangibles taxes. Purchaser shall pay its due diligence expenses, including, but not limited to, the cost of any environmental or engineering studies, it's own attorney's fees, and any title policy premium or other costs required by any mortgagee of Purchaser.

ARTICLE XVI

Miscellaneous

SECTION 16.01. Successors and Assigns. All the terms and conditions of this Agreement are hereby made binding upon the executors, heirs, administrators, successors and permitted assigns of both parties hereto.

SECTION 16.02. Gender. Words of any gender used in this Agreement shall be held and construed to include, any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

SECTION 16.03. Captions. The captions in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

SECTION 16.04. Construction. No provision of this Agreement shall be construed by any Court or other judicial authority against any party hereto by reason of such party's being deemed to have drafted or structured such provisions.

SECTION 16.05. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto and there are no other oral or written promises, conditions, representations, understandings or terms of any kind as conditions or inducements to the execution hereof and none have been relied upon by either party.

SECTION 16.06. Cure by Guarantor. Seller agrees that to the extent Purchaser is afforded any right to cure any default by Purchaser hereunder in accordance with Section 4.01(b), CBL & Associates Limited Partnership, a

Delaware limited partnership, may exercise such right (but only during the time period and to the extent Purchaser could have exercised such right).

SECTION 16.07. Original Document. This Agreement may be executed by both parties in counterparts in which event each shall be deemed an original.

SECTION 16.08. Governing Law. This Agreement shall be construed, and the rights and obligations of Seller and Purchaser hereunder, shall be determined in accordance with the laws of the State of New York.

SECTION 16.09. Operating and Expense Statement. On or before February 15, 1997, Seller shall provide to Purchaser, at Purchaser's expense, such certifications from Seller's accountants as Purchaser may reasonably require in order to meet Purchaser's financial reporting obligations 35 under Federal securities laws. This provision shall be a Surviving Covenant.

SECTION 16.10. No Third Party Beneficiary. The parties hereto do not intend to confer any benefit hereunder on any person, firm, corporation or other entity other than the parties hereto and their permitted assigns.

SECTION 16.11. Exculpation. Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof. In no event whatsoever shall recourse be had or liability asserted against Purchaser's directors, officers, employees, shareholders or agents or those of any designee of Purchaser who shall take title to the Property pursuant to the terms of this Agreement.

SECTION 16.12. No Recording; Confidentiality. (a) The parties agree that neither this Agreement nor any memorandum or notice hereof shall be recorded or filed in any public records. If Purchaser violates the terms of this Article, Seller, in addition to any other rights or remedies it may have, may immediately terminate this Agreement by giving notice to Purchaser of its election so to do. The provisions of this Article shall not be construed as

preventing Purchaser from filing a lis pendens against the Mall in the event it institutes any litigation against Seller with respect to the transaction provided for herein and, under applicable law, it is entitled to file such lis pendens. The provisions of this Article shall survive the Closing or any termination of this Agreement.

(b) Subject to disclosure obligations required by law, none of Seller, Purchaser and their respective affiliates shall issue any press release or otherwise make public any information with respect to this Agreement or the transaction contemplated hereby prior to the Closing Date without the prior written consent of the other party. None of Seller, Purchaser and their respective affiliates shall discuss or disclose the existence of the transaction contemplated hereby, the terms of this Agreement or the identity of the parties hereto with any other person, except for those employees, prospective lenders, advisors, attorneys, consultants and other professionals required to implement the terms of this Agreement or to assist in Purchaser's due diligence and who have agreed to maintain the confidentiality of the transaction and the information they receive, and except to the extent required by law.

SECTION 16.13. Waiver of Trial by Jury. Seller and Purchaser waive any right to trial by jury of any claim arising under or with respect to this Agreement, whether now existing or hereafter arising. Seller and Purchaser hereby agree that any such claim shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party hereto to waiver of its right to trial by jury.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

DEVELOPMENT OPTIONS, INC., as
Purchaser,

by /s/ Development Options, Inc.

Name:

Title:

CORPORATE PROPERTY INVESTORS,
as Seller,

by /s/ Corporate Property Investors

Name:

Title:

Receipt of original copies of this Agreement executed by Seller and Purchaser is acknowledged this 31st day of December, 1997.

FIRST AMERICAN TITLE INSURANCE
COMPANY, as Escrow Holder,

by /s/ First American Title
Insurance Company

Name:

Title:

EXHIBIT E

Limited Warranty Deed

EXHIBIT G

BILL OF SALE

Burnsville Center

CORPORATE PROPERTY INVESTORS, a Massachusetts business trust having an office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, NY 10017 ("Seller"), does hereby sell, assign, and transfer to _____ _____ and having an office at 6148 Lee Highway, Suite 33, Chattanooga, TN 37421-2931 ("Purchaser"), all of the right, title and interest of Seller in and to all tangible personal property owned by Seller and used in connection with the operation and maintenance of the land and buildings known as Burnsville Center located in the County of Dakota, State of Minnesota. Without limiting the generality of the foregoing, the personal property sold, assigned and transferred hereby includes the property listed on Exhibit A ("Personal Property").

This Bill of Sale is made without any representation or warranty by Seller, express or implied, except that Seller warrants to Purchaser that Seller owns the personal property sold, assigned and transferred hereby, free and clear of all liens or security interests other than [Permitted Exceptions].

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale the __ day of January, 1998.

CORPORATE PROPERTY INVESTORS

By

EXHIBIT H

Assignment of Leases

FOR AND IN CONSIDERATION of the sum of Ten ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CORPORATE PROPERTY INVESTORS, a Massachusetts Business Trust and having an office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, NY 10017, ("Assignor"), does hereby sell, assign, transfer and set over unto _____ and having an office at 6148 Lee Highway, Suite 300, Chattanooga, TN 37421-2931 ("Assignee"), the Seller's interest in and to (i) all leases, licenses, concessions and other forms of agreement, written or oral, however denominated, for occupancy of all or any portion of the buildings (the "Buildings") located on the land described on Schedule 1 annexed hereto and made a part hereof (the "Premises") or of any portion of such land, and all renewals, modifications, amendments, guaranties and other agreements affecting the same (collectively, the "Space Leases"), including without limitation those certain Space Leases set forth on Exhibit N (the "Rent Roll") and incorporated herein by reference, and (ii) all security deposits, prepaid Rentals, cleaning fees and other deposits, together in each case with all interest accrued thereon which is payable to tenants or occupants under the Space Leases as set forth on Exhibit N (the "Rent Roll"), receipt of which is hereby acknowledged by Assignee (the items described in clauses (i) and (ii) above, collectively, the "Assigned Interest").

TO HAVE AND TO HOLD the Assigned Interest unto Assignee, its successors and assigns, forever.

This assignment is made without representation or warranty, express or implied, by Assignor except that Assignor warrants and represents that it is the owner of the Assigned Interest, subject only to exceptions to title permitted under the Purchase and Sale Agreement (as defined below), and that it has not heretofore assigned or encumbered (except as aforesaid) the Assigned Interest. Nothing contained in this Agreement shall negate or impair any warranty or representation made by Assignor in the Purchase and Sale Agreement dated December 15, 1997 between Assignor, as Seller, and Assignee, as Purchaser (the "Purchase and Sale Agreement") which, under the terms of such agreement, survives the Closing thereunder.

Assignee, for itself and its successors and assigns, (i) hereby accepts the foregoing assignment, (ii) agrees to, and hereby does, assume and agree to keep,

pay, perform, observe and discharge all of the terms, covenants, conditions, agreements, provisions, and obligations contained in the Space Leases to be kept, paid, performed, observed and discharged by the landlord thereunder (or in the case of obligations, arising or accruing) from and after the date hereof and (iii) agrees to, and hereby does, indemnify and hold harmless Assignor from and against all claims, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and disbursements) which may be asserted against, imposed on or incurred by Assignor by reason of Assignee's failure to perform any of its obligations under clause (ii) above, and including, without limiting the generality of the foregoing, by reason of Assignee's disposition of any of the security deposits listed on Exhibit N (the "Rent Roll").

Assignor agrees to, and hereby does, indemnify and hold harmless Assignee from and against any and all claims, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and disbursements) which may be asserted against, imposed on or incurred by Assignee by reason of Assignor's failure to keep, pay, perform, observe or discharge any of the terms, covenants, conditions, agreements, provisions or obligations contained in the Space Leases to be kept, paid, performed, observed and discharged by the landlord thereunder (or in the case of obligations, arising or accruing) prior to the date hereof.

Nothing contained in this Assignment of Space Leases shall constitute or be construed as an assignment by Assignor to Assignee of any claims, rights or causes of action which Assignor may have against tenants under Space Leases for rental or other charges due and payable thereunder and properly allocable to periods prior to the date hereof, it being understood and agreed that, subject to the Purchase and Sale Agreement, Assignor expressly reserves all such claims, rights and causes of actions and the right to receive, settle, waive and/or sue to recover all amounts due under the Space Leases which are properly allocable to periods prior to the date hereof.

This assignment is delivered pursuant to the Purchase and Sale Agreement and is subject to the terms and conditions thereof, including without limitation Section 6.01.

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders

nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, this Assignment of Space Leases has been executed by Assignor and Assignee as of the __ day of January, 1998.

---------- , as
Assignee,

by

Name:
Title:

CORPORATE PROPERTY INVESTORS,
as Assignor,

by

Name:
Title:

EXHIBIT I

Assignment of Operating Agreements

FOR AND IN CONSIDERATION of the sum of Ten ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CORPORATE PROPERTY INVESTORS, a Massachusetts Business Trust and having an office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, NY 10017, ("Assignor"), does hereby sell, assign, transfer and set over unto _____, _____ and having an office at 6148 Lee Highway, Suite 300, Chattanooga, TN 37421-2931 ("Assignee"), Assignor's interest (the "Assigned Interest") as a party to the operating agreements described in Exhibit C (the "Operating Agreements").

TO HAVE AND TO HOLD the Assigned Interest unto Assignee, its successors and assigns, forever.

This Assignment is made without representation or warranty, express or implied, by Assignor except that Assignor warrants and represents that it is the owner of the Assigned Interest, subject to exceptions to title permitted under the Purchase and Sale Agreement (as defined below), and that it has not heretofore assigned or encumbered (except as aforesaid) the Assigned Interest. Nothing contained in this Assignment shall negate or impair any warranty or representation made by Assignor in the Purchase and Sale Agreement dated December 15, 1997 between Assignor, as Seller, and Assignee, as Purchaser (the "Purchase and Sale Agreement") which, under the terms of such agreement, survives the Closing thereunder.

Assignee, for itself and its successors and assigns, (i) hereby accepts the foregoing assignment, (ii) agrees to, and hereby does, assume and agree to keep, pay, perform, observe and discharge all of the terms, covenants, conditions, agreements, provisions and obligations contained in the Operating Agreements to be kept, paid, performed, observed and discharged by Assignor, as owner thereunder, and arising or accruing from and after the date hereof and (iii) agrees to, and hereby does, indemnify and hold harmless Assignor from and against all claims, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and disbursements) which may be asserted against, imposed on or incurred by Assignor by reason of Assignee's failure to perform any of its obligations under clause (ii) above.

Assignor agrees to, and hereby does, indemnify and hold harmless Assignee from and against any and all claims,

liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and disbursements) which may be asserted against, imposed on or incurred by Assignee by reason of Assignor's failure to pay, perform, observe or comply with any of the terms, covenants, conditions, agreements, provisions or obligations contained in the Operating Agreements to be kept, paid, performed, observed and discharged by Assignor, as owner thereunder, prior to the date hereof.

Nothing contained in this Assignment of Operating Agreements shall constitute or be construed as an assignment by Assignor to Assignee of any claims, rights or causes of action which Assignor may have against any party to any Operating Agreement for rental or other charges due and payable under the Operating Agreement and properly allocable to periods prior to the date hereof, it being understood and agreed that Assignor expressly reserves all such claims, rights and causes of action and the right to receive, settle, waive and/or sue to recover all amounts due under such Operating Agreement which are properly allocable to periods prior to the date hereof.

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, this Assignment has been executed by Assignor and Assignee as of the ____ day of January, 1998.

ASSIGNOR:
CORPORATE PROPERTY INVESTORS

by

Name:
Title:

ASSIGNEE:

----

by

Name:
Title:

EXHIBIT J

ASSIGNMENT OF OTHER AGREEMENTS

Burnsville Center

FOR TEN DOLLARS ($10.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, CORPORATE PROPERTY INVESTORS, a Massachusetts Business Trust organized and having an office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, NY 10017 ("Assignor"), does hereby bargain, sell, assign, transfer, set over and deliver unto _____ and having an office at 6148 Lee Highway, Suite 300, Chattanooga, TN 37421-2931 ("Assignee"), all of Assignor's right, title and interest (collectively, "Assignor's Interest") in and to contracts and agreements listed on Exhibit D (the "Other Agreements"), which Other Agreements relate to the real property and the improvements located thereon more particularly described in Exhibit D (the "Other Agreements").

TO HAVE AND TO HOLD Assignor's Interest in the Other Agreements unto Assignee, its successors and assigns, forever.

This Assignment is made without representation or warranty, express or implied, by Assignor, except that Assignor warrants that it owns and has not heretofore assigned or encumbered (except as set forth in the Purchase and Sale Agreement mentioned below) its interest in and to any of the Other Agreements. Without limiting the generality of the foregoing, Assignor does not warrant as to whether any or all of the foregoing items are, by their terms, assignable. Nothing contained in this Assignment shall negate or impair any warranty or representation made by Assignor in the Purchase and Sale Agreement dated December 15, 1997, between Assignor, as Seller, and Assignee, as Purchaser (the "Purchase and Sale Agreement") which, under the terms of such agreement, survives the Closing thereunder.

Assignee, for itself and its successors and assigns, (i) hereby accepts the foregoing assignment, (ii) agrees to, and hereby does, assume and agree to keep, pay, perform, observe and discharge all of the terms, covenants, conditions, agreements, provisions and obligations in the Other Agreements to be kept, paid, performed, observed and discharged by Assignor thereunder from and after the date hereof and (iii) agrees to, and hereby does, indemnify Assignor from and against all claims, liabilities, damages and expenses (including, without

limitation, reasonable attorneys' fees and disbursements) which may be incurred or imposed upon Assignor by reason of Assignee's failure to perform its obligations under clause (ii) above.

Assignor, for itself and its successors and assigns, agrees to, and hereby does, indemnify Assignee from and against all claims, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and disbursements) which may be incurred or imposed upon Assignee by reason of Assignor's failure to pay, perform, observe and discharge all of the terms, covenants, conditions, agreements, provisions and obligations in the Other Agreements prior to the date hereof.

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, this Assignment has been executed by Assignor and Assignee as of the ____ day of January, 1998.

ASSIGNOR:

CORPORATE PROPERTY INVESTORS

by

Name:
Title:

ASSIGNEE:

---

by

Name:
Title:

EXHIBIT L

Operating Agreement Estoppel Certificate

December __, 1997

Development Options, Inc.
6148 Lee Highway, Suite 300
Chattanooga, TN 37421-2931

Re: Burnsville Center
Burnsville, Minnesota

Gentlemen:

The undersigned understands that Development Options, Inc. ("Purchaser") has entered into a contract for the purchase of Burnsville Center located in Burnsville, Minnesota, (the "Property") and that as a condition precedent to such acquisition, Purchaser is requiring and will rely upon this certificate from the undersigned.

The undersigned hereby certifies to Purchaser as well as to any lender providing financing to Purchaser in connection with its acquisition of the Property (individually, a "Beneficiary") that:

1. The undersigned is a party to the Operating Agreement described in Exhibit A annexed hereto, which Operating Agreement has not been modified, supplemented or amended (orally or in writing) except as set forth in Exhibit A (as so modified, the "Agreement"). The Agreement contains all of the understandings and agreements between the owner of the Property (the "Owner") and the undersigned with respect to the Property and the property owned by the undersigned at or adjacent to the Property.

2. The Agreement is in full force and effect. As of the date hereof, the undersigned has not given any notice of default to the Owner under the Agreement and, to the best

of the undersigned's knowledge, there are no defaults in the performance of any provisions contained in the Agreement.

Dated: _____ __, 199_.

Very truly yours,

By:

(signature)

(title)

EXHIBIT O

CERTIFICATION OF NONFOREIGN STATUS
(Entity - Transferor)

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding tax is not required upon the disposition of a U.S. real property interest by (Name of Transferor) _____the undersigned hereby certifies the following:

(1) _____ is not a foreign corporation, foreign partnership, foreign trust, or foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

(2)_____ U.S. employer identification number is _____;

(3) _____ office address is _____; and

(4) The address of the real property being transferred is _____.

_____ understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete and I further

declare that I have authority to sign this document on behalf of _____ .

Date: _____, 199_

NAME OF ENTITY

By:

By:

By:

Sworn to before me this
____ day of _____, 199_.

- ---
Notary Public

EXHIBIT T

GENERAL ASSIGNMENT

Burnsville Center

FOR TEN DOLLARS ($10.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, CORPORATE PROPERTY INVESTORS, a Massachusetts Business Trust and having an office at Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, NY 10017 ("Assignor"), does hereby bargain, sell, assign, transfer, set over and deliver unto _____ having an office at 6148 Lee Highway, Suite 300, Chattanooga, TN 37421-2931 ("Assignee,"), all of Assignor's right, title and interest (collectively, "Assignor's Interest") in and to the following relating to the real property and the improvements located thereon:

1. All warranties and guarantees of manufacturers, suppliers and contractors, to the extent the same are assignable;

2. All permits of governmental authorities, and licenses and approvals of private utilities and others, required for or necessary to the operation and maintenance of the Mall, to the extent the same are assignable and relate to the Mall;

3. All cash security deposits held by any utility with respect to the Mall (as defined in the Purchase and Sale Agreement described below);

4. The Intangible Personal Property (as defined in the Purchase and Sale Agreement described below);

5. All site plans, surveys, plans or specifications and floor plans relating to the Mall;

6. All traffic pattern and similar studies, all architectural and engineering plans (whether "as built" or design), including, without limitation, any such plans relating to any proposed expansion or renovation, and any feasibility or marketing studies prepared by third parties for Assignor or any affiliate of Assignor;

7. all catalogues, booklets, manuals, files, logs, records, correspondence, tenant lists, tenant prospect lists, tenant histories, tenant files, brochures and materials, advertisements and other similar intangible

property directly relating to the Mall or any part thereof.

TO HAVE AND TO HOLD Assignor's Interest in the foregoing items hereby assigned unto Assignee, its successors and assigns, forever.

This Assignment is made without representation or warranty, express or implied, by Assignor, except that Assignor warrants that it has not heretofore assigned or encumbered (except as set forth in the Purchase and Sale Agreement mentioned below) Assignor's Interest in and to any of the items assigned hereby. Without limiting the generality of the foregoing, Assignor does not warrant as to whether any or all of the foregoing items are, by their terms, assignable or the nature of the right, if any, of Assignor in and to the Names under which the Premises is currently being operated. Nothing contained in this Assignment shall negate or impair any warranty or representation made by Assignor in the Purchase and Sale Agreement dated December 15, 1997, between Assignor, as Seller, and Assignee, as Purchaser (the "Purchase and Sale Agreement") which, under the terms of such agreement, survives the Closing thereunder.

Assignor agrees to and shall, at Assignee's expense, cooperate with Assignee as reasonably necessary to secure performance by any guarantor or warrantor under any guaranty or warranty hereby assigned of any work Assignee reasonably believes should be performed by such guarantor or warrantor pursuant to any such guaranty or warranty.

Corporate Property Investors is the designation of the Trustees under a Declaration of Trust, as amended and restated, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder, and all persons dealing with the Trust

shall look solely to the Trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, this General Assignment has been executed by Assignor as of the _____ day of January, 1998.

ASSIGNOR:

CORPORATE PROPERTY INVESTORS

by

Name:
Title:

ASSIGNEE:

---

by

Name:
Title:

EXHIBIT W

Special Assessments

None.

Exhibit 10.39

EXECUTION COPY

CORPORATE PROPERTY INVESTORS
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, N.Y. 10017

PURCHASE AND EXCHANGE AGREEMENT

November 15, 1996

To the Purchaser Described Below

Dear Sirs:

Pursuant to and on the terms of this Purchase and Exchange Agreement, Corporate Property Investors, a voluntary association of the type commonly known as a Massachusetts business trust ("CPI"), agrees to sell, and State Street Bank and Trust Company, a Massachusetts banking corporation, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust (the "Purchaser") agrees to buy, certain voting Series A Common Shares of Beneficial Interest, par value $1 per share, in CPI, together with related beneficial interests in the shares of common stock, par value $.10 per share, of Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"), held in the CRC Trust (as hereinafter defined), in exchange for Purchaser's sale, assignment, transfer and conveyance to CPI or one of its affiliates of the Partnership Interests (as hereinafter defined).

SECTION 1. Definitions. As used herein the following terms have the following meanings:

"Assignment Agreements" means each of the assignment agreements dated as of the Closing Date, substantially in the form of Exhibit B, effecting Purchaser's sale, assignment, transfer and conveyance of the Partnership Interests to CPI or one of its affiliates.

"Bellwether I" shall have the meaning set forth in the definition of the term "Partnership".

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"Bellwether II" shall have the meaning set forth in the definition of the term "Partnership".

"Braintree" shall have the meaning set forth in the definition of the term "Partnership".

"Braintree Completion Date" means the later of the date upon which (a) the "punch list" items (as such term is customarily used in the real estate industry) shall have been completed with respect to the Braintree Expansion and the general partner of Braintree shall have received final lien waivers from all general contractors with respect thereto and (b) at least 95% of the retail space in the Braintree Expansion (based upon square feet of gross leasable area) is leased, occupied and open for business and Braintree shall have received final use and occupancy certificates from each of the tenants thereof.

"Braintree Expansion" means the renovation, expansion and leasing of Braintree's South Shore Plaza retail center located in Braintree, Massachusetts, which, among other things, contemplates the addition of 204,000 square feet of gross leasable area thereto and the addition of a two-level, 1,100 space parking structure.

"Braintree Expansion Costs" shall have the meaning set forth in Section 4.1.7.

"Braintree Notice of Disagreement" shall have the meaning set forth in Section 4.1.7.

"Braintree Statement" shall have the meaning set forth in Section 4.1.7.

"business day" means a day other than a Saturday, Sunday or other day on which banks in the State of New York or the Commonwealth of Massachusetts are authorized to be closed.

"Closing" shall have the meaning set forth in Section 2.2.

"Closing Date" means November 15, 1996.

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

3

"Commission" means the Securities and Exchange Commission or any successor federal agency charged with responsibility for enforcing the United States federal securities laws.

"Common Share" means any shares of beneficial interest of any class of CPI that are designated Common Shares pursuant to the Declaration of Trust as of the date of this Purchase and Exchange Agreement, and shares of any class or classes authorized after the date of this Purchase and Exchange Agreement or resulting from the reclassification of any of the foregoing which have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of CPI and which are not subject to redemption by CPI (except as the Trustees of CPI may deem necessary so that CPI may qualify as a Real Estate Investment Trust in accordance with the terms of Section 5.12 of the Declaration of Trust).

"CPI" shall have the meaning set forth in the preamble, and shall include any successor thereto.

"CRC" shall have the meaning set forth in the preamble, and shall include any successor thereto.

"CRC Shares" means shares of Common Stock, par value $.10 per share, of CRC.

"CRC Trust" means the Trust created by the CRC Trust Agreement, under which the depositing holders of Common Shares have ratable beneficial interests in the CRC Shares deposited in the CRC Trust.

"CRC Trust Agreement" means the Trust Agreement dated as of October 30, 1979, among the shareholders of CPI at that date, CRC and the Bank of Montreal Trust Company, as successor Trustee.

"Declaration of Trust" means the Second Amended and Restated Declaration of Trust executed as of March 16, 1995, as amended, of CPI.

"EMI Cambridge" shall have the meaning set forth in the definition of the term "Partnership".

"EMI Santa Rosa" shall have the meaning set forth in the definition of the term "Partnership".

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"EMI Two" shall have the meaning set forth in the definition of the term "Partnership".

"Encumbrance" means any security interest, lien, charge, claim or other encumbrance or restriction of any other nature or kind, other than those granted by this Purchase and Exchange Agreement, the Declaration of Trust or the CRC Trust Agreement.

"Evaluation Material" shall have the meaning set forth in Section 2.4.

"Hotel" shall have the meaning set forth in the definition of the term "Partnership".

"Longstreet" shall have the meaning set forth in the definition of the term "Partnership".

"1934 Act" means the Securities Exchange Act of 1934 and the rules and regulations of the Commission thereunder, all as in effect from time to time.

"Partnership" means each of Bellwether Properties I, Limited Partnership, a Massachusetts limited partnership ("Bellwether I"), Bellwether Properties II, Limited Partnership, a Massachusetts limited partnership ("Bellwether II"), Braintree Property Associates, L.P., a Massachusetts limited partnership ("Braintree"), EMI Cambridge Limited Partnership, a Massachusetts limited partnership ("EMI Cambridge"), EMI Santa Rosa Limited Partnership, a California limited partnership ("EMI Santa Rosa"), EMI Two Limited Partnership, a Connecticut limited partnership ("EMI Two"), Longstreet Associates, L.P., a New York limited Partnership ("Longstreet") and Cambridge Hotel Associates, a Pennsylvania limited partnership ("Hotel").

"Partnership Interests" shall mean the interests (including the rights and obligations related thereto) of State Street Bank and Trust Company, in its capacity as Trustee of the Telephone Real Estate Equity Trust, that are set forth in those agreements and other documents listed in Schedule 6.2.1.

"Preference Shares" means any shares of beneficial interest of any class or series of CPI that are designated Preference Shares pursuant to the Declaration of Trust.

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"Purchaser" shall have the meaning set forth in the preamble.

"Purchase Price" means $131.32 per Share, which amount includes the portion thereof ($.44 as of December 31, 1995, as determined by Landauer Associates, Inc.) per Common Share which represents the fair value of the beneficial interest which the certificate for such Common Share represents (at the ratio of 1/10th of a CRC Share per Common Share) in the CRC Shares held in the CRC Trust.

"Real Estate Investment Trust" or "REIT" means "real estate investment trust" as defined in Section 856 of the Code, or such other entity as may, under the corresponding section or sections of any United States income tax law at the time in effect, be entitled to substantially the same treatment in respect of liability for Federal income taxes as a "real estate investment trust", as so defined, is entitled pursuant to Sections 856 through 860 of the Code, as in effect on the date of this Purchase and Exchange Agreement.

"REOC" shall have the meaning set forth in Section 4.1.6.

"Release" means a release dated as of the Closing Date, substantially in the form of Exhibit C hereto.

"Securities Act" means the Securities Act of 1933 and the rules and regulations of the Commission thereunder, all as in effect from time to time.

"Series A Shares" means voting Series A Common Shares of Beneficial Interest, par value $1, in CPI.

"Shares" means the Common Shares (with their related beneficial interests in CRC Shares held in the CRC Trust) purchased by the Purchaser from CPI pursuant to Section 2.

"Statement" shall have the meaning set forth in Section 2.3.1.

"Total Working Capital Value" means the sum of the Working Capital Values for each Partnership other than Hotel.

"Trust Company" means State Street Bank and Trust Company, a Massachusetts banking corporation.

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"Undistributed Cash Flow" of a Partnership means the amount of such Partnership's adjusted undistributed cash flow, computed in accordance with Schedule 1 hereto.

"Working Capital Value" for any Partnership (other than Hotel) means, as of the Closing Date, the sum of (i) the Purchaser's proportionate share of (a) the cash and cash equivalents, short-term investments (excluding, in the case of Braintree, the portion thereof attributable to unexpended capital contributions made to Braintree by its partners in connection with the Braintree Expansion, receivables (net of allowances for doubtful collections and exclusive of any "straight-line" rent receivable) and prepaid taxes, prepaid utilities and other prepaid expenses of such Partnership minus (b) the liabilities of such Partnership (including any unpaid tenant inducements payable by such Partnership, but excluding the principal amount of mortgage liabilities and other long-term indebtedness), and such Partnership's Undistributed Cash Flow, all of the items referred to in clauses (a) and (b) computed (to the extent applicable) in accordance with generally accepted accounting principals applied consistently with the most recently prepared audited financial statements of such Partnership, plus (ii) the Purchaser's proportionate share of such Partnership's Undistributed Cash Flow. The method of computation of Working Capital Value for each Partnership is more particularly described on Schedule 1 hereto, in a manner consistent with the definition thereof.

SECTION 2. Sale and Purchase of Shares; Adjustments.

SECTION 2.1. Sale and Purchase of Shares; Sale and Assignment of Partnership Interests; Delivery of Shares. Subject to the terms and conditions of and in reliance upon the representations and warranties set forth in this Purchase and Exchange Agreement, (a) CPI agrees to sell to the Purchaser, and the Purchaser agrees to purchase from CPI, on the Closing Date, at a price per Share equal to the Purchase Price, 5,764,544 Shares (and, in connection therewith, CRC agrees to sell to the Purchaser, and the Purchaser agrees to purchase from CRC, 576,454.4 CRC Shares, which CRC Shares the Purchaser and CRC agree shall be issued directly to the trustee of the CRC Trust and deposited in the CRC Trust to be held thereafter for the ratable

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benefit of the holders of Common Shares pursuant to the terms of the CRC Trust Agreement), (b) the Purchaser agrees to sell, assign, transfer and convey to CPI or one or more of its affiliates all of the Purchaser's right, title and interest in and to the Partnership Interests, (c) CPI agrees to deliver to Purchaser such Common Shares or an amount of cash in lieu thereof as CPI may be required to deliver pursuant to Section 2.3.3 hereof and (d) Purchaser agrees to deliver to CPI such Common Shares as Purchaser may be required to deliver pursuant to Section 2.3.3 hereof.

SECTION 2.2. Closings. The purchase by and the sale of Shares to the Purchaser and the sale, assignment, transfer and conveyance of the Partnership Interests by the Purchaser to CPI (the "Closing") shall take place on the Closing Date at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, New York 10019, or at such other place as may be mutually agreed by the parties.

At least five business days prior to the Closing Date, the Purchaser may, by written notice to CPI, specify one or more beneficiaries of the Purchaser as the entities to make the purchase or purchases of Shares hereunder. Except as the context otherwise requires, each such entity shall be deemed the "Purchaser" for all purposes of this Purchase and Exchange Agreement to the same extent as if it had executed and delivered a copy of this Purchase and Exchange Agreement, provided that the Purchaser referenced in the first paragraph of this Purchase and Exchange Agreement shall remain liable for all of its obligations hereunder.

At least five business days prior to the Closing Date, CPI may, by written notice to the Purchaser, specify one or more affiliates of CPI as the entities to acquire all or any part of the Partnership Interests pursuant hereto, provided that CPI shall remain liable for all of its obligations hereunder.

At the Closing, (a) CPI will deliver to the Purchaser one certificate, registered in the name of the Purchaser, representing the number of Shares set forth in Section 2.1 (unless the Purchaser has at least two business days prior to the Closing Date specified in writing to CPI a different name or names and/or different number of certificates representing the same aggregate number of such Shares) and (b) CRC shall

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deliver to the trustee of the CRC Trust one certificate, registered in the name of such trustee, representing the number of CRC Shares to be deposited in the CRC Trust in accordance with Section 2.1, each against the sale, assignment, transfer and conveyance by the Purchaser to CPI or its specified affiliates of the Partnership Interests in each Partnership pursuant to one or more Assignment Agreements, all as may be reasonably requested by CPI. The Certificate representing the Shares that is delivered to the Purchaser shall include the following descriptive legend:

"The holder of the shares represented by this certificate also holds a beneficial interest in shares of stock of Corporate Realty Consultants, Inc. ("CRC") held in a trust under a Trust Agreement dated as of October 30, 1979, among shareholders of the Trust, CRC and the Trustee thereunder."

SECTION 2.3. Adjustments.

SECTION 2.3.1. Working Capital Value Statement. Within 45 days after the Closing Date, CPI shall prepare and deliver to Purchaser a statement (the "Statement") setting forth CPI's determination of the Total Working Capital Value, the Working Capital Value of each Partnership and the elements and calculation thereof, all as set forth in Schedule 1 hereto and consistent with the definitions related thereto, along with a Certificate of the Chief Financial Officer, Chief Accounting Officer or Controller of CPI to the effect that the Statement was prepared substantially in accordance with the requirements therefor as provided herein. From the Closing Date through the date which is 30 days after receipt by the Purchaser of the Statement, CPI shall provide the Purchaser (and its representatives) with reasonable access to any books, records, working papers or other information reasonably necessary or useful in the preparation or calculation of the Statement or any Notice of Disagreement (as defined hereafter). The Statement shall become final and binding upon both parties hereto on the 31st day following delivery thereof to the Purchaser unless the Purchaser delivers written Notice of Disagreement (a "Notice of Disagreement") with the Statement to

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CPI prior to such date. Any Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted and shall relate solely to the preparation of the Statement and the calculation of the Working Capital Values and the Total Working Capital Value.

SECTION 2.3.2. Disputes. If a Notice of Disagreement is received by CPI in a timely manner pursuant to Section 2.3.1, then the Total Working Capital Value set forth in the Statement, as adjusted pursuant hereto, shall become final and binding upon the parties hereto on the earlier of (i) the date Purchaser and CPI resolve, in writing, any differences they may have with respect to any matters specified in the Notice of Disagreement or (ii) the date any disputed matters are finally resolved in writing by the Arbitrator. During the 30-day period following the delivery of the Notice of Disagreement, CPI and the Purchaser shall seek in good faith to resolve, in writing, any differences which they may have with respect to any matter specified in the Notice of Disagreement and each shall provide the other (including any of their respective representatives) with reasonable access to any books, records, working papers or other information reasonably necessary or useful in the preparation or calculation of the Statement, any Notice of Disagreement, the Working Capital Values and the Total Working Capital Value or otherwise with respect to any thereof. At the end of such 30-day period, if there has been no resolution of the matters specified in the Notice of Disagreement, then CPI and the Purchaser shall submit to an arbitrator (the "Arbitrator") for review and resolution any and all matters (and only such matters) arising under this Section which remain in dispute. The Arbitrator shall be Arthur Andersen L.L.P., or if such firm is unable or unwilling to act, such other nationally recognized independent public accounting firm as shall be agreed upon, in writing, by CPI and the Purchaser. The Arbitrator shall render a decision resolving the matters submitted to the Arbitrator within 30 days following submission thereto. The costs of any arbitration (including the fees of the Arbitrator) shall be borne 50% by CPI and 50% by the Purchaser. Except as specified above, each

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of CPI and the Purchaser shall bear their own costs and expenses incurred in connection with any arbitration.

SECTION 2.3.3. Adjustment Mechanics. Within 7 days after the date that the Total Working Capital Value set forth in the Statement (as adjusted according to the procedures set forth in Section 2.3) becomes final and binding on the parties: (a) if the Total Working Capital Value is a positive number, then the number of Shares to be sold to, and purchased by, the Purchaser hereunder shall be increased by an amount equal to (i) the Total Working Capital Value (reduced by any amount paid pursuant to the proviso below) divided by (ii) the Purchase Price, and CPI shall deliver to the Purchaser a certificate, registered in the name of the Purchaser (or such other name as may be designated by the Purchaser pursuant to Section 2.2) representing such number of Shares (and, in connection therewith, CRC agrees to deliver to the Purchaser a number of CRC Shares equal to 10% of such number of Shares, which CRC Shares the Purchaser and CRC agree shall be issued directly to the trustee of the CRC Trust and deposited in the CRC Trust to be held thereafter for the ratable benefit of the holders of Common Shares pursuant to the terms of the CRC Trust Agreement); provided, however, that the Purchaser may elect, at its option, to receive up to $10,000,000 of the Total Working Capital Value in cash in lieu of all or any portion of the Shares otherwise deliverable pursuant to this Section 2.3.3(a), or

(b) if the Total Working Capital Value is a negative number, then the number of Shares sold to, and purchased by, the Purchaser hereunder shall be reduced by an amount equal to (i) the absolute value of the Total Working Capital Value divided by (ii) the Purchase Price, and the Purchaser shall deliver to CPI such number of Shares (and, in connection therewith, CPI and CRC shall cause a number of CRC Shares equal to 10% of such number of Shares to be withdrawn from the CRC Trust and delivered to CRC). In connection with any delivery of Shares by the Purchaser pursuant to this Section 2.3.3(b), the Purchaser shall deliver to CPI the certificate or certificates delivered pursuant to Section 2.2 hereof (together

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with an undated stock power executed in blank) and, upon receipt thereof, CPI shall deliver to the Purchaser one certificate, registered in the name of the Purchaser (or such other name as may be designated by the Purchaser pursuant to Section 2.2) representing 5,764,544 Shares less the number of Shares returned to CPI pursuant to this Section 2.3.3(b).

SECTION 2.4. Evaluation Material. CPI has delivered to the Purchaser its Annual Report for the year 1995, its Proxy Statement for the 1996 Annual Meeting of its shareholders and its Six Month Report for the six months ended June 30, 1996 (collectively called the "Evaluation Material").

SECTION 3. Conditions.

SECTION 3.1. Conditions to Purchaser's Obligations. The obligations of the Purchaser to purchase the Shares and sell, assign, transfer and convey the Partnership Interests on the Closing Date shall be subject to the following conditions at the Closing Date:

(a) The Purchaser shall have received a certificate of the President or a Vice-President of CPI dated the Closing Date to the effect that (A) the representations and warranties of CPI contained in Section 6 of this Purchase and Exchange Agreement are true and correct in all material respects as of such date as if made on and as of such date and (B) the covenants, agreements and conditions that CPI was required to perform or comply with have been fulfilled in all material respects.

(b) The Purchaser's Committee of Special Investments shall have approved the execution, delivery and performance by the Purchaser of this Purchase and Exchange Agreement and the transactions contemplated hereby.

(c) The Purchaser shall have received (i) a Certificate of the Secretary of CPI certifying as to the accuracy of the copies of the Declaration of Trust of CPI, the CRC Trust Agreement and the Trustees Regulations of CPI provided to the Purchaser and (ii) a Certificate of the Secretary of CRC certifying as to the accuracy of the copies of the Certificate of

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Incorporation and by-laws of CRC provided to the Purchaser.

(d) The general partner of each of the Partnerships shall have consented in writing to the transfer by the Purchaser of its Partnership Interest in such Partnership.

(e) The Purchaser shall have received from Cravath, Swaine & Moore, counsel for CPI (who may rely with respect to any matters of Massachusetts law involved therein on an opinion of Peabody & Arnold, Massachusetts counsel for CPI, a signed copy of which, addressed to Purchaser, shall accompany such opinion of Cravath, Swaine & Moore), a favorable opinion dated the Closing Date, and reasonably satisfactory in scope and form to the Purchaser, to the effect set forth in Sections 6.1.1, 6.1.2, 6.1.3, 6.1.4(i), 6.1.7, 6.1.14, 6.1.15 (the first and second sentences thereof), 6.1.16(i), 6.1.19, 6.1.24 and 6.1.25 and, to the knowledge of such counsel, after having made due inquiry, Sections 6.1.5, 6.1.6, 6.1.17, 6.1.18 and 6.1.23, and as to:

(i) the exemption from the registration and prospectus delivery requirements of the Securities Act of the offer, sale and delivery to the Purchaser of the Shares then to be purchased by the Purchaser;

(ii) that CPI qualified as a REIT for its taxable year ended December 31, 1995 and that its organization and method of operation for its current taxable year should enable it to continue so to qualify;

(iii) that CPI is not, and upon consummation of the transactions contemplated hereby will not be, closely held within the meaning of Section 856(h) of the Code, based upon information furnished by CPI as to the relevant facts concerning the Purchaser and the holders of CPI's outstanding Common Shares and its other securities; and

(iv) the due execution and delivery by authorized representatives of CPI and CRC, respectively, of all instruments and documents signed by or on behalf of CPI and CRC and delivered to the Purchaser on the Closing Date.

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(f) The purchase of and payment for the Shares to be purchased by the Purchaser on the Closing Date on the terms and conditions herein provided shall not violate any applicable law or governmental regulation and the Purchaser shall have received such certificates or other evidence as it may reasonably request to establish compliance with this condition.

(g) All proceedings in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be reasonably satisfactory in substance and form to the Purchaser, and the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as the Purchaser may reasonably request.

(h) From the date of this Purchase and Exchange Agreement to and including the Closing Date there shall not have been any material adverse change in the business, assets, operations, properties, prospects or condition, financial or otherwise, of CPI and its subsidiaries taken as a whole.

(i) The Purchaser shall have received from CPI an executed Release.

(j) The Purchaser shall have received from CPI an executed statement in the form of Exhibit D attached hereto.

(k) The Purchaser shall have received a fairness opinion issued by Morgan Stanley & Co. Incorporated in form and substance satisfactory to the Purchaser.

SECTION 3.2. Conditions to CPI's Obligations. The obligation of CPI to sell the Shares and acquire the Partnership Interests on the Closing Date shall be subject to the following conditions at the Closing Date:

(a) CPI shall have received a certificate of the President or a Vice-President of the Purchaser dated the Closing Date to the effect that (i) the representations and warranties of the Purchaser contained in Section 6 of this Purchase and Exchange Agreement are true and correct in all material respects as of such date as if made on and as of such date and (ii) the covenants, agreements and conditions that the

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Purchaser was required to perform or comply with have been fulfilled in all material respects.

(b) CPI shall have received a Certificate of the Secretary or an Assistant Secretary of the Trust Company certifying as to the due organization of the Trust Company and as to the accuracy of the copies of the declaration of trust and other organizational documents of the Purchaser provided to CPI.

(c) CPI shall have received from Paul, Hastings, Janofsky & Walker LLP, counsel for the Purchaser (who may rely with respect to any matters of Massachusetts law involved therein on an opinion of Massachusetts counsel for the Purchaser, a signed copy of which, addressed to CPI, shall accompany such opinion of Paul, Hastings, Janofsky & Walker LLP), a favorable opinion dated the Closing Date and reasonably satisfactory in scope and form to CPI, to the effect set forth in Sections 6.2.2, 6.2.3(i) and 6.2.5, and to the knowledge of such counsel, after having made due inquiry, Section 6.2.4, and as to:

(i) the exemption from the registration and prospectus delivery requirements of the Securities Act of the sale, assignment, transfer and conveyance to CPI of the Partnership Interests; and

(ii) the due execution and delivery by authorized representatives of the Purchaser, respectively, of all instruments and documents signed by or on behalf of the Purchaser and delivered to CPI on the Closing Date.

(d) The acquisition by CPI of the Partnership Interests on the Closing Date on the terms and conditions herein provided shall not violate any applicable law or governmental regulation and CPI shall have received such certificates or other evidence as it may reasonably request to establish compliance with this condition.

(e) All proceedings in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be reasonably satisfactory in substance and form to CPI, and CPI shall have received all such counterpart originals or certified or other copies of such documents as CPI may reasonably request.

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(f) From the date of this Purchase and Exchange Agreement to and including the Closing Date there shall not have been any material adverse change in the business, assets, operations, properties, prospects or condition, financial or otherwise, of the Partnerships, taken as a whole.

(g) Subject to Section 4.1.7, the Purchaser shall have paid to CPI cash in an amount equal to 70% of the excess of (i) $166,077,257 over (ii) the total amount of cash contributed by the partners of Braintree to Braintree with respect to the Braintree Expansion as of the Closing Date (consistent with the amount specified in Section 6.1.29), such amount to be discounted at a rate of 5-3/8% per annum to give effect to CPI's good faith projected funding schedule for the completion of such expansion set forth in Schedule 6.1.29(b).

(h) Purchaser shall have delivered to CPI evidence reasonably satisfactory to CPI of the delivery of the (i) notice to discuss to Fifth and 59th Street Investors Corporation with respect to the transfer of the Purchaser's Partnership Interest in Longstreet as required by Section 12.1 of the Agreement of Limited Partnership of Longstreet Associates L.P., and (ii) notice to Waterford Associates, L.P. as to the transfer of the Purchaser's Partnership Interest in EMI Two (a general partner and limited partner of Crystal Mall Associates Limited Partnership) as required by Section 11.04 of the Amended and Restated Agreement and Certificate of Limited Partnership of Crystal Mall Associates Limited Partnership.

(i) CPI shall have received the approval of its shareholders to the transactions contemplated by this Purchase and Exchange Agreement.

(j) CPI shall have received from the Purchaser an executed Release.

(k) CPI shall have received an agreement executed by Waterford Associates, L.P. pursuant to which such entity shall agree to contribute $1,000 to the capital of Crystal Mall Associates Limited Partnership to avoid the termination thereof pursuant to Section 708 of the Code and such contribution shall have been made.

(l) CPI shall have received from Purchaser a duly executed certificate of non-foreign status in the form presented by Treasury Regulation ss. 1.1445-1(b)(2).

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SECTION 4. Covenants.

SECTION 4.1. CPI agrees with the Purchaser as follows:

SECTION 4.1.1 From the date of this Purchase and Exchange Agreement through the Closing Date, CPI shall not issue any Common Shares or Preference Shares by virtue of any reclassification, recapitalization, split-up, subdivision, declaration of a stock dividend or otherwise, except pursuant to plans, arrangements and agreements existing on the date hereof.

SECTION 4.1.2. CPI has not, either by itself or through any agent on its behalf, offered to sell any Common Shares, or solicited any offers to buy Common Shares and will not so offer or solicit offers, so as thereby to bring the issuance and sale of Shares pursuant to this Purchase and Exchange Agreement or any other securities in violation of the Securities Act, the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act or any other state securities or real estate syndication or similar laws.

SECTION 4.1.3. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall, within 120 days after the close of each fiscal year of CPI, furnish to the Purchaser or any permitted transferee of the Shares, as long as it owns any Shares, the following statements prepared in accordance with generally accepted accounting principles consistently applied and reported upon by Ernst & Young LLP or such other independent public accountants of recognized standing as may be retained by CPI from time to time: (i) a balance sheet of CPI as of the end of such fiscal year and (ii) statements of income, cash flow and shareholders' equity for such fiscal year, in each case setting forth in comparative form the corresponding figures for the preceding fiscal year. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall, within 60 days after the close of each of

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the first three quarters of each fiscal year of CPI, furnish to the Purchaser or any permitted transferee of the Shares as long as it owns any Shares (1) a balance sheet of CPI as of the end of such quarter and (2) statements of income, cash flow and shareholders' equity for the portion of such fiscal year preceding the end of such quarter, in each case setting forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal year.

SECTION 4.1.4. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall promptly furnish to the Purchaser or any transferee of the Shares such other information with respect to the finances, business, operations, affairs, prospects, condition, properties and assets of CPI and CRC as from time to time may be reasonably requested by the Purchaser or such transferee, it being understood that CPI shall determine whether or not any such request is reasonable, giving effect to all relevant circumstances.

SECTION 4.1.5. CPI will provide prior notice to the Purchaser of any change in the business of CPI or of any other event (including any issuance of securities of CPI, any acquisition or disposition or other material corporate event) which CPI, based upon its knowledge of Purchaser, believes would adversely affect the status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") of the Purchaser's continued ownership of the Shares.

SECTION 4.1.6. From and after the Closing Date, CPI agrees (a) to consider the effects of any material acquisition of property, any material disposition of property or any material corporate reorganization upon CPI's status as a "real estate operating company" (a "REOC"), as defined in regulation 2910.3-101 of the United States Department of Labor promulgated under ERISA, prior to entering into any such transaction, (b) promptly to notify the Purchaser if CPI intends to consummate any such transaction that CPI reasonably believes would create a substantial risk that CPI no longer would qualify as a REOC,

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(c) within 45 days after the end of any fiscal quarter of CPI with respect to which CPI reasonably believes that all or any portion of its dividends payable to Purchaser during such fiscal quarter would be treated as unrelated business taxable income pursuant to Section 856(h)(3)(C) of the Code, CPI shall deliver to the Purchaser a certificate of the Chief Financial Officer, Chief Accounting Officer, Treasurer or Controller of CPI setting forth such officer's reasonable estimate as to the amount of any such income and (d) to deliver to the Purchaser a copy of the annual opinion of counsel rendered to CPI with regard to CPI's status as a REOC promptly upon receipt thereof and to cause any such opinion expressly to permit the Purchaser's reliance thereon.

SECTION 4.1.7. Within 90 days after the Braintree Completion Date, CPI shall prepare and deliver to the Purchaser a written statement (the "Braintree Statement") setting forth the aggregate actual costs of the Braintree Expansion (the "Braintree Expansion Costs"). From the Braintree Completion Date through the date that is 30 days after the delivery of the Braintree Statement, CPI shall provide the Purchaser (and its representatives) with reasonable access to any books, records, working papers or other information reasonably necessary or useful in the preparation of the Braintree Statement. The Braintree Statement shall become final and binding upon the parties hereto on the 31st day following delivery thereof to the Purchaser unless the Purchaser delivers written notice of disagreement (a "Braintree Notice of Disagreement") with the Braintree Statement to CPI prior to such date. Any Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted and shall relate solely to the preparation of the Braintree Statement and the calculation of the Braintree Expansion Costs. If a Braintree Notice of Disagreement is received by CPI in a timely manner pursuant to this Section 4.1.7, then the Braintree Expansion Costs set forth in the Braintree Statement, as adjusted pursuant hereto, shall become final and binding upon the parties hereto on the earlier of (a) the date the Purchaser and CPI resolve, in writing, any differences they may have with respect to any matters specified in the Braintree Notice of

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Disagreement and (b) the date any disputed matters are finally resolved in writing by an arbitrator who shall be selected and compensated in the same manner as described in Section 2.3.2 hereof; provided, however, that if any audit by the Purchaser or an arbitrator pursuant to this Section 4.1.7 results in a final determination that the Braintree Expansion Costs were less than 95% of the costs initially asserted by CPI in the Braintree Statement, then CPI shall bear 100% of the costs of any such audit or arbitration.

SECTION 4.1.8. Upon final determination of the Braintree Expansion Costs in accordance with Section 4.1.7 hereof, CPI promptly shall reimburse the Purchaser in cash for 70% of the amount, if any, by which (a) the excess, if any, of $166,077,257 over the Braintree Expansion Costs exceeds (b) $3,750,000.

SECTION 5. Transfer and Registration.

SECTION 5.1. Investment Statements. The Purchaser hereby represents and warrants to CPI that (1) the Purchaser will purchase the Shares to be purchased by it hereunder for investment and not with a view to their public sale or distribution, nor with any present intention of selling or distributing any such Shares or beneficial interests in CRC Shares, (2) the Purchaser will purchase such Shares (a) for its own account (including any separate accounts maintained by the Purchaser) or (b) for the account of one or more pension or trust funds of which it either acts as sole trustee (or in any other fiduciary capacity) with sole investment discretion or otherwise has the authority to make the representations contained in this Section 5.1; and that in each case such Shares (and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) will be acquired by it or such funds for the purpose of investment and not with a view to, or for sale in connection with, the public distribution thereof, nor with any present intention of publicly distributing the same (other than in accordance with the registration provisions hereof) and (3) the Purchaser has conducted its own due diligence investigation with respect to the business and operations of CPI and CRC.

The Purchaser further represents and warrants to CPI (i) that the Purchaser understands that such Shares

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(and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof, (ii) that such Shares (and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) will not be disposed of unless such disposition is either registered under the Securities Act or is exempt from registration under that Act and (iii) that CPI has no obligation to register such Shares (or CRC Shares so delivered to the Purchaser) other than as set forth herein.

The Purchaser also understands and agrees that, if any CRC Shares shall be delivered to the Purchaser upon a termination of the CRC Trust, the Purchaser shall be bound by and entitled to the benefits of the provisions of Article FOURTH of CRC's Certificate of Incorporation (a copy of which has been delivered to the Purchaser) restricting transfers of, and providing rights to registrations under the Securities Act of, any such CRC Shares. Each certificate for CRC Shares so delivered will bear the legend prescribed by said Article FOURTH.

SECTION 5.2. Permissible Transfers. Except in accordance with this Section 5, the Purchaser shall not effect any Transfer of Restricted Shares (both as hereinafter defined) or of any interest or right to purchase the same other than:

(a) a Transfer from the Purchaser to another person or persons acting as nominee or nominees or trustee or trustees for the Purchaser or, if the Purchaser is acting as nominee or trustee in making the purchases hereunder, to a different nominee or trustee for the same person as the Purchaser is so acting;

(b) a Transfer to the Purchaser from one or more other person or persons acting as nominee or nominees or trustee or trustees for the Purchaser;

(c) a Transfer by the Purchaser, if it is a trustee for a pension or trust fund, in connection with the dissolution of such fund or in connection with the Transfer or distribution of all or part of the assets of such fund to another pension or trust fund for which the Purchaser or another corporate trustee is acting as trustee; or

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(d) a Transfer by a pension or trust fund to another pension or trust fund the investment discretion for which is exercised by the same trustee or other fiduciary or director.

In the event that the Purchaser shall Transfer any Restricted Shares in a manner contemplated by this Section 5.2, the Purchaser shall cause its transferee or transferees to agree in writing to take and hold such securities subject to the provisions of this Section 5.

SECTION 5.3. Certain Definitions. As used in this Section 5 (and elsewhere herein with reference to this Section 5), the following terms shall have the following respective meanings:

"Transfer" means, as to any Restricted Shares, any sale, assignment or transfer of any of such Restricted Shares or of any interest therein or right to subscribe therefor, whether or not such transfer would constitute a "sale" as that term is defined in Section 2(3) of the Securities Act.

"Restricted Shares" means the Shares and any other securities issued as a dividend or other distribution on or as a result of a subdivision, combination or reclassification of any Shares, in each case, prior to the effective registration of the Transfer thereof under the Securities Act.

"Registration Expenses" means the expenses so described in Section 5.8.

"Selling Expenses" means the expenses so described in Section 5.8.

"Underwriter" means each person who is or may be deemed to be an "underwriter", as that term is defined in Section 2(11) of the Securities Act, in respect of Restricted Shares which shall have been registered by CPI under the Securities Act pursuant to any of the provisions of this Section 5.

"CPI Counsel" means Cravath, Swaine & Moore, or such other counsel as shall at the time be serving as counsel to CPI.

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"Holder's Counsel" shall mean counsel for the holder of the Restricted Shares in question, which counsel shall be reasonably satisfactory to CPI.

SECTION 5.4. Transfer Legends. Each certificate for Restricted Shares, including each certificate issued to any transferee, shall be stamped or otherwise imprinted with a legend (in addition to any legends otherwise required by the Declaration of Trust of CPI) in substantially the following form (unless otherwise permitted by the provisions of Section 5.5 or unless such Restricted Shares shall have been effectively registered under the Securities Act and sold or otherwise disposed of pursuant to the registration statement covering such Restricted Shares):

"The shares represented by this certificate were issued pursuant to a Purchase and Exchange Agreement dated as of November 15, 1996, between Corporate Property Investors and the original purchaser of such shares (copies of which Agreement are on file at the principal office of the issuer of such shares), have not been registered under the Securities Act of 1933 and may not be sold, assigned or transferred until the applicable provisions of Section 5 of such Agreement have been complied with."

SECTION 5.5. Notice of Proposed Transfers; Requests for Registration. The holder of any Restricted Shares by acceptance thereof agrees, prior to any Transfer of any such Restricted Shares (other than a Transfer referred to in paragraphs (a) to (d), inclusive, of Section 5.2), to give written notice to CPI of such holder's intention to effect such Transfer and to comply in all other respects with the provisions of this Section 5.5. Each notice shall describe in detail the manner, method of disposition and circumstances of the proposed Transfer and shall be accompanied by (i) a written opinion of Holder's Counsel addressed to CPI stating whether in the opinion of such counsel such proposed Transfer involves a transaction requiring registration of the Restricted Shares under the Securities Act, and (ii) if in the opinion of such counsel registration is required, a written request that CPI effect the registration of such Restricted Shares under the Securities Act, subject to the limitations contained in Section 5.10. Upon receipt by CPI of any such notice, opinion and, if necessary, request, the following provisions shall apply:

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(a) Not more than 20 calendar days after such receipt, CPI Counsel shall render an opinion to CPI as to whether such counsel concurs in the opinion of Holder's Counsel. CPI Counsel shall furnish copies of such opinion to CPI, Holder's Counsel and the shareholder giving such notice. If CPI Counsel shall not render such opinion within such 20 calendar days, its opinion shall be deemed to concur with the opinion of Holder's Counsel.

(b) If in the opinion of Holder's Counsel and CPI Counsel the proposed Transfer of Restricted Shares may be effected without registration under the Securities Act, the shareholder shall thereupon be entitled to transfer such Restricted Shares in accordance with the terms of the notice delivered to CPI; provided, however, that the transferee of such Restricted Shares shall agree in writing to take and hold such securities subject to the applicable provisions of this Section 5. Each certificate evidencing the Restricted Shares issued upon the Transfer (and each certificate evidencing any untransferred balance of the original Restricted Shares) shall bear the legend set forth in Section 5.4 unless in the opinion of CPI Counsel such legend is not necessary.

(c) If in the opinion of both Holder's Counsel and CPI Counsel the proposed Transfer of the Restricted Shares may not be effected without registration under the Securities Act, CPI shall use its best efforts to effect such registration, all in accordance with the request of the prospective seller and the provisions and conditions of this Section 5. Upon the effectiveness of such registration the Restricted Shares may be transferred to the extent permitted by law and the legend thereon shall be removed promptly upon delivery of certificates therefor to CPI.

(d) If in the opinion of Holder's Counsel the proposed Transfer of Restricted Shares may be effected without registration under the Securities Act, but CPI Counsel shall not concur in such opinion, Holder's Counsel at their option may submit the question to the staff of the Commission for an advisory opinion and, in the event that the

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staff of the Commission shall issue a "no action" letter or other favorable advisory opinion which, in the view of CPI Counsel, shall be conclusive with respect to the proposed Transfer, the shareholder shall be entitled to transfer the Restricted Shares covered by such "no action" letter or other favorable advisory opinion on the basis and in accordance with the terms thereof; provided, however, that the transferee of such Restricted Shares shall agree in writing to take and hold such securities subject to the provisions of this Section 5.

The holder of Restricted Shares giving the notice under this Section 5.5 shall not Transfer such Restricted Shares unless and until (i) the favorable opinions of Holder's Counsel and CPI Counsel referred to in paragraph (b) shall have been given, (ii) registration of such Restricted Shares under the Securities Act shall have become effective or (iii) the "no action" letter or other favorable advisory opinion referred to in paragraph (d) shall have been received and reviewed by CPI Counsel and, in addition, in the case of (i) and (iii), the written agreement referred to in paragraphs (b) and (d), respectively, shall have been made. Nothing contained in this Section 5 shall preclude a holder of Restricted Shares from entering into an agreement to Transfer the same if such agreement requires compliance with the conditions set forth in this Section 5.5.

Section 5.6. Required Registration. Whenever CPI shall be required pursuant to Section 5.5 to effect the registration of any Restricted Shares under the Securities Act, CPI shall promptly give written notice of such proposed registration to all holders of outstanding Restricted Shares and, subject to the provisions of Section 5.10, shall use its best efforts to effect the registration under the Securities Act of the Restricted Shares which CPI has been requested to register pursuant to Section 5.5 and all other Restricted Shares the holders of which shall have made written requests (stating the proposed method of disposition of such securities by the prospective seller) to CPI for the registration thereof within 20 calendar days after the mailing of such written notice by CPI.

Section 5.7. Incidental Registration. If CPI shall propose to register any Common Shares or other

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securities which are convertible into or exchangeable for Common Shares (otherwise than pursuant to Section 5.6) on Form S-1, Form S-2, Form S-3, Form S-11 or any similar form then in effect, it shall give written notice to all holders of outstanding Restricted Shares of its intention and, upon the written request of the holder of any such Restricted Shares given within 20 calendar days after the mailing of such notice (which request shall state the proposed method of disposition of such Restricted Shares), CPI shall use its best efforts to cause all Restricted Shares the holders of which have requested registration to be included under the proposed registration for disposition in accordance with the proposed method thereof stated in the respective shareholder's request; provided, however, that CPI may, in lieu of including any of or all such Restricted Shares under the proposed registration, elect to effect a separate registration thereof if its proposed registration relates to an underwritten public offering and the Underwriters thereof object to the inclusion of any of or all such Restricted Shares under such registration. In the event CPI shall elect to effect a separate registration in accordance with the provisions of the preceding sentence, CPI shall use its best efforts to cause such separate registration to become effective not later than 90 days after the effectiveness of its originally proposed registration. If CPI determines, prior to the effectiveness of its originally proposed registration, not to proceed with such registration, CPI shall have no further obligation under this Section 5.7 to register any Restricted Shares.

SECTION 5.8. Registration Procedures and Expenses. If and whenever CPI is required by the provisions of this Section 5 to use its best efforts to effect the registration of any Restricted Shares under the Securities Act, CPI shall, as expeditiously as possible,

(a) select underwriters, counsel and independent accountants for CPI of recognized standing and competence in connection with such registration;

(b) prepare and file (or cause to be prepared and filed) with the Commission a registration statement with respect to such Restricted Shares and use its best efforts to cause such registration statement to become effective;

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(c) prepare and file (or cause to be prepared and filed) with the Commission such amendments and supplements to such registration statement as may be necessary to keep such registration statement effective for nine months from the date of its effectiveness;

(d) furnish each seller such number of copies of the registration statement and the prospectus forming a part of such registration statement (including each preliminary prospectus) as such seller may reasonably request;

(e) use its best efforts to register or qualify (or cause to be registered or qualified) the securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall reasonably request (including, without limitation, the New York State Real Estate Syndicate Act, the Massachusetts Uniform Securities Act and the New Jersey Real Estate Syndicate Offerings Law), and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition of the Restricted Shares during the period provided in paragraph (c) of this Section 5.8; provided, however, that in no event shall CPI be obligated to qualify to do business in any jurisdiction where it is not now so qualified, to take any action which would subject it to the service of process in suits other than those arising out of the offer or sale of the securities covered by such registration statement in any jurisdiction where it is not now so subject or to conform the composition of its assets at the time to the securities or blue sky laws of such jurisdiction;

(f) notify each seller of any Restricted Shares covered by such registration statement, during the period when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event which causes the prospectus forming a part of such registration statement to include an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any

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such seller prepare and furnish such seller a reasonable number of copies of any supplement to or any amendment of such prospectus necessary so as to render such prospectus, as amended or supplemented, in compliance with the provisions of the Securities Act;

(g) engage a transfer agent and registrar for the Restricted Shares at least by the effective date of the first registration of any of such Restricted Shares;

(h) give serious consideration to the listing of the Restricted Shares on an appropriate national securities exchange as promptly after the effectiveness of such first registration as the Trustees of CPI deem advisable;

(i) use its best efforts to procure a comfort letter or letters for the benefit of the underwriters of such registration which substantially conform with the requirements of the American Institute of Certified Public Accountants' Statement of Auditing Standards No. 72 from independent accounts for CPI of recognized standing and competence in connection with such registration;

(j) use its best efforts to deliver customary closing opinions of counsel for CPI in connection with such registration; and

(k) make customary representations and warranties to the underwriters in connection with such registration.

All expenses (except for the compensation of regular employees of CPI, which shall be paid in any event by CPI) incurred by CPI in complying with this Section 5.8, including, without limitation, all registration and filing fees, printing expenses, expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for CPI, counsel for the Underwriters and counsel representing selling shareholders owning a majority of the Restricted Shares being registered), all fees and disbursements of counsel for CPI and any accountants' fees and expenses incident to or required by any such registration are herein called "Registration Expenses", which shall be borne as provided in Section 5.9. All

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underwriting fees and commissions to be incurred by any seller and all fees and disbursements of counsel for any seller (other than counsel described in the second parenthetical phrase in the preceding sentence) are herein called "Selling Expenses", which shall be borne by the seller or sellers in such proportions as they may agree upon; provided, however, that if such sellers cannot otherwise agree, they shall bear such expenses (other than their individual counsel fees which shall be borne by them directly) in direct proportion to the number of Restricted Shares which they are having registered.

It shall be a condition precedent to the obligation of CPI to take any action pursuant to this Section 5.8 for the benefit of a prospective seller of Restricted Shares that (x) CPI shall have received an undertaking satisfactory to it from such seller (A) to pay all Registration Expenses required to be paid by such seller pursuant to Section 5.9 and all Selling Expenses to be incurred by or for account of such seller and (B) to notify CPI of the happening of any event within the knowledge of such seller which causes the prospectus referred to in Section 5.8(d), as it may be amended or supplemented, to include an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, in each case with respect to such seller, and (y) such seller shall furnish to CPI such information regarding such seller, the Restricted Shares held by such seller and the intended method of disposition of such Restricted Shares as CPI shall reasonably request and as shall be required by applicable law in connection with the action to be taken by CPI.

SECTION 5.9. Allocation of Expenses. If and whenever CPI is required by the provisions of this Section 5 to use its best efforts to effect the registration of any of its securities under the Securities Act, CPI shall pay all Registration Expenses in connection with

(a) (i) the first two registrations of any Restricted Shares consummated pursuant to Sections 5.5 and 5.6 and (ii) each of the third, fourth, fifth and sixth registrations of any Restricted Shares consummated pursuant to Sections 5.5 and 5.6, so long as each such

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registration is effected pursuant to a request or requests from a prospective seller or sellers (including Purchaser) to register at least 5% of the outstanding Common Shares (including as "outstanding" for such purpose any Common Shares issuable upon conversion of any outstanding securities of CPI which may then be converted); provided, however, that if the full number of Restricted Shares covered by a request pursuant to Section 5.5 is not in fact sold pursuant to any such registration as a result of the inclusion of any additional outstanding or newly issued securities of CPI in such registration, such registration shall not be counted for purposes of this clause (a) of Section 5.9; and

(b) each registration pursuant to Section 5.7.

The Registration Expenses in connection with any other registration of its Restricted Shares which CPI shall be required to use its best efforts to effect pursuant to any of the provisions of this Section 5, and all Selling Expenses in connection with any registration of its Restricted Shares pursuant to this Section 5, shall be borne by the seller or sellers of such Restricted Shares in such proportions as they may agree upon; provided, however, that if such sellers cannot otherwise agree, they shall bear such expenses (other than their individual counsel fees which shall be borne by them directly) in direct proportion to the number of Restricted Shares which they are having registered.

SECTION 5.10. Limitations on Obligations to Register and Right To Sell Restricted Shares. Anything in this Section 5 to the contrary notwithstanding:

(a) if CPI has not theretofore registered an offering of Common Shares or other securities which are convertible into or exchangeable for Common Shares under the Securities Act, CPI shall not be obligated to effect any registration under Section 5.5 or Section 5.6 unless it shall have received a request or requests pursuant to Section 5.5 or Section 5.6 or any similar provision of any other agreement from a prospective seller or sellers (including the Purchaser) to register at least 10% of the outstanding Common Shares (including as "outstanding" for such purpose any Common Shares issuable upon

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conversion of any outstanding securities of CPI which may then be converted);

(b) if CPI has theretofore registered an offering of Common Shares or other securities which are convertible into or exchangeable for Common Shares under the Securities Act, CPI shall not be obligated to effect any registration under Section 5.5 or Section 5.6 unless it shall have received a request or requests from a prospective seller or sellers (including Purchaser) to register Common Shares with a minimum value of $15 million, based on the current value of shareholder's equity per Common Share as of the December 31 immediately preceding the date of the first such request. For purposes of the preceding sentence, the "current value of shareholder's equity per Common Share" shall be deemed to be the average of the daily closing prices for the thirty consecutive business days commencing no more than forty-five business days before the day in question. The closing price for each day shall be the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Shares are admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the average of highest reported bid and lowest reported asked prices on the over-the-counter market on the day in question as reported by the National Association of Securities Dealers, Inc. Automated Quotation System (or any successor to such system), or a similarly generally accepted reporting service, or if not so available, the "current value of shareholder's equity per Common Share" shall be determined in an appraisal conducted by Landauer Associates, Inc. or such other independent person of recognized standing as shall have been selected by the Trustees of CPI to determine the net asset value of CPI;

(c) CPI shall not be required to register Restricted Shares under the Securities Act pursuant to Section 5.5 or Section 5.6 more than once in any consecutive 12-month period; provided, that if the full number of Restricted Shares covered by a request pursuant to Section 5.5 is

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not in fact sold pursuant to any such registration as a result of the inclusion of any additional outstanding or newly issued securities of CPI in such registration, such registration shall not be counted for purposes of this clause (c) of Section 5.10;

(d) CPI shall not be obligated to effect any registration pursuant to Section 5.5 or Section 5.6 if such registration would require an audit of CPI as of a date other than its fiscal year end unless the seller requesting such registration agrees to bear responsibility for the expenses of such an audit; and

(e) any registration statement prepared pursuant to this Section 5 shall be subject to such restrictions or limitations as may be required by law to the sales price or sales method of the Restricted Shares included in such registration statement; provided, however, that, if upon the effectiveness of any such registration statement CPI will be engaged in a primary distribution of its securities, CPI may require the prospective seller or sellers whose Restricted Shares are included in such registration statement to agree not to sell any such Restricted Shares for a period of 90 days after the effective date of such registration statement.

SECTION 5.11. Indemnification. In the event of any registration of Restricted Shares pursuant to this Section 5, CPI shall indemnify and hold harmless the Purchaser, its officers, directors or trustees and each seller of Restricted Shares covered by a registration pursuant to this Section 5 and each Underwriter of such Restricted Shares and each person, if any, who controls the Purchaser or such seller or Underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities and any action in respect thereof, joint or several, to which the Purchaser or such seller, Underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or

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any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and CPI will reimburse the Purchaser and each such seller, Underwriter and controlling person for any legal or any other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that CPI will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, preliminary prospectus, prospectus or amendment or supplement thereto in reliance upon and in conformity with information furnished to CPI in writing by the Purchaser or such seller specifically for use therein, or by any Underwriter distributing or selling the Restricted Shares of such seller, specifically for use in the preparation thereof. This indemnity will be in addition to any liability which CPI may otherwise have.

A party from whom indemnity may be sought pursuant to the provisions of this Section 5.11 shall not be liable for such indemnity with respect to any claim as to which indemnity is sought unless the party seeking such indemnity shall have notified such indemnifying party in writing of the nature of such claim promptly after such indemnified party becomes aware of the assertion thereof; provided, however, that the failure so to notify such indemnifying party shall not relieve such party from any liability which it may have to such indemnified party otherwise than on account of the provisions of this Section 5.11 or if the failure to give such notice promptly shall not have been prejudicial to such indemnifying party. Any indemnifying party may participate (with counsel reasonably satisfactory to the indemnified party) in, and to the extent that it shall wish, may direct (at its own expense and either individually or jointly with any other indemnifying party), the defense of any suit brought to enforce such claim; provided, that if a party seeking such indemnity shall give notice to such indemnifying party that in its good faith judgment an important general interest of such party is involved in such proceeding, such party seeking indemnity shall have the right to control (at its own expense), with the participation of the indemnifying party, the

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defense against or settlement of any such proceeding. If any indemnifying party elects to assume the defense of any such suit and retains counsel satisfactory to such indemnified party, such indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such suit, other than reasonable costs of investigation. No indemnifying party shall be liable for any compromise or settlement of any such action effected without its consent.

Insofar as the foregoing indemnity agreement may permit indemnification for liabilities under the Securities Act of any person who is a partner or controlling person of an Underwriter within the meaning of Section 15 of the Securities Act and who, at the effective date of the registration statement, is, or is named to be, a Trustee of CPI, if a claim for indemnification for any such liabilities (except payment for expenses incurred in the successful defense of any action, suit or proceeding) is asserted by such a person, CPI will submit to a court of competent jurisdiction (unless in the opinion of counsel for CPI the matter has already been settled by controlling precedent) the question of whether or not such indemnification is against public policy and unenforceable, and such person and CPI will be governed by the final adjudication of such issue.

It shall be a condition precedent to the obligation of CPI to take any action pursuant to Section 5.8 that CPI shall have received an undertaking satisfactory to it from each prospective seller of the Restricted Shares to be registered under each registration pursuant to this Section 5, and from any Underwriter of such Restricted Shares, to indemnify and hold harmless (in the same manner and to the same extent as set forth in the preceding paragraphs of this Section 5.11) CPI and each of its Trustees, officers and "control" persons within the meaning of that term under the Securities Act, against any losses, claims, damages or liabilities to which CPI or any such Trustee, officer or control person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any preliminary prospectus or final prospectus

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contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was in reliance upon and in conformity with information furnished to CPI in writing by such seller or Underwriter, as the case may be, specifically for use therein; and such persons will reimburse CPI and each of its Trustees, officers and control persons for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity will be in addition to any liability which such seller or Underwriter may otherwise have.

SECTION 5.12. 1934 Act Registration. CPI shall cause at least one class of its securities to be registered pursuant to Section 12 of the 1934 Act within 90 calendar days after the effective date of the first registration statement pertaining to Common Shares or other securities which are convertible into or exchangeable for Common Shares filed by CPI under the Securities Act or as otherwise required by the 1934 Act and shall thereafter (i) cause such securities to remain registered under such Section 12, (ii) file within the requisite period of time all reports required to be filed by issuers having securities registered pursuant to such Section 12, (iii) file such other documents as may be required to be filed pursuant to Rule 144 under the Securities Act as a condition to the sale of restricted or control securities and (iv) provide such other information as may be required to be provided pursuant to Rule 144A under the Securities Act as in effect on the date of this Purchase and Exchange Agreement.

CPI covenants that, so long as the Purchaser shall hold any Common Shares or CRC Shares, it will give to the Purchaser prompt written notice of (i) the filing and effectiveness of any registration statement filed by CPI under the 1934 Act pursuant to the preceding paragraph, relating to any class of securities of CPI or CRC, and (ii) the number of shares of such class of securities outstanding at the time such registration statement becomes effective. CPI also covenants that it will furnish to the Purchaser any information which

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it may reasonably require for the purpose of completing Form 144, or any other comparable form, in connection with any proposed sale by the Purchaser pursuant to Rule 144 under the Securities Act, as then in effect, or any other comparable rule, of any Common Share or any CRC Shares.

SECTION 5.13. More Favorable Rights. CPI agrees that if it shall hereafter afford to any person or entity registration rights with respect to Restricted Shares more favorable than those provided in this Section 5, it will forthwith make such more favorable rights available to the Purchaser with respect to the Restricted Shares held by the Purchaser.

SECTION 6. Representations and Warranties.

SECTION 6.1. Representations and Warranties of CPI. CPI (and, with respect to the representations and warranties applicable to it, CRC) represents and warrants to the Purchaser as follows:

SECTION 6.1.1. CPI is a voluntary association of the type commonly known as a business trust duly organized and existing under the laws of the Commonwealth of Massachusetts, has all the requisite power to own and deal with real and other property, conduct its business as it is now conducted and perform this Purchase and Exchange Agreement and is duly qualified to do business and in good standing in Massachusetts and in each jurisdiction, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary. This Purchase and Exchange Agreement has been duly authorized, executed and delivered by CPI and constitutes CPI's legal, valid and binding agreement enforceable against CPI in accordance with its terms (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

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SECTION 6.1.2. The Shares to be delivered to the Purchaser on the Closing Date in accordance with this Purchase and Exchange Agreement will have all the rights and privileges applicable to Series A Shares as provided in the Declaration of Trust and, when so delivered against payment therefor, will be duly authorized, validly issued, fully paid and non-assessable, and the delivery to the Purchaser of certificates for the Shares will pass to the Purchaser good and valid title thereto, free of any Encumbrance.

SECTION 6.1.3. The Declaration of Trust and the Trustees' Regulations of CPI, in the forms certified by the Secretary of CPI and delivered to the Purchaser on the date hereof, are and at the Closing will be in full force and effect.

SECTION 6.1.4. The execution and delivery by CPI of this Purchase and Exchange Agreement, each Assignment Agreement, the Release and the certificates representing the Shares and performance of this Purchase and Exchange Agreement, each Assignment Agreement and the Release and compliance with the provisions hereof and thereof do not and, in the case of the Release and the Assignment Agreements, upon their execution and delivery will not (i) violate any provision of any applicable law or of the Declaration of Trust or Trustees' Regulations, (ii) conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any Encumbrance upon any of the properties or assets of CPI pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which CPI is a party or by which it or any of its properties may be bound or (iii) require any consent under any such material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument other than consents (A) that have been obtained or the procurement of which is a condition to the closing of the transactions contemplated hereby or (B) the failure to obtain of which is not reasonably likely to have a material adverse effect upon the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole

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or the ability of CPI and CRC to consummate the transactions contemplated hereby.

SECTION 6.1.5. CPI has not, either directly or through any agent, offered any Common Shares or other securities for sale, or solicited any orders to buy the same, or otherwise approached or negotiated in respect thereof, in such manner as to require registration under the Securities Act, the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act of such Common Shares, such other securities or any Shares to be sold hereunder.

SECTION 6.1.6. Except as described in the Evaluation Material, there is no action, proceeding or investigation pending or, to the knowledge of CPI, threatened, against CPI in which there is a reasonable possibility of an adverse decision that would materially adversely affect the condition, business or prospects of CPI or any of its properties or assets, or which questions the validity of this Purchase and Exchange Agreement, the Shares, any Assignment Agreement, the Release or any action to be taken pursuant to this Purchase and Exchange Agreement, any Assignment Agreement or the Release.

SECTION 6.1.7. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of CPI is required in connection with the valid execution, delivery and performance of this Purchase and Exchange Agreement, any Assignment Agreement, the Release or the offer, sale and delivery of the Shares, as contemplated hereby.

SECTION 6.1.8. CPI has no present intention of making any public distribution of any equity securities.

SECTION 6.1.9. Each of CPI, CPI's subsidiaries and CRC have filed all Federal tax returns and all material state and local income, franchise and other tax returns, reports and statements required to have been filed to date. All material taxes shown to be due on such returns have been paid. There is no material audit, examination, investigation, dispute or claim

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concerning any taxes of any of CPI, CPI's subsidiaries or CRC raised by any taxing authority in writing or as to which any of the Trustees and officers of CPI, other directors and officers of CPI's subsidiaries and the directors and officers of CRC have actual knowledge. There are no settlements or closing agreements with respect to any taxes of CPI or CRC with respect to which any material amounts remain to be paid. Neither CPI nor CRC is a party to any tax sharing agreement.

SECTION 6.1.10. CPI has endeavored and will endeavor to operate in such manner as to qualify as a real estate investment trust under Sections 856-860 of the Code.

SECTION 6.1.11. The Evaluation Material does not contain any untrue statement of a material fact. The balance sheets of CPI as at December 31, 1995, and June 30, 1996, and the related statements of income, cash flow and shareholders' equity for the twelve months then ended and six months then ended, respectively, included in the Evaluation Material, fairly present the financial condition of CPI as at such dates and the results of operations of CPI for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since June 30, 1996, there has been no material adverse change in the business, operations, financial condition, results of operations or prospects of CPI and its subsidiaries. The balance sheets of the Partnerships (other than Hotel) as at December 31, 1995, and the related statements of income, cash flow and partner capital for the twelve months then ended, previously delivered to the Purchaser, fairly present the financial condition of such Partnerships (taken as a whole) as at such date, and all such balance sheets were prepared in accordance with generally accepted accounting principles consistently applied. Since December 31, 1995, there has been no material adverse change in the business, operations, financial condition, results of operations or prospects of the Partnerships (other than Braintree and Hotel) taken as whole.

SECTION 6.1.12. As of the date of this Purchase and Exchange Agreement, CPI is a REOC

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and, immediately following the consummation of the transactions contemplated hereby and based upon information available to CPI concerning the Purchaser and the holders of CPI's outstanding Common Shares and its other securities, CPI shall not be a "pension-held REIT" within the meaning of Section 856(h) of the Code.

SECTION 6.1.13. CPI in its Federal income tax return for the taxable year ended December 31, 1995, elected to be treated as a Real Estate Investment Trust.

SECTION 6.1.14. CRC is a duly organized and validly existing corporation under the laws of the State of Delaware, has all the requisite power to own and deal with real and other property, and is duly qualified to do business and in good standing in the jurisdiction, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary.

SECTION 6.1.15. Upon its acquisition of the Shares, the Purchaser will also acquire related beneficial interests in the CRC Shares held in the CRC Trust. The CRC Shares held in the CRC Trust are duly authorized, validly issued, fully paid and non-assessable, and the delivery to the Purchaser pursuant to this Purchase and Exchange Agreement of certificates for the Shares will pass to the Purchaser good and valid title to their related beneficial interests in the CRC Shares held in the CRC Trust, free of any Encumbrance except as set forth in Article FOURTH of CRC's Certificate of Incorporation. All but 74.3 of the outstanding CRC Shares are held by the CRC Trust or by the Bank of Montreal Trust Company, as trustee, ratably on behalf of the holders of CPI's outstanding Preference Shares.

SECTION 6.1.16. The execution and delivery by each of CPI and CRC of this Purchase and Exchange Agreement and the certificates representing the Shares and performance of this Purchase and Exchange Agreement and compliance with the provisions hereof do not (i) violate any provision of CRC's Certificate of Incorporation, its By-laws or the Trust Agreement establishing the CRC Trust or (ii) conflict with or result in

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any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of CRC pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which CRC is a party or by which it or any of its properties may be bound or (iii) require any consent under any such material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument other than consents (A) that have been obtained or the procurement of which is a condition to the closing of the transactions contemplated hereby or (B) the failure to obtain of which is not reasonably likely to have a material adverse effect upon the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole or the ability of CPI and CRC to consummate the transactions contemplated hereby.

SECTION 6.1.17. CRC has not, either directly or through any agent, offered any CRC Shares or other securities for sale, or solicited any orders to buy the same, or otherwise approached or negotiated in respect thereof, in such manner as to require registration under the Securities Act, the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act of such CRC Shares, such other securities or any Shares to be sold hereunder.

SECTION 6.1.18. Except as described in the Evaluation Material, there is no action, proceeding or investigation pending or, to the knowledge of CPI, threatened, against CRC in which there is a reasonable possibility of an adverse decision that would materially adversely affect the condition, business or prospects of CPI and CRC taken as a whole, or which questions the validity of this Purchase and Exchange Agreement, the CRC Shares or any action taken by CPI or CRC pursuant to this Purchase and Exchange Agreement.

SECTION 6.1.19. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of CRC is required in connection with the valid execution, delivery and

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performance of this Purchase and Exchange Agreement or the issuance for deposit in the CRC Trust of CRC Shares as contemplated hereby.

SECTION 6.1.20. CRC has no present intention of making any public distribution of any CRC Shares.

SECTION 6.1.21. The financial information concerning CRC set forth in the Annual Report and Six Month Report of CPI included in the Evaluation Material fairly summarizes the financial condition of CRC at such dates and the results of operations of CRC for the periods indicated in such information, all in accordance with generally accepted accounting principles consistently applied. Since June 30, 1996, there has been no adverse change in the business, operations, financial condition, results of operations or prospects of CRC and its subsidiaries that are material in the context of CPI (and its subsidiaries) and CRC, taken as a whole.

SECTION 6.1.22. CPI is not in violation of any provision of its Declaration of Trust or Trustees' Regulations. CRC is not in violation of any provision of the CRC Trust.

SECTION 6.1.23. CRC is not in violation of any provision of its Certificate of Incorporation or By-laws.

SECTION 6.1.24. The Certificate of Incorporation of CRC, as amended, in the form certified by the Secretary of CRC and heretofore delivered to the Purchaser, is and at the Closing will be in full force and effect.

SECTION 6.1.25. The CRC Trust Agreement in the form certified by the Secretary of CRC and heretofore delivered to the Purchaser, is and at the Closing will be in full force and effect.

SECTION 6.1.26. The total number of Preference Shares which CPI shall have authority to issue shall be 209,249 and the total number of Common Shares which CPI shall have authority to issue shall be 36,089,872 Common Shares plus such number (if any) of additional Common Shares as shall be required for issuance pursuant to Share

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Purchase Contracts entered into under CPI's 1994 Plan for Shareholder Contractual Purchases of Shares (the "1994 Plan") and 1997 Plan for Shareholder Contractual Purchases of Shares (the "1997 Plan"); provided, however, that (a) upon the issuance of all Common Shares issuable pursuant to the terms of Share Purchase Contracts entered into under the 1994 Plan (the "1994 Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,105,894 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to November 1, 1996, pursuant to such 1994 Contracts; (b) upon the issuance of all Common Shares issuable pursuant to the terms of Share Purchase Contracts entered into under the 1997 Plan (the "1997 Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,100,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to January 1, 1997, pursuant to such 1997 Contracts; (c) upon the issuance of all Common Shares issuable pursuant to all Employee Share Purchase Plan Contracts entered into under CPI's Employee Share Purchase Plan, as amended ("Employee Contracts"), the number of Common Shares authorized to be issued as aforesaid shall be reduced by the excess (if any) of 12,513 (as adjusted to reflect non-vested shares acquired by CPI) over the total number of authorized but unissued Common Shares as shall then have been issued subsequent to June 15, 1994, pursuant to Employee Contracts; (d) upon the issuance of all Common Shares issuable pursuant to Share Purchase Agreements providing for the issuance of up to 1,788,948 Common Shares directly, or upon the conversion or exchange of securities convertible into or exchangeable for Common Shares, the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,788,948 over the number of authorized but unissued Common Shares as shall have been issued subsequent to November 1, 1996 pursuant to such Share Purchase Agreements; (e) upon the termination or expiration of the Trust's 1993 Share Option Plan for Employees and all options granted thereunder ("1993 Share Options"), the number of Common Shares authorized to be issued as aforesaid shall be reduced by the excess (if any) of 1,000,000

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over the total number of Common Shares as shall then have been issued upon the exercise of 1993 Share Options granted on or after November 2, 1993; (f) upon the issuance of all Common Shares issuable upon conversion of the First Series Preference Shares, the number of Common Shares authorized to be issued as aforesaid shall be reduced by the excess (if any) of 1,600,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to June 15, 1994 upon conversion of such First Series Preference Shares; (g) upon the issuance of all Common Shares issuable in exchange for interests in properties (whether direct or indirect through ownership of interests in legal entities) pursuant to contracts entered into on or before January 31, 1997 ("Bellwether Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any), of 6,000,000 over the number of authorized but unissued Common Shares as shall have been issued subsequent to November 1, 1996 pursuant to such Bellwether Contracts; and (h) upon the issuance of all Common Shares (excluding those utilized in (g) above) issuable in exchange for interests in Longstreet Associates L.P., a New York limited partnership (or in a successor to the assets thereof or in the underlying assets thereof), on or before December 31, 2000 ("Longstreet Exchanges"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,800,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to November 1, 1996 pursuant to such Longstreet Exchanges. As of November 14, 1996 there were outstanding 21,189,229 Common Shares (excluding 404,967 Common Shares held by CPI in its treasury), 209,249 Preference Shares and 2,270,120.9 shares of common stock of CRC. Since November 14, 1996, neither CPI nor CRC has effected any change in its authorized classes of beneficial interest (whether by way of reclassification, recapitalization, subdivision, stock splits or otherwise). Neither CPI nor CRC is required to file, pursuant to the requirements of Section 12 of the 1934 Act, a registration statement relating to any of its securities.

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SECTION 6.1.27. Since January 1, 1975, CPI has been, and CPI continues to be, primarily engaged directly in the management or development of real estate.

SECTION 6.1.28. Schedule 6.2.1 contains a correct and complete list of all of the organizational documents of each of the Partnerships, true and correct copies of which have been delivered to the Purchaser.

SECTION 6.1.29. Attached as Schedules 6.1.29(a) and 6.1.29(b) are the current budget and schedule of estimated draw-down dates for the Braintree Expansion, respectively. As of the date of this Purchase and Exchange Agreement, Braintree's partners have made cash contributions to Braintree with respect to the Braintree Expansion in an aggregate amount equal to $130,902,043, of which CPI and the Purchaser have contributed $39,270,613 and $91,631,430 respectively, in cash.

SECTION 6.1.30. All conditions to the transfer of the Partnership Interests have been met and neither any such transfer nor any other transaction contemplated hereby is a violation or breach of any of the Partnership Agreements or any other agreement, contract or understanding to which any Partnership is a party or by which it or any of its assets may be bound.

SECTION 6.1.31. CPI (a) will acquire the Partnership Interests for the purpose of investment and not with a view to, or for sale in connection with, the public distribution thereof, nor with any present intention of publicly distributing the same and (b) is familiar with the business and operations of the Partnerships and has conducted its own due diligence investigation with respect thereto.

SECTION 6.1.32. CPI, in its capacity as general partner of the Partnerships, does not have actual knowledge of any contingent or other liabilities of the Partnerships that are not reflected in the financial statements of the Partnerships referred to in Section 6.1.11 and that are reasonably likely to have a material adverse effect upon the Purchaser as a withdrawing

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limited partner of the Purchaser's Partnerships. To the actual knowledge of CPI, in its capacity as general partner of the Partnerships, the Purchaser has satisfied all of its obligations under each of the Partnerships from which it is withdrawing in connection with the transactions contemplated hereby.

SECTION 6.1.33. Each of CPI and CRC are in compliance in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities except where the failure to comply therewith would not, together with all other such failures, reasonably be expected to have a material adverse effect on the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole.

SECTION 6.2. Representations and Warranties of Purchaser. The Purchaser hereby represents and warrants to CPI as follows:

SECTION 6.2.1. To the Purchaser's knowledge, Schedule 6.2.1 contains a correct and complete list of all of the organizational documents of each of the Partnerships. The Purchaser owns the Partnership Interests free and clear of all Encumbrances other than those contained in the documents set forth in Schedule 6.2.1.

SECTION 6.2.2. The Trust Company is duly organized and existing under the laws of the Commonwealth of Massachusetts and is duly appointed and acting as the sole trustee of the Telephone Real Estate Equity Trust, the Purchaser has all the requisite power to own and deal with its real and other property, conduct its business as it is now conducted and perform this Purchase and Exchange Agreement, each Assignment Agreement and the Release and is duly qualified to do business and in good standing in each jurisdiction, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary. The Purchaser is the successor-in-interest to the Trust Company, as Trustee for the Bell System Trust ("Bell") in respect of all rights and claims of Bell in, to or against the Partnerships, whether as a partner, creditor, beneficiary or other claimant. This

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Purchase and Exchange Agreement has been duly authorized, executed and delivered by Purchaser and each of the Assignment Agreements and the Release has been duly authorized by Purchaser and shall be duly executed and delivered by Purchaser at the Closing and this Purchase and Exchange Agreement and each Assignment Agreement (upon its execution and delivery) and the Release (upon its execution and delivery) constitute (or will constitute upon execution and delivery) Purchaser's legal, valid and binding agreement enforceable in accordance with its terms (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

SECTION 6.2.3. The execution and delivery by Purchaser of this Purchase and Exchange Agreement, each of the Assignment Agreements and the Release and the performance of this Purchase and Exchange Agreement, each of the Assignment Agreements and the Release, and compliance with the provisions hereof and thereof do not and, in the case of the Release and the Assignment Agreements, upon their execution and delivery will not (i) violate any provision of ERISA, or any other applicable law or of the organizational documents of the Purchaser or (ii) conflict with or result in any breach of any of the terms, conditions or provisions of or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of Purchaser pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which Purchaser is a party or by which it or any of its properties may be bound.

SECTION 6.2.4. There is no action, proceeding or investigation pending or, to the knowledge of Purchaser, threatened, against Purchaser in which there is a reasonable possibility of an adverse decision that questions

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the validity of this Purchase and Exchange Agreement, any Assignment Agreement, the Release, the Partnership Interests or any action to be taken pursuant to this Purchase and Exchange Agreement.

SECTION 6.2.5. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of Purchaser is required in connection with the valid execution, delivery and performance of this Purchase and Exchange Agreement, any Assignment Agreement, the Release, Purchaser's sale, assignment, transfer and conveyance of the Partnership Interests or Purchaser's acquisition of the Shares, all as contemplated hereby.

SECTION 7. Applicability of Declaration of Trust. Notwithstanding any other provisions of this Purchase and Exchange Agreement, the rights of the Purchaser to hold and transfer the Shares shall at all times be subject to the provisions of Sections 5.12, Purchasers Disclosures; Redemption of Shares, and 5.13, Right to Refuse to Transfer Shares; Certain Transfers Void, of the Declaration of Trust of CPI and to all rights granted to the Trustees of CPI thereunder.

SECTION 8. Assignment. This Purchase and Exchange Agreement may not be assigned by CPI or the Purchaser prior to the Closing Date without, in the case of a transfer by the Purchaser, the consent of CPI and, in the case of a transfer by CPI, the consent of the Purchaser. After the Closing Date, all representations, warranties, covenants and agreements contained in this Purchase and Exchange Agreement shall bind and inure to the benefit of CPI and the Purchaser and their respective successors and assigns (including without limitation transferees of any or all Shares to be purchased hereunder by the Purchaser if such transferees acquired such Shares prior to the public offering thereof), except as any provision may by its terms be otherwise limited. After the Closing Date, the Purchaser shall not assign this Purchase and Exchange Agreement or any of its rights, privileges or obligations hereunder to any party other than such a transferee without the prior written consent of CPI.

SECTION 9. Governing Law. This Purchase and Exchange Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State

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of New York, without regard to the principles of the conflicts of laws thereof.

SECTION 10. Jurisdiction; Consent to Service of Process. (a) Each of the Purchaser and CPI hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Purchase and Exchange Agreement, or for recognition or enforcement of any judgment, and CPI and the Purchaser hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. CPI and the Purchaser agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Purchase and Exchange Agreement shall affect any right that the Purchaser or CPI may otherwise have to bring any action or proceeding relating to this Purchase and Exchange Agreement against the other or its properties in the courts of any jurisdiction.

(b) CPI and the Purchaser hereby irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Purchase and Exchange Agreement in any New York State or Federal court sitting in New York City. CPI and the Purchaser hereby irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) CPI and the Purchaser irrevocably consent to service of process in the manner provided for notices in Section 13. Nothing in this Purchase and Exchange Agreement will affect the right of any party to this Purchase and Exchange Agreement to serve process in any other manner permitted by law.

SECTION 11. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Purchase and Exchange Agreement. Each party hereto (a) certifies that no

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representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other party hereto have been induced to enter into this Purchase and Exchange Agreement by, among other things, the mutual waivers and certifications in this Section 11.

SECTION 12. Brokers Fees. The Purchaser shall indemnify CPI and CPI shall indemnify the Purchaser against any claim for brokerage or other commissions relative to this Purchase and Exchange Agreement or to the transactions contemplated hereby based in any way on agreements, arrangements or understandings made or alleged to have been made by the indemnifying party.

SECTION 13. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered or mailed by first-class registered or certified mail (air mail when being sent outside the United States) postage prepaid, addressed (a) if to the Purchaser, at its address set forth in Exhibit A hereto, or at such other address as may be furnished in writing by the Purchaser to CPI, or (b) if to CPI, Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, N.Y. 10017, or at such other address as CPI shall have furnished to the Purchaser in writing.

SECTION 14. Survival of Provisions. The representations, warranties and covenants set forth in Sections 2, 4, 5, 6, 7, 12 and 15 shall survive the purchase of Shares under this Purchase and Exchange Agreement.

SECTION 15. Expenses. Except as otherwise provided herein, each of CPI and the Purchaser shall bear its own respective direct and indirect costs and expenses incurred by it in connection with the negotiation, preparation, execution and performance of this Purchase and Exchange Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated, including, without limitation, all fees and of agents, representatives, counsel, accountants and, in the case of the Purchaser, the fees and expenses of Morgan Stanley & Co. Incorporated. Notwithstanding the foregoing, any and all transfer, documentary, gains, recording, sales and use taxes and charges, and any other similar liabilities to governmental authorities, incurred with respect to the transactions contemplated hereby shall be borne equally by CPI and the Purchaser.

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SECTION 16. Entire Agreement; Section Headings. This Purchase and Exchange Agreement sets forth the entire agreement of the parties hereto, and supersedes the provisions of any prior agreement or understanding of the parties hereto, with respect to the subject matter hereof. The descriptive headings of the several sections of this Purchase and Exchange Agreement are inserted for convenience only and do not constitute a part of this Purchase and Exchange Agreement.

SECTION 17. Counterparts. This Purchase and Exchange Agreement may be executed in counterparts, each of which shall be an original.

The Purchaser understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons

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shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

Very truly yours,

CORPORATE PROPERTY INVESTORS,

by /s/ Corporate Property Investors

Name:
Title:

CORPORATE REALTY CONSULTANTS, INC.,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

Accepted and agreed to:

STATE STREET BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust,

by /s/ State Street Bank and Trust Company

Name:
Title:

Exhibit A

Name and Address
of Purchaser
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The State Street Bank and Trust
Company, not in its individual
capacity but solely as trustee for
Telephone Real Estate Equity Trust
c/o AT&T
One Oak Way
Berkeley Heights, NJ 07922
Attn: Mr. Joseph Russo

Exhibit B

Assignment Agreements

[Form of]

PARTNERSHIP INTEREST ASSIGNMENT

This Partnership Interest Assignment ("Assignment") is made on [the Closing Date] by and between STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust ("Assignor"), and [ ](1) ("Assignee"), with reference to the following:

A. Assignor owns the rights of State Street Bank and Trust Company, in its capacity either as Trustee of the Telephone Real Estate Equity Trust (successor-in-interest to the Bell System Trust), that are set forth in those agreements and other documents listed on Schedule A annexed hereto (collectively, the "Partnership Agreement"), which constitutes the organizational documents of [Name of Partnership], a [ ] limited partnership (the "Partnership"), as amended to the date hereof.

B. Assignor now wishes to assign to Assignee all of Assignor's interest in and to the Partnership and the Partnership Agreement and to cause Assignee to become a substituted limited partner of the Partnership in the place and stead of Assignor.

NOW, THEREFORE, the parties agree as follows:

1. Assignment. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns and transfers to Assignee, its successors and assigns, effective as of the date hereof, all of Assignor's right, title and interest (whether as partner, creditor, beneficiary or other claimant) in and to the Partnership, the Partnership Agreement and all of the Partnership's rights, interests and assets of any nature whatsoever, whether now existing or hereafter arising, including, without limitation, all of Assignor's right, title and interest in and to all distributions of cash or property made by the Partnership after the date hereof, all of Assignor's rights to the repayment of any moneys advanced or otherwise lent to the

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(1) Designee of CPI.

Partnership that have not been repaid as of the date hereof, all of Assignor's right, title and interest in and to all allocations of profits, losses and tax credits for tax purposes arising with respect to Assignor's interest in the Partnership after the date hereof and all of Assignor's capital account attributable to Assignor's interest in the Partnership (all of the foregoing being collectively referred to herein as the "Partnership Interest").

2. Substitution of Assignee as Limited Partner. Assignor and Assignee intend that, effective as of the date hereof, Assignee shall be substituted as a limited partner in the Partnership in the place and stead of Assignor. Upon Assignee's request, Assignor shall execute and deliver to each of the remaining partners in the Partnership and to Assignee an amendment to the Partnership Agreement, in form and substance reasonably satisfactory to each of the remaining partners and Assignee, effecting the substitution of Assignee from and after the date hereof in the place and stead of Assignor as a partner of the Partnership.

3. Acceptance and Assumption. Effective as of the date hereof, Assignee hereby accepts the assignment to it of all of Assignor's right, title and interest in and to the Partnership Interest, hereby agrees to become a substituted limited partner in the Partnership from and after the date hereof in the place and stead of Assignor and, to the extent of the Partnership Interest and as otherwise provided by law, hereby assumes and agrees to be bound by all of the obligations of Assignor under the Partnership Agreement arising after the date hereof, whether known or unknown, fixed or contingent and howsoever arising; provided, however, that the liabilities and obligations assumed by Assignee hereunder do not include (i) any claims related to Federal, state or local income, franchise, sales, property, transfer, document recording or other taxes of Assignor or the Partnership accruing prior to the date hereof or by reason of the assignment and transfer contemplated hereby or (ii) any other liabilities or obligations of Assignor or the Partnership accruing prior to the date hereof.

4. Further Assurances. Assignor shall, at any time and from time to time after the date hereof, upon the request of Assignee, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances, and take all such further actions, as shall be necessary or desirable to give effect to the transactions hereby consummated and to collect and reduce to the possession of Assignee any and all

of the interests and assets hereby transferred to Assignee. Without limiting the generality of the foregoing, Assignor hereby appoints Assignee, and its nominees, successors and assigns, the true and lawful attorney of Assignor, with full power of substitution, in the name of Assignee or in the name of Assignor but for the benefit and at the expense of Assignee, to demand and receive from time to time the benefits of the right and title to the Partnership Interest hereby conveyed, transferred and assigned, to give receipts and releases for and in respect of the same, or any part thereof, and from time to time to institute and prosecute in the name of Assignor or otherwise, for the benefit of Assignee, any and all proceedings at law, in equity or otherwise, which Assignee, its nominees, successors or assigns, may deem proper in order to collect, assert or enforce the right or title to the Partnership Interest hereby conveyed, transferred and assigned, or intended so to be, to defend and compromise any and all actions, suits or proceedings in respect of the Partnership Interest, and to do any and all such acts and things in relation thereto as Assignee, its nominees, successors or assigns, shall deem advisable; Assignor hereby declaring that the appointment hereby made and the powers hereby granted are coupled with an interest and are and shall be irrevocable by Assignor.

5. Counterparts. This Assignment may be executed in counterparts with the same effect as if all parties hereto had executed the same document. All counterparts shall be construed together and shall constitute a single Assignment.

6. Governing Law. This Assignment shall be construed and interpreted in accordance with, and governed and enforced in all respects by, the laws of the State of [ ] without giving effect to the conflict of laws principles of such State.

Assignor understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons

shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Partnership Interest Assignment as of the date and year first above written.

STATE STREET BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust,

by

Name:
Title:

[ASSIGNEE],

by

Name:
Title:

Consent to Assignment:

The undersigned, as general partner of the Partnership referred to above, hereby consents to the foregoing assignment.

[GENERAL PARTNER],

by

Name:
Title:

NOTARIAL ACKNOWLEDGMENTS

[To be Attached]

Schedule A
to
Assignment

ORGANIZATIONAL DOCUMENTS

[This schedule will contain the same items listed on Schedule 6.2.1 to the Purchase and Exchange Agreement]

Exhibit C

[Form of]

GENERAL RELEASE

In consideration of, among other things, the premises and mutual covenants contained in that certain Purchase and Exchange Agreement (the "Agreement") dated as of November 15, 1996, between Corporate Property Investors, a voluntary association of the type commonly known as a Massachusetts business trust ("CPI"), and State Street Bank and Trust Company, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust, a trust organized and existing under the laws of the State of New York (the "Purchaser"), and the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Each of CPI (both individually and in its capacity as a general partner of the Partnerships) and Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"), hereby forever releases and discharges the Purchaser, any beneficiary of the Purchaser, AT&T Investment Management Corporation and their respective, trustees, directors, officers and employees (collectively, the "Purchaser Releasees") from, and waives and relinquishes any and all claims, demands, debts, liabilities, obligations, actions, causes of action, suits, sums of money, accounts, reckonings, covenants, contracts, controversies, agreements, promises and rights whatsoever, whenever arising, known or unknown, suspected or unsuspected, contingent or fixed, liquidated or unliquidated, matured or unmatured, in law, equity or otherwise (collectively, "Claims") that CPI or CRC ever had, now has, or hereafter can, shall or may have against the Purchaser Releasees for, upon, or by reason of any matter, cause, transaction or thing whatsoever occurring at any time prior to the date hereof including, without limitation, any additional capital contributions to any of the Partnerships accruing on or after the date hereof (except for the capital contribution being made on November 15, 1996 pursuant to Section 3.2(g) of the Agreement); provided, however, that nothing contained herein shall be deemed to release any person from its obligations under the Agreement, the Assignment Agreements or any other

documents delivered pursuant to the express provisions thereof or to release the Purchaser from any obligations to CPI under any written agreement pursuant to which the Purchaser or any predecessor in interest acquired Common Shares or Preference Shares.

3. The Purchaser (in its capacity as a limited partner of the Partnerships and otherwise in its capacity as a trustee for the Telephone Real Estate Equity Trust) hereby forever releases and discharges each of CPI, CRC, all of their respective subsidiaries and partners, and all the respective trustees, directors, officers and employees of each of them (collectively, the "CPI Releasees") from, and waives and relinquishes any and all Claims that Purchaser ever had, now has, or hereafter can, shall or may have against the CPI Releasees for, upon or by reason of, any matter, cause, transaction or thing whatsoever occurring at any time prior to the date hereof; provided, however, that nothing contained herein shall be deemed to release any person from its obligations under the Agreement, the Assignment Agreements or any other documents delivered pursuant to the express provisions thereof or to release CPI or CRC from any obligations to the Purchaser (i) under any written agreement pursuant to which the Purchaser or any predecessor in interest acquired Common Shares or Preference Shares or (ii) that may arise solely by virtue of the Purchaser's ownership of any such Common Shares or Preference Shares.

4. This Release shall be binding upon the parties hereto and their respective successors and permitted assigns. No party hereto may assign either this Release or any of its rights, interests or obligations hereunder without the prior written approval of the other party.

5. This Release constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. It is expressly understood and agreed that this Release may not be altered, amended, modified or otherwise changed in any respect whatsoever, except by a writing duly executed and delivered by all of the parties hereto.

6. THIS RELEASE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, AND GOVERNED AND ENFORCED IN ALL RESPECTS BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE. THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREE TO SUBMIT TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND TO WAIVE ANY OBJECTION AS TO VENUE IN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN CONNECTION

WITH ALL MATTERS RELATING TO THIS RELEASE AND/OR THE CLAIMS. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS RELEASE. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS RELEASE BY, AMONG OTHER THINGS THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.

7. If any provisions of this Release are determined by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, the remaining provisions, and any partially invalid or unenforceable provisions, to the extent valid and enforceable, shall nevertheless be binding and valid and enforceable.

8. This Release may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

9. This Release shall not be effective unless and until executed by all of the parties hereto.

10. The Purchaser understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Release as of the ____ day of November, 1996.(1)

CORPORATE PROPERTY INVESTORS,

By:

Name:
Title:

- ----------

(1) This Release should be dated as of the Closing Date.

CORPORATE REALTY CONSULTANTS, INC.,

By:

Name:
Title:

STATE STREET BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee of the Telephone Real Estate Equity Trust,

By:

Name:
Title:

Exhibit D

Statement pursuant to Treasury
Regulation Section 1.897-2(h)

In accordance with Treasury Regulation Section 1.897-2(h), Corporate Property Investors, a Massachusetts business trust ("CPI"), hereby states that its Series A Common Shares do not represent a "United States real property interest" within the meaning of Section 897(c) of the Internal Revenue Code of 1986, as amended (the "Code"), because CPI has determined based upon its corporate records that it currently is a "domestically-controlled REIT" within the meaning of Section 897(h)(4)(B) of the Code.

Under penalties of perjury, I declare that (i) I have examined this statement, (ii) to the best of my knowledge and belief, this statement is true, correct and complete and (iii) I have authority to sign this statement on behalf of CPI.

Dated: _____

By:

Name:
Title:

Subscribed to and sworn
before me this __ of
_____, 1996.

State of New York
County of New York

- ----------
Notary Public

[Seal]

SCHEDULE 1

Computation of Working Capital Values

As used on the preceding page, "Undistributed C/F - Per Partnership Equity" means (x) income before extraordinary items plus depreciation less principal payments on mortgages, for the period commencing on January 1, 1996, and ending on the Closing Date, all computed in accordance with generally accepted accounting principles applied consistently with the most recently prepared audited financial statements, minus (y) all distributions of "Net Cash Flow" or "Excess Cash Available" actually made in respect of such period on or before the Closing Date.

SCHEDULE 6.1.29(a)

Braintree Expansion Budget

SCHEDULE 6.1.29(b)

Braintree Expansion Scheduled Drawdown Dates and Amounts(1)

December 1, 1996	$15,000,000
February 1, 1997	15,000,000
May 1, 1997	5,175,214

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(1) Scheduled dates and amounts are estimates only. Amounts are aggregate amounts to be contributed by the partners of Braintree.

SCHEDULE 6.2.1

Partnership Interests(2)

1. Bellwether Properties I, Limited Partnership, a Massachusetts limited partnership.

a. Agreement and Certificate of Limited Partnership of Bellwether Properties I, Limited Partnership dated as of October 15, 1984.

2. Bellwether Properties II, Limited Partnership, a Massachusetts limited partnership.

a. Agreement and Certificate of Limited Partnership of Bellwether Properties II, Limited Partnership dated as of October 15, 1984.

3. Braintree Property Associates, L.P., a Massachusetts limited partnership.

a. Agreement and Certificate of Limited Partnership of Braintree Property Associates, L.P. dated as of November 24, 1981.

4. EMI Cambridge Limited Partnership, a Massachusetts limited partnership.

a. Agreement and Certificate of Limited Partnership of EMI Cambridge Limited Partnership dated as of December 13, 1982.

b. Amended and Restated Agreement and Certificate of Limited Partnership of EMI Cambridge Limited Partnership dated as of July 18, 1983.

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(2) This schedule contains a list of the documents that Cravath has in its files to date.

5. EMI Santa Rosa Limited Partnership, a California limited partnership.

a. Agreement and Certificate of Limited Partnership of EMI Santa Rosa Limited Partnership dated as of January 18, 1983.

6. EMI Two Limited Partnership, a Connecticut limited partnership.

a. Amended and Restated Agreement and Certificate of Limited Partnership of EMI Two Limited Partnership dated as of August 9, 1984.

b. Amendment No. 1 to Partnership Agreement dated as of December 15, 1995.

c. Second Amended and Restated Certificate of Limited Partnership of EMI Two Limited Partnership dated as of March 1, 1996.

7. Longstreet Associates L.P., a New York limited partnership.

a. Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

b. Certificate of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

c. First Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 29, 1982.

d. Second Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of January 3, 1983.

e. Third Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of February 4, 1987.

f. Partnership Interest Assignment dated as of December 27, 1990.

g. Partnership Interest Assignment dated as of December 27, 1990.

h. Fourth Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 27, 1990.

i. Letter Agreements dated November 14, 1990, December 11, 1990, December 19, 1990, December 27, 1990, February 11, 1991, March 8, 1991, June 6, 1991, September 11, 1991, January 10, 1992, June 14, 1992, December 14, 1992 and May 18, 1994.

8. Cambridge Hotel Associates, a Pennsylvania limited partnership.

a. Cambridge Hotel Associates Agreement of Limited Partnership dated as of January 18, 1984.

b. Letter Agreement dated October 19, 1995.

EXHIBIT 10.40

REDEMPTION AGREEMENT

REDEMPTION AGREEMENT dated as of December 31, 1996 (together with the Exhibits and Schedules hereto, this "Agreement"), between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("CPI") and RODAMCO NORTH AMERICA B.V., a Netherlands company with limited liability ("Rodamco").

Preliminary Statement

A. HRE Finance Inc., a Delaware corporation ("HRE"), and Wevervink B.V., a Netherlands company with limited liability, are direct or indirect subsidiaries of Rodamco (the "Rodamco Subsidiaries") and collectively are the record owners of 2,603,158 voting Series A Common Shares of Beneficial Interest in CPI (the "CPI Shares") and beneficial interests in 260,315.8 shares (the "CRC Shares") of Common Stock of Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"; the CRC Shares, together with the CPI Shares being referred to herein collectively as the "Rodamco Shares"). The Rodamco Subsidiaries have assigned certain beneficial interests in the CPI Shares to the following Delaware corporations, which are indirect subsidiaries of Rodamco and direct subsidiaries of Hexalon Real Estate, Inc. (the "HRE Subsidiaries"): HRE North Star, Inc., HRE San Antonio, Inc., HRE Maplewood, Inc., HRE Minneapolis, Inc., HRE Countryside, Inc., and HRE Clearwater, Inc.

B. CPI-North Star Corporation, a Delaware corporation and a wholly owned subsidiary of CPI, is the sole general partner ("CPI-North Star Corporation"), and CPI is the sole limited partner, of CPI-North Star Associates Limited Partnership, a Delaware limited partnership ("CPI- North Star") which owns a 62.5% partnership interest in The North Star Mall Joint Venture, a New York general partnership ("North Star Venture"). CPI-Countryside Corporation, a Delaware corporation and a wholly owned subsidiary of CPI ("CPI-Countryside Corporation"), is the sole general partner, and CPI is the sole limited partner, of Bellwether Properties of Florida (Limited), a Florida limited partnership ("Bellwether Florida"). CPI-Maplewood Corporation, a Delaware corporation and a wholly owned subsidiary of CPI ("CPI-Maplewood Corporation"), is the sole general partner, and CPI is the sole limited partner, of

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Maplewood Mall Associates Limited Partnership, a Delaware limited partnership ("Maplewood"). CPI-North Star Corporation, CPI-Countryside Corporation and CPI-Maplewood Corporation are each referred to herein individually as a "CPI Subsidiary" and collectively as the "CPI Subsidiaries"; CPI-North Star, Bellwether Florida and Maplewood are each referred to herein individually as a "Partnership" and collectively as the "Partnerships"; the interests of CPI and the CPI Subsidiaries in the Partnerships are each referred to herein as a "Partnership Interest" and collectively as the "Partnership Interests".

C. The North Star Venture owns certain real property interests in a shopping center located in San Antonio, Texas commonly known as North Star Mall ("North Star Mall"). Bellwether Florida owns certain real property interests in a shopping center located in Pinellas County, Florida commonly known as Countryside Mall ("Countryside Mall"). Maplewood owns certain real property interests in a shopping center located in Maplewood, Minnesota and commonly known as Maplewood Mall ("Maplewood Mall"; and, collectively with North Star Mall and Countryside Mall, the "Malls").

D. Rodamco and CPI have agreed that (i) Rodamco shall cause the Rodamco Subsidiaries to assign and transfer the Rodamco Shares to CPI and in exchange (ii) CPI shall transfer and shall cause the CPI Subsidiaries to transfer their respective Partnership Interests to one or more of the HRE Subsidiaries, all upon the terms and conditions as set forth in this Agreement (collectively the "Exchange Transactions").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Exchange Transactions

SECTION 1.01. Subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the First Closing (as hereinafter defined) (a) Rodamco shall (i) cause the Rodamco Subsidiaries and the HRE Subsidiaries to exchange, convey, assign, transfer and deliver to CPI, and CPI shall receive and accept all of their respective right, title and interest in and to, the CRC Shares and 1,514,215 of the CPI Shares (collectively, the "Initial Rodamco Shares") and (ii) deliver each of the documents

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listed in Section 3.02(b) to be delivered by Rodamco on or prior to the First Closing Date, (b) (i) CPI shall, and shall cause CPI-Countryside Corporation to, exchange, convey, assign, transfer and deliver to HRE Countryside, Inc., and HRE Clearwater, Inc., and HRE Countryside, Inc., and HRE Clearwater, Inc., shall receive and accept all right, title and interest in and to the Partnership Interests of CPI and CPI-Countryside Corporation in Bellwether Florida and (ii) CPI shall, and shall cause CPI- Maplewood Corporation to, exchange, convey, assign, transfer and deliver to HRE Maplewood, Inc., and HRE Minneapolis, Inc., and HRE Maplewood, Inc., and HRE Minneapolis, Inc. shall receive and accept all right, title and interest in and to the Partnership Interests of CPI and CPI-Maplewood Corporation in Maplewood and (c) CPI shall (i) pay to Rodamco or its designee $11,447,000 (less the $850,000 credit due CPI pursuant to Section 2.05) by wire transfer of Federal funds to an account designated by Rodamco in a written notice to CPI (the "Cash Payment") in each case in consideration for the CRC Shares and the CPI Shares included in the Initial Rodamco Shares in accordance with the allocation set forth on Schedule 1.01 and (ii) deliver each of the documents listed in Section 3.02(a) to be delivered by CPI on or prior to the First Closing Date.

SECTION 1.02. Subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Second Closing (as hereinafter defined) (a) Rodamco shall (i) cause the Rodamco Subsidiaries and the HRE Subsidiaries to exchange, convey, assign, transfer and deliver to CPI and CPI shall receive and accept all of their respective right, title and interest in and to 1,088,943 of the CPI Shares (the "Remaining Rodamco Shares") and (ii) deliver each of the documents listed in Section 3.03(b) to be delivered by Rodamco on or prior to the Second Closing Date and (b) CPI (i) shall, and shall cause CPI-North Star Corporation to, exchange, convey, assign, transfer and deliver to HRE North Star, Inc., and HRE San Antonio, Inc., and HRE North Star Inc., and HRE San Antonio, Inc. shall receive and accept, all right, title and interest in and to the Partnership Interests of CPI and CPI-North Star Corporation in CPI-North Star, in consideration for the Remaining Rodamco Shares in accordance with the allocation set forth on Schedule 1.01 and (ii) shall deliver each of the documents listed in Section 3.03(a) to be delivered by CPI on or prior to the Second Closing Date.

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ARTICLE II

Expenses

SECTION 2.01. Each of Rodamco and CPI shall pay 50% of all costs, fees and expenses of (a) the examination of title and issuance by First American Title Insurance Company (the "Title Company") of standard ALTA Owners' policies of title insurance insuring the owning Partnership's interest in (i) Bellwether Florida for $116,000,000 and (ii) Maplewood for $86,300,000; provided that Rodamco shall pay all costs related to any special endorsements (other than non-imputation endorsements) or other coverage requested by it and (b) basic ALTA/ACSM minimum standard detail surveys of Maplewood Mall and Countryside Mall, provided that Rodamco shall pay all survey costs related to any "Table A" survey items it may request.

SECTION 2.02. Each of CPI and Rodamco shall pay in a timely manner 50% of all state and local recording, documentary stamp, "intangibles", realty or stock transfer, recording and/or sales and other transactional taxes (other than income or capital gains taxes) due or ultimately determined to be due in connection with or in respect of the Exchange Transactions. Rodamco shall have no liability in respect of any excise taxes incurred by CPI pursuant to Section 4981 of the Internal Revenue Code (or similar state or local tax laws) as a consequence of the Exchange Transactions.

SECTION 2.03. Each of CPI and Rodamco shall pay 50% of (a) the fees and expenses of Lazard Freres & Co. L.L.C. in connection with its representation of CPI with respect to the Exchange Transactions and its advice to CPI and its Board of Trustees regarding the fairness to CPI from a financial point of view of the Exchange Transactions in the amount of $750,000 plus expenses and (b) the fees and expenses of counsel to CPI and Rodamco in connection with the Exchange Transactions; provided that Rodamco shall pay 100% of any such fees and expenses of its counsel incurred in connection with Rodamco's due diligence review with respect to the Exchange Transactions.

SECTION 2.04. Each of CPI and Rodamco shall pay 50% of the fees and expenses of Clayton Environmental Consultants, Inc., in connection with the preparation and delivery of "Phase I" environmental assessments of the Countryside Mall and the Maplewood Mall.

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SECTION 2.05. CPI shall be entitled to a credit of $850,000 at the First Closing in respect of certain matters. Such credit shall be treated by the parties for income tax purposes as a reduction in the consideration for the Rodamco Shares.

ARTICLE III

Closing; Conditions of Closing

SECTION 3.01. The closing of the transactions described in Section 1.01 (the "First Closing") shall occur on December 31, 1996 or on such other date in 1996 as shall be mutually agreed upon by Rodamco and CPI (the "First Closing Date"), at the offices of Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, N.Y. 10019; the closing of the transactions described in Section 1.02 (the "Second Closing") shall occur on January 2, 1997, or such other date in 1997 as shall be mutually agreed upon by Rodamco and CPI (the "Second Closing Date") at the location stated above.

SECTION 3.02. (a) The obligation of Rodamco to cause the transfer of the Initial Rodamco Shares and to accept in exchange therefor the Partnership Interests in Bellwether Florida and Maplewood and the Cash Payment as described in Section 1.01 shall be conditioned expressly on the satisfaction of the following conditions as of the First Closing Date:

(i) the representations and warranties of CPI contained in this Agreement shall be true, correct and complete in all material respects as of such date, except to the extent such representations and warranties expressly relate to an earlier date;

(ii) CPI shall have terminated or caused the termination of the existing management agreements with Pembrook Management, Inc., a New York corporation ("Pembrook"), relating to Maplewood Mall and Countryside Mall effective as of the First Closing Date;

(iii) Pembrook shall have duly executed and delivered a new management agreement relating to Maplewood Mall and Countryside Mall, substantially in the form of Exhibit A hereto (the "Interim Management Agreement");

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(iv) there shall have been issued by the Title Company a standard ALTA Owner's Title Insurance Policy insuring the owning Partnership's interest in Maplewood Mall and Countryside Mall in the amounts set forth in Section 2.01;

(v) Rodamco shall have received an opinion dated the First Closing Date of Cravath, Swaine & Moore substantially in the form of Exhibit B;

(vi) Rodamco shall have received satisfactory "Phase I" environmental assessments of Clayton Environmental Consultants, Inc., with respect to Maplewood Mall, Countryside Mall and North Star Mall;

(vii) all consents or waivers which may be required from third parties with respect to the Exchange Transactions shall have been obtained;

(viii) CPI shall have delivered to the applicable HRE Subsidiary duly executed Assignments (as hereinafter defined) relating to the Partnership Interests of CPI, CPI-Countryside Corporation and CPI-Maplewood Corporation in Bellwether Florida and Maplewood;

(ix) CPI shall have delivered to Rodamco or its designee a standard owner's affidavit in the form of Exhibit D relating to each of Maplewood Mall and Countryside Mall;

(x) CPI shall have delivered to Rodamco or its designee certified copies of the partnership agreements of CPI-Northstar, Bellwether Florida and Maplewood, good standing certificates issued by the Secretary of State of the jurisdiction of formation of each such Partnership and incumbency certificates, corporate resolutions and/or other evidence reasonably satisfac tory to Rodamco as to the authority of CPI to consummate the Exchange Transactions;

(xi) CPI shall have delivered to Rodamco or its designee a FIRPTA certificate, duly executed and acknowledged by an officer of CPI, in the form of Exhibit E;

(xii) CPI, CRC and the CPI Subsidiaries shall have duly executed and delivered to Rodamco a Release (as hereinafter defined) dated as of the First Closing Date;

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(xiii) the partnership agreement of North Star Venture shall have been amended to reflect the substitution of CPI North Star for CPI as a partner therein;

(xiv) CPI shall have delivered or caused to be delivered to Rodamco or its designee the consent of the lender under the mortgage relating to Countryside Mall with respect to the transfer of the Partnership Interests in Bellwether Florida; and

(xv) CPI shall have delivered to Rodamco or its designee a copy of the partnership agreement of North Star Venture together with a certificate duly executed by CPI-North Star Corporation and North Star Mall, Inc. stating that such copy is true and complete and has not been amended.

(b) The obligation of CPI to transfer or cause the transfer of the Partnership Interests in Bellwether Florida and Maplewood and to make the Cash Payment and to accept in exchange therefor the Initial Rodamco Shares as described in Section 1.01 shall be conditioned expressly on the satisfaction of the following conditions as of the First Closing Date:

(i) the representations and warranties of Rodamco contained in this Agreement shall be true, correct and complete in all material respects as of such date, except to the extent such representations and warranties expressly relate to an earlier date;

(ii) Rodamco shall have caused the Rodamco Subsidiaries and the HRE Subsidiaries to deliver to CPI assignments of beneficial interests in the Initial Rodamco Shares and the certificates representing the Initial Rodamco Shares, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer, with appropriate transfer tax stamps, if any, affixed;

(iii) CPI shall have received an opinion dated the First Closing Date of Arnall, Golden & Gregory, LLP, substantially in the form of Exhibit G;

(iv) Mr. Cecil Conlee (as well as any other designee of Rodamco then serving on the Board of Trustees of CPI) shall have resigned from the Board of Trustees of CPI and all committees thereof, effective as of the First Closing Date;

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(v) Lazard Freres & Co. L.L.C. shall have delivered to CPI an opinion to the effect that the consideration to be received by CPI pursuant to the Exchange Transactions will be fair to CPI from a financial point of view;

(vi) no demand for registration of any Rodamco Shares under the Securities Act of 1933, as amended, shall have been made;

(vii) Rodamco, Rodamco N.V., the Rodamco Subsidiaries and the Partnerships shall have duly executed and delivered to CPI a Release dated as of the First Closing Date;

(viii) Rodamco shall have delivered or caused to be delivered to CPI certified resolutions, incumbency certificates and/or other evidence reasonably satisfactory to CPI as to the authority of Rodamco and the Rodamco Subsidiaries to consummate the transaction contemplated hereby; and

(ix) Rodamco and HRE Maplewood, Inc., HRE Minneapolis, Inc., HRE Countryside, Inc., and HRE Clearwater, Inc., as applicable, shall have delivered duly executed Assignments relating to the Partnership Interest of CPI, CPI-Countryside Corporation and CPI-Maplewood Corporation in Bellwether Florida and Maplewood.

SECTION 3.03. (a) The obligation of Rodamco to cause the transfer of the Remaining Rodamco Shares and to accept in exchange therefor the Partnership Interests in CPI-North Star as described in Section 1.02 shall be conditioned expressly upon the satisfaction of the following conditions as of the Second Closing Date:

(i) the First Closing shall have occurred in 1996;

(ii) CPI shall have delivered to Rodamco or its designee a duly executed Assignment relating to the Partnership Interest of CPI and CPI-North Star Corporation in CPI- North Star; and

(iii) CPI, CRC and the CPI Subsidiaries shall have duly executed and delivered to Rodamco a Release dated as of the Second Closing Date.

(b) The obligation of CPI to transfer or cause the transfer of the Partnership Interests in CPI-North Star

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and to accept in exchange therefor the Remaining Rodamco Shares as described in Section 1.02 shall be conditioned expressly upon the satisfaction of the following conditions as of the Second Closing Date:

(i) the First Closing shall have occurred in 1996;

(ii) Rodamco shall have caused the Rodamco Subsidiaries and the HRE Subsidiaries to deliver to CPI assignments of beneficial interests in the Remaining Rodamco Shares and the certificates representing the Remaining Rodamco Shares, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer, with appropriate transfer tax stamps, if any, affixed;

(iii) Rodamco, HRE North Star, Inc., and HRE San Antonio, Inc., shall have delivered a duly executed Assignment relating to the Partnership Interest of CPI and CPI-North Star Corporation in CPI-North Star; and

(iv) Rodamco, Rodamco N.V., the Rodamco Subsidiaries and the Partnerships shall have duly executed and delivered to CPI a Release dated as of the Second Closing Date.

(c) Rodamco covenants and agrees that each of the representations and warranties set forth in Article VI, to the extent relating to the Remaining Rodamco Shares or any of the Exchange Transactions contemplated by the Second Closing, shall be true and correct in all material respects on the Second Closing Date, except to the extent such representations and warranties expressly relate to an earlier date.

(d) Rodamco covenants and agrees that it shall not make or suffer to be made any demand for registration of any of the Rodamco Shares under the Securities Act of 1933, as amended.

(e) Rodamco hereby covenants and agrees that, as soon as practicable following the First Closing or the Second Closing, as applicable, it shall, or shall cause its applicable designee to, at the sole expense of Rodamco or such designee, take all actions necessary or appropriate in order to change the names of Bellwether Florida and CPI-North Star such that the terms "Bellwether" and "CPI", as applicable, shall be eliminated therefrom.

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(f) CPI covenants and agrees that each of the representations and warranties set forth in Article V, to the extent relating to CPI-North Star and the Partnership Interests therein or any of the Exchange Transactions contemplated by the Second Closing, shall be true and correct in all material respects on the Second Closing Date, except to the extent such representations and warranties expressly relate to an earlier date.

SECTION 3.04. CPI and Rodamco shall each have the right to waive any conditions to their respective obligations under this Agreement, provided that any such waiver shall be in writing. The parties acknowledge and agree that if CPI or Rodamco has knowledge of a failure of any condition to such party's obligations hereunder as set forth in this Article III, including without limitation, the knowledge of either CPI or Rodamco that any representation or warranty made to them hereunder is not true and correct, and CPI or Rodamco, as applicable, proceeds with the First Closing or the Second Closing, as applicable, such party shall be deemed to have waived such condition and such party and its successors, assigns and affiliates shall not be entitled to be indemnified pursuant to Article X, to sue for breach of such warranty or representation so made herein, notwithstanding anything to the contrary contained herein or in any certificate pursuant hereto. Rodamco acknowledges that it shall be deemed to have knowledge of all matters set forth in estoppel certificates delivered to Rodamco (or its agents or representations) prior to the First Closing Date. As used in this Agreement, the phrase "knowledge of Rodamco" and any variations thereof shall mean, as of any date of determination, the actual knowledge or awareness, with no duty to make inquiry with respect thereto, as of such date, of Dale R. Gilomen, Lisa Saylor and Thomas F. Heyse.

ARTICLE IV

Closing Adjustments

SECTION 4.01. Within 60 days following the Second Closing Date, CPI shall deliver to Rodamco a certificate of the Chief Financial Officer or Controller of CPI, setting forth the Net Adjustment Amount (as defined below) (the "Certificate"). The Certificate shall set forth in reasonable detail calculations relating to the determination of the Net Adjustment Amount. Rodamco or its designee shall cause the Partnerships and their respective employees to assist CPI at Rodamco's expense, in the preparation of the Certificate and shall, to the extent within its authority so

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to do, provide CPI and its agents and representatives access at all reasonable times to the personnel, properties, books and records of the Partnerships and the North Star Venture for such purpose. CPI shall have the primary responsibility and authority for preparing the Certificate; provided that CPI shall, upon request, inform Rodamco or Rodamco's independent accountants from time to time of the status of the preparation of the Certificate; provided, further, that such 60 day period following the Second Closing Date shall be extended in the event that CPI shall not have adequate access to the personnel, properties, books and records of the North Star Venture sufficient to permit it to reasonably prepare the Certificate.

During the 30-day period following Rodamco's receipt of the Certificate, Rodamco and its independent accountants shall be permitted to review the working papers or other documents and papers on which the working papers are based relating to the Certificate. The Certificate as to the matters stated therein shall become final and binding upon the parties on the thirtieth day following delivery thereof, unless Rodamco gives written notice of its disagreement with the Certificate (a "Notice of Disagreement") to CPI prior to such date with any matters not so disagreed with being final and binding on the parties. Any Notice of Disagreement shall (A) specify in reasonable detail the nature of any disagreement so asserted and (B) be accompanied by a certificate of Rodamco that it has complied with the covenants set forth in Section 4.03. If a Notice of Disagreement is received by CPI in a timely manner, then the Certificate as to the matters stated therein with which Rodamco has disagreed (as revised in accordance with clause (I) or (II) below) shall become final and binding upon CPI and Rodamco on the earlier of (I) the date CPI and Rodamco resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (II) the date any disputed matters are finally resolved in writing by the Accounting Firm (as defined below).

During the 30-day period following the delivery of a Notice of Disagreement, CPI and Rodamco shall seek in good faith to resolve in writing any differences which they may have with respect to the matters specified in the Notice of Disagreement. During such period CPI shall have access to the working papers of Rodamco relating to the Notice of Disagreement. At the end of such 30-day period, CPI and Rodamco shall submit to an independent accounting firm (the "Accounting Firm") for review and resolution of any and all matters which remain in dispute and which were properly

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included in the Notice of Disagreement. The Accounting Firm shall be Arthur Andersen & Co. or, if such firm is unable or unwilling to act, such other nationally recognized independent public accounting firm as shall be reasonably agreed upon by the parties hereto in writing. The determination of the Accounting Firm as to such matters shall be final and binding on the parties hereto, and CPI and Rodamco agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced. The fees and expenses of the Accounting Firm incurred pursuant to this Section 4.01 shall be borne by Rodamco and CPI in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportionate allocations shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered on the merits of the matters submitted.

SECTION 4.02. (a) Within three business days of the date on which the Certificate is deemed to be final, if the Net Adjustment Amount is negative, CPI will pay such amount to Rodamco or its designee, and if the Net Adjustment is positive, Rodamco will pay such amount to CPI, in immediately available funds.

(b) As used herein, the "Net Adjustment Amount" means the amount obtained by subtracting (x) the Closing Date Adjustment Amount from (y) the sum (positive or negative) of the Bellwether Working Capital Adjustment Amount, the North Star Working Capital Adjustment Amount and the Maplewood Working Capital Adjustment Amount, all as defined below.

(c) The "Bellwether Working Capital Adjustment Amount" means the Working Capital (as defined below) of Bellwether Florida as of the First Closing Date. The "North Star Working Capital Adjustment Amount" means the Working Capital of CPI-North Star as of the Second Closing Date; provided, however, that if CPI-North Star did not make any cash distributions to its partners in the period from December 31, 1996, to the Second Closing Date, then the Working Capital of CPI-North Star as of the Second Closing Date shall be deemed to be equal to the Working Capital of CPI-North Star as of December 31, 1996, which Working Capital shall reflect accruals from North Star Venture. The "Maplewood Working Capital Adjustment Amount" means the Working Capital of Maplewood as of the First Closing Date. The "Working Capital" of a Partnership as of any date means the amount (positive or negative) obtained in accordance

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with the computations with respect to such Partnership set forth on Schedule 4.02. The "Closing Date Adjustment Amount" means the sum of (i) the product of (x) $2,839,153 and (y) a fraction, the numerator of which shall be the number of days elapsed from November 15, 1996, to the First Closing Date and the denominator of which shall be 92, and (ii) the product of (x) $2,041,768 and (y) a fraction, the numerator of which shall be the number of days elapsed from November 15, 1996, to the Second Closing Date and the denominator of which shall be 92.

SECTION 4.03. Rodamco agrees that following the applicable Closing, until the Certificate shall become final and binding on Rodamco as provided in Section 4.01, it shall not take any action with respect to the accounting books and records of any Partnership on which the Certificate is to be based that are not consistent with the applicable Partnership's past practices (solely with respect to matters pertaining to the Certificate).

SECTION 4.04. During the period of time from and after the Second Closing Date through the resolution of any ultimate determination of the Net Adjustment Amount contemplated by this Article IV, Rodamco shall cause each Partnership and, to the extent within its control, the North Star Venture to afford to CPI and any accountants, counsel or financial advisers retained by CPI in connection with the determination of the Net Adjustment Amount reasonable access during normal business hours to all the Partnerships' properties, books, contracts, personnel and records relevant to the adjustment contemplated by this Article IV.

ARTICLE V

Representations and Warranties of CPI

CPI represents and warrants to Rodamco and its successors and assigns that:

SECTION 5.01. The factual statements contained in paragraph B of the Preliminary Statement are true, correct and complete in all material respects.

SECTION 5.02. (a) CPI is a voluntary association of the type commonly known as a business trust duly organized and existing under the laws of the Commonwealth of Massachusetts, and is authorized to own its property and conduct its business in each jurisdiction where it is required to be so authorized, except to the extent the

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failure to so qualify would not have a material adverse effect on CPI's consolidated business, properties or financial position.

(b) CPI-North Star has been duly formed and is validly existing as a limited partnership under the laws of the State of Delaware and is registered as a foreign limited partnership in the State of Texas. CPI has previously furnished to Rodamco a true, correct and complete copy of the partnership agreement of CPI North Star dated as of November 12, 1996 between CPI-North Star Corporation and CPI (the "North Star Agreement"). CPI-North Star Corporation is the sole general partner and CPI is the sole limited partner of CPI-North Star. CPI-North Star Corporation and CPI own their respective Partnership Interests in CPI-North Star under the North Star Agreement free and clear of all liens, pledges, security interests or other encumbrances. CPI- North Star is not and has not during its existence engaged in any business other than the ownership of a 62.5% partnership interest in North Star Venture and owns no assets and has no liabilities which do not relate to such business.

(c) Bellwether Florida has been duly formed and is validly existing as a limited partnership under the laws of the State of Florida. CPI has previously furnished to Rodamco a true, correct and complete copy of the amended and restated partnership agreement of Bellwether Florida dated as of November 15, 1996 between CPI-Countryside Corporation and CPI (the "Bellwether Agreement"). CPI-Countryside Corporation is the sole general partner and CPI is the sole limited partner of Bellwether Florida. CPI-Countryside Corporation and CPI own their respective Partnership Interests in Bellwether Florida under the Bellwether Agreement free and clear of all liens, pledges, security interests or other encumbrances. Bellwether Florida is not and has not during its existence engaged in any business other than the ownership and operation of Countryside Mall and owns no assets and has no liabilities which do not relate to such business.

(d) Maplewood has been duly formed and is validly existing as a limited partnership under the laws of the State of Delaware and is registered as a foreign limited partnership in the State of Minnesota. CPI has previously furnished to Rodamco a true, correct and complete copy of the partnership agreement of Maplewood dated as of November 22, 1996 between CPI-Maplewood and CPI (the "Maplewood Agreement"). CPI-Maplewood Corporation is the sole general partner and CPI is the sole limited partner of

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Maplewood. CPI-Maplewood Corporation and CPI own their respective Partnership Interests in Maplewood under the Maplewood Agreement free and clear of all liens, pledges, security interests or other encumbrances. Maplewood is not and has not during its existence engaged in any business other than the ownership and operation of Maplewood Mall and owns no business and has no liabilities which do not relate to such business.

(e) The CPI Subsidiaries are corporations duly organized and existing under the laws of the State of Delaware, and each is authorized to own its property and conduct its business in each jurisdiction where it is required to be so authorized.

(f) CPI has the legal right, power and authority to enter into this Agreement and perform all its obligations hereunder, and the execution and delivery of this Agreement and all documents contemplated by this Agreement by CPI, and the performance by CPI of its obligations hereunder and under the documents contemplated by this Agreement (i) have been duly authorized by all requisite action, (ii) will not conflict with, or result in a breach or violation of or default under, or be modified, restricted or precluded by, (A) any of the terms, conditions and provisions of its Second Amended and Restated Declaration of Trust, as amended (the "Declaration of Trust"), or its Trustees' Regulations (B) any order, judgment, writ, injunction or decree of any court or governmental instrumentality which has been served or otherwise given to CPI, (C) any agreement or instrument to which CPI or any of the Partnerships is a party or by which CPI or any of the Partnerships is bound, or to which CPI or any of the Partnerships is subject, (D) any law or regulation of the United States or any Federal, state or local governmental authority and (iii) do not require the consent or approval of any person or entity (other than as have been obtained and delivered to Rodamco on or prior to the date hereof). This Agreement and all documents executed and delivered by CPI in connection with this Agreement constitute legal, valid and binding obligations of CPI (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

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(g) The CPI Subsidiaries have the legal right, power and authority to execute and deliver all documents contemplated by this Agreement to be executed and delivered by them, respectively, and the performance by each of its obligations under such documents (i) have been duly authorized by all requisite corporate action, (ii) will not conflict with, or result in a breach or violation of or default under, or be modified, restricted or precluded by, (A) any of the terms, conditions and provisions of their respective certificates of incorporation or by-laws, (B) any order, judgment, writ, injunction or decree of any court or governmental instrumentality which has been served or otherwise given to any of them, (C) any agreement or instrument to which any of them is a party or by which any of them is bound, or to which any of them or their respective Partnership Interests or the Partnerships are subject, (D) any law or regulation of the United States or any Federal, state or local governmental authority and (iii) do not require the consent or approval of any person or entity (other than as have been obtained and delivered to Rodamco on or prior to the date hereof). All documents executed and delivered by the CPI Subsidiaries in connection with this Agreement constitute their respective legal, valid and binding obligations (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

SECTION 5.03. (a) CPI has not received any written notice from any governmental authority having jurisdiction thereover that (i) Maplewood Mall or Countryside Mall or the current use, development, construction, management, maintenance, servicing, operation and occupancy of Maplewood Mall or Countryside Mall, materially violates any applicable law, ordinance, rule, regulation, order or requirement of such governmental authority.

(b) CPI has not received any written notice that any certificate of occupancy or any other license or permit required by any law or regulation for the proper use and operation of Maplewood Mall or Countryside Mall is not in full force and effect.

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(c) CPI has not received written notice of, and to the knowledge of CPI there are no, violations, liabilities, suits, proceedings, orders, decrees or judgments relating to Hazardous Material or Hazardous Material Laws (both terms as defined below), against, or with respect to, Maplewood Mall or Countryside Mall or any part thereof. "Hazardous Materials" means asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials; insecticides, fungicides and rodenticides, except used in normal applications; crude oil, petroleum or fractions thereof, chlorofluorocarbons and urea formaldehyde and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means the Resource Conservation and Recovery Act, 42 U.S.C. ss.6901 et seq., the Comprehensive Environmental Response Compensation and Liability Act of 1986 42 U.S.C. ss. 9601, as amended by the Superfund Amendments and Reauthorized Act of 1986, the Toxic Substances Control Act, 15 U.S.C. ss.ss.2601 et seq., and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, decrees now in effect.

SECTION 5.04. (a) To the knowledge of CPI, there are no proceedings that could have the effect of impairing or restricting the current access between Maplewood Mall or Countryside Mall respectively, and public streets, roads and highways adjoining either of them.

(b) CPI has not received any written notice of any curtailment, moratorium or other limitation of service of any utility supplied to Maplewood Mall or Countryside Mall.

SECTION 5.05. True, correct and complete copies of all material service contracts relating to the operation and maintenance of Maplewood Mall and Countryside Mall, respectively, have been furnished by CPI to Rodamco and are listed on Schedule 5.05.

SECTION 5.06. (a) CPI has previously delivered to Rodamco a rent roll (the "Rent Roll") which sets forth a list of all tenants other than tenants the tenancies of which may be terminated by the landlord on not more than one month's notice and other than tenants the terms of the tenancies of which shall expire prior to or on January 31,

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1997 ("Tenants") with leases of premises at Countryside Mall and Maplewood Mall. The Rent Roll accurately sets forth, for all Tenants' leases, (i) the "DBA" name of the Tenant, (ii) the suite number or other appropriate designation of the space occupied, (iii) the number of square feet of rentable or gross leasable area, as applicable, (iv) the annual base rent payable thereunder, (v) the term of each such lease, including commencement date and expiration date and (vi) the dates of basic rent step-ups and the annual rates of such stepped-up rent. Exhibit 5.06(a) accurately and completely lists all Tenants' leases as of the date hereof by date and identity of Tenant as set forth on the Rent Roll (the "Leases").

(b) The Leases have been executed and delivered by the parties thereto and the copies of the Leases made available to Rodamco are true, correct and complete.

(c) CPI has not given, made or received any written notice of material default with respect to any of the Leases (other than as may be set forth in Exhibit 5.06(c)).

SECTION 5.07. There are no pending, nor has CPI received any written notice of threatened, actions or proceedings (including, without limitation, condemnation or eminent domain proceedings or proceedings in the nature or in lieu thereof) against CPI, Bellwether Florida or Maplewood relating to or adversely affecting the right, title or interest of any of them respectively, in or to Maplewood Mall or Countryside Mall or any part thereof.

SECTION 5.08. Exhibit 5.08 accurately and completely lists all documents comprising the agreements between Bellwether Florida, Maplewood and the "anchors" at Countryside Mall and Maplewood Mall (the "Mall Agreements") as of the date hereof by caption, date and parties. Neither Bellwether Florida, Maplewood nor any other party to any Mall Agreement has given, made or received any written notice of default with respect to a material default thereunder that remains outstanding.

SECTION 5.09. As used in this Agreement, the phrases "to the knowledge of CPI" and any variations thereof shall mean, as of any date of determination, the actual knowledge or awareness, with no duty to make inquiry with respect thereto, as of such date, of J. Michael Maloney or Jane Fortenberry (as to Maplewood Mall only), G. Martin Fell or Robert J. Ross (as to Countryside Mall only) and Harold E. Rolfe (as to litigation matters only).

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SECTION 5.10. Since September 30, 1996, CPI has not materially altered its policies (including cash flow distribution policies) with respect to the management of Countryside Mall and Maplewood Mall.

SECTION 5.11. None of CPI, CPI North Star Corporation or CPI North Star has any lien or other security interest in the interest of North Star Mall Limited Partnership or North Star Mall, Inc., in North Star Venture.

ARTICLE VI

Representations and Warranties of Rodamco

Rodamco hereby represents and warrants to CPI and its successors and assigns that:

SECTION 6.01. The factual statements contained in Paragraph A of the Preliminary Statement are true, correct and complete in all material respects.

SECTION 6.02. Rodamco is a company with limited liability duly organized and existing under the laws of the Netherlands and is authorized to own its property and conduct its business in each jurisdiction where it is required to be so authorized.

SECTION 6.03. Rodamco has the legal right, power and authority to enter into this Agreement and perform all its obligations hereunder, and the execution and delivery of this Agreement and all documents contemplated by this Agreement by Rodamco and the performance by Rodamco of its obligations hereunder and under the documents contemplated by this Agreement (a) have been duly authorized by all requisite corporate action, (b) will not conflict with, or result in a breach or violation of, or be modified, restricted or precluded by, (i) any of the terms, conditions and provisions of its organizational documents, (ii) any order, judgment, writ, injunction or decree of any court or governmental instrumentality which has been served or otherwise given to Rodamco, (iii) any agreement or instrument to which Rodamco is a party or by which it is bound or (iv) any law or regulation of the United States or any Federal, state or local governmental authority and (c) do not require the consent or approval of any person or entity. This Agreement and all documents executed and delivered by Rodamco in connection with this Agreement constitute legal, valid and binding obligations of Rodamco (subject to any applicable bankruptcy, insolvency,

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fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

SECTION 6.04. HRE Finance Inc. is a corporation duly organized and validly existing under the laws of the State of Delaware. Wevervink B.V. is a company with limited liability duly organized and existing under the laws of the Netherlands. Each Rodamco Subsidiary is authorized to own its property and conduct its business in each jurisdiction where it is required to be so authorized. Each HRE Subsidiary is a corporation duly organized and validly existing under the laws of the State of Delaware and is authorized to own its property and conduct its business in each jurisdiction where it is required to be so authorized.

SECTION 6.05. The Rodamco Subsidiaries and the HRE Subsidiaries have the legal right, power and authority, respectively, to execute and deliver all documents required to be executed and delivered by them, respectively, and the performance by each of its obligations under such documents (a) have been duly authorized by all requisite corporate action, (b) will not conflict with, or result in a breach or violation of, or be modified, restricted or precluded by, (i) any of the terms, conditions and provisions of their respective certificates of incorporation or by-laws (or other organizational documents), (ii) any order, judgment, writ, injunction or decree of any court or governmental instrumentality which has been served or otherwise been given to any of them, (iii) any agreement or instrument to which any of them is subject or (iv) any law or regulation of the United States or any Federal, state of local governmental authority and (c) do not require the consent or approval of any person or entity. All documents executed and delivered by the Rodamco Subsidiaries and the HRE Subsidiaries in connection with this Agreement constitute their respective legal, valid and binding obligations (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may

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be limited by federal securities law and public policy considerations).

SECTION 6.06. The Rodamco Subsidiaries and the HRE Subsidiaries collectively own all right, title and interest in and to the Rodamco Shares free and clear of any liens, pledges, security interests or other encumbrances of any kind whatsoever. Neither Rodamco nor the Rodamco Subsidiaries are parties to any agreements affecting the Rodamco Shares other than this Agreement or other documents executed in connection with this Agreement; the Rodamco Shares are the only shares of beneficial interest in CPI owned or controlled by Rodamco, the Rodamco Subsidiaries, Rodamco N.V. or any affiliate of any of them.

ARTICLE VII

Condition of Premises

Rodamco acknowledges that each of it and the Rodamco Subsidiaries has inspected the Malls and reviewed the Partnerships and the North Star Venture, that it has received copies of and has reviewed the Mall Agreements, the Bellwether Agreement, the Maplewood Agreement and the North Star Agreement, that is has received copies of such other documents as it has requested and that it agrees to accept the Malls "as is" and in their present condition. Rodamco on behalf of itself, the Rodamco Subsidiaries and the HRE Subsidiaries acknowledges and agrees that except as expressly set forth in the Assignments and the Releases, and in this Agreement and the Exhibits and Schedules hereto, CPI (and its affiliates) are making no representations, promises, warranties, guarantees, statements or projections regarding the physical condition, habitability, leases, layout, footage, income and revenue, rents, expenses, zoning, operations, occupancy percentages or rates, environmental condition, the presence or absence of hazardous substances, compliance with applicable laws and regulations, including zoning and building codes, the status of development rights or potential, or any matter respecting, affecting, or pertaining to the Malls, or any part thereof, or with respect to the financial condition of the North Star Venture or any Partnership (or related entity). With respect to any items of personal property, CPI has not made and does not make any representations, promises or warranties, express or implied, dealing with merchantability, fitness for use or condition thereof, and Rodamco agrees that none have been made. Without limiting the generality of the foregoing, no environmental assessment

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or audit report or title policy furnished by CPI (or any of its affiliates) to Rodamco (or any of its affiliates) shall be deemed a representation or warranty by CPI (or any of its affiliates) as to any of the information contained therein. Notwithstanding anything else in this Agreement to the contrary, CPI shall have no obligation to Rodamco (or its affiliates) with regard to compliance or failure of compliance under the Americans with Disabilities Act ("ADA") in connection with the Malls, and, without limiting the generality of the foregoing, (i) none of CPI's (or any of its affiliates') representations and warranties (including, without limitation, those representation and warranties set forth in Article V) shall be interpreted to include any representation or warranty with regard to compliance by the Malls with the ADA and (ii) CPI shall have no obligation to cure any violation of law arising under the ADA (or to adjust the Working Capital of any Partnership to reflect the cost thereof).

Rodamco further acknowledges that it is a sophisticated purchaser of real estate and interests in partnerships directly or indirectly owning real estate and that its decision to consummate the transactions contemplated by this Agreement is based upon its own independent expert evaluation of the Malls, the Partnerships, the North Star Venture and other materials and information deemed relevant by Rodamco and its agents. In entering into this Agreement, Rodamco has not relied upon any oral or written representations from CPI or any of CPI's Trustees, officers, employees, affiliates, agents or representatives other than the representations and warranties of CPI (or its affiliates) expressly set forth in this Agreement or in the Assignments or the Releases. Nothing contained in this Article VII is intended to or shall affect the liability of CPI or the CPI Subsidiaries under this Agreement, the Assignments or the Releases in the event of any breach by it of any representation or warranty contained in this Agreement or any default by it in performing its obligations under this Agreement, the Assignments or the Releases. In addition, nothing contained in this Article VII shall in any way constitute a waiver by Rodamco of its right to rely on the representations or warranties of CPI contained in this Agreement or to pursue any remedies available to Rodamco in connection with the breach of any such representations or warranties.

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ARTICLE VIII

Records

SECTION 8.01. The following documents and other items relating to each of Countryside Mall and Maplewood Mall will become the property of Rodamco and, to the extent in the possession of CPI and in accordance with the provisions of the Interim Management Agreement, will be turned over to Pembrook, either directly or by delivery to the management offices of the applicable Mall, at the applicable Closing:

(a) the original executed copies of all Leases, Lease correspondence, Mall Agreements and service contracts, if available, and accurate, legible and certified photocopies thereof where the original executed copies are unavailable;

(b) any and all plans, specifications and drawings relating to such Mall;

(c) all building permits, permanent certificates of occupancy or certificates of compliance which relate to any improvements constituting part of such Mall; and

(d) 1996 accounting and billing records relating to such Mall.

SECTION 8.02. CPI shall turn over to Rodamco, at the applicable Closing, all books and records of CPI in CPI's possession relating to the Partnerships, the Partnership Interests and the North Star Venture and shall cause the accounting and billing records relating to the Maplewood Mall or Countryside Mall, to the extent in CPI's possession for all years prior to 1996 to be made available to Rodamco or the applicable HRE Subsidiary upon request in connection with the preparation of financial statements or for other reasonable business purposes. Rodamco shall cause such books and records relating to the Partnership to be made available to CPI upon request in connection with the preparation of financial statements or tax returns or for other reasonable business purposes.

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ARTICLE IX

Notices

SECTION 9.01. Any notice required or permitted to be given under the provisions of this Agreement shall be given by certified or registered mail, return receipt requested, or by a nationally recognized overnight courier service providing dated evidence of delivery, by hand delivery against receipt, or by telecopy followed by mail or courier delivery as provided herein. Notices shall be directed as follows or to such other address as such party shall have designated by notice to the other parties in the manner herein provided:

To CPI:

In care of Corporate Property Investors
Three Dag Hammarskjold Plaza
305 East 47th Street
New York, New York 10017
Attention of General Counsel
Fax: (212) 759-7087

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Attention of Kevin J. Grehan, Esq.
Fax: (212) 474-3700

To Rodamco:

In care of CGR Advisors
950 East Paces Ferry Road
Atlanta, Georgia 30326
Attention of President
Fax: (404) 239-6096

with a copy to:

Arnall Golden & Gregory LLP
2800 One Atlantic Center
1201 W. Peachtree Street
Atlanta, Georgia 30309

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Attention of Paula A. Ball, Esq.
Fax: (404) 873-8717

Notices shall be deemed given on the date of receipt when given by mail, courier or hand delivery, in each case on a business day, or, if given by telecopy, the date of telecopy if received by 3:00 p.m. on a business day, or, if not, the next business day and provided such telecopy notice is followed by mail, courier or hand delivery.

ARTICLE X

Indemnity; Survival

SECTION 10.01. (a) CPI agrees to indemnify, defend and hold Rodamco, its designees which receive Partnership Interests pursuant to this Agreement and their respective successors and assigns and present and former direct and indirect partners and their respective officers, directors, trustees, employees and affiliates harmless from and against any and all claims, damages, losses, liabilities and expenses, including, without limitation, reasonable attorneys' fees and expenses (collectively, "Losses") suffered or incurred by any such person or entity arising from any breach of any representation or warranty of CPI contained in this Agreement which survives the First Closing Date; provided, that CPI shall have no liability under this sentence unless the aggregate of all claims, damages, losses, liabilities and expenses relating thereto for which CPI would, but for this proviso, be liable exceeds on a cumulative basis $250,000, and then to the full amount thereof.

(b) Rodamco agrees to indemnify, defend and hold CPI and each CPI Subsidiary and their respective successors and assigns and present and former direct and indirect partners and their respective officers, directors, trustees, employees and affiliates harmless from and against any and all Losses suffered or incurred by any such person or entity arising from any breach of any representation or warranty of Rodamco contained in this Agreement which survives the First Closing Date; provided, that Rodamco shall have no liability under this sentence unless the aggregate of all claims, damages, losses, liabilities and expenses relating thereto for which Rodamco would, but for this proviso, be liable exceeds on a cumulative basis $250,000, and then to the full amount thereof.

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(c) In order for a party (the "indemnified party") to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand made by any third person against the indemnified party (a "Third Party Claim"), such indemnified party must notify the indemnifying party in writing, and in reasonable detail, of the Third Party Claim within 10 business days after receipt by such indemnified party of written notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure (except that the indemnifying party shall not be liable for any expenses incurred during the period in which the indemnified party failed to give such notice). Thereafter, the indemnified party shall deliver to the indemnifying party, within five business days after the indemnified party's receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

If a Third Party Claim is made against an indemnified party, the indemnifying party shall be entitled to participate in the defense thereof and, if it so chooses and acknowledges its obligation to indemnify the indemnified party therefor, to assume the defense thereof with counsel selected by the indemnifying party; provided that such counsel is not reasonably objected to by the indemnified party. Should the indemnifying party so elect to assume the defense of a Third Party Claim, and diligently pursue the defense thereof in a prudent and commercially reasonable manner, the indemnifying party shall not be liable to the indemnified party for legal expenses subsequently incurred by the indemnified party in connection with the defense thereof. The indemnifying party shall be liable for the fees and expenses of counsel employed by the indemnified party for any period during which the indemnifying party has failed to assume and diligently pursue in a prudent and commercially reasonable manner the defense thereof (other than during the period prior to the time the indemnified party shall have given notice of the Third Party Claim as provided above).

If the indemnifying party so elects to assume the defense of any Third Party Claim, all of the indemnified parties shall cooperate with the indemnifying party in the defense or prosecution thereof. Such cooperation shall include, at the expense of the indemnifying party, the retention and (upon the indemnifying party's request) the

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provision to the indemnifying party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. If the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld). If the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party shall agree to any settlement, compromise or discharge of a Third Party Claim which the indemnifying party may recommend and which by its terms obligates the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim, which releases each of the indemnifying party and the indemnified party completely in connection with such Third Party Claim provided that the indemnified party shall not be prejudiced in any manner. Otherwise, any such settlement, compromise or discharge of a Third Party Claim which the indemnifying party may recommend shall be subject to the consent of the indemnified party not to be unreasonably withheld or delayed.

Notwithstanding the foregoing, if any Third Party Claim involves a claim for which coverage is provided under any past or present insurance policy or for which such coverage would be provided but for any self-insured retention provision contained in such an insurance policy, the indemnifying party may, if it so chooses and acknowledges its obligation to indemnify the indemnified party therefor (i) assume the defense thereof with counsel selected solely in the discretion of the indemnifying party, (ii) withhold its consent for any reason to any admission of liability with respect to, or any settlement, compromise or discharge of, such Third Party Claim by the indemnified party and (iii) on behalf of the indemnified party, enter into any settlement, compromise or discharge of such Third Party Claim so long as its terms obligate the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim and release the indemnified party from such Third Party Claim. The indemnifying party shall control all aspects of the defense of such Third Party Claim and shall have no liability to the indemnified party for legal expenses incurred by the indemnified party in connection with the defense thereof subsequent to the assumption by the indemnifying party of the foregoing obligation to indemnify; provided that the indemnifying

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party shall, upon request, inform the indemnified party from time to time of the status of such defense. In connection with any such Third Party Claim, the indemnifying party shall have the right to assert and prosecute, with counsel selected by the indemnifying party in its sole discretion, in the name of the indemnified party or the indemnifying party, any claim for contribution, cross-claim, counterclaim or other claim seeking to recover all or any part of the cost or responsibility for such Third Party Claim and to apply any proceeds thereof to the satisfaction of such Third Party Claim, and the indemnified party shall not settle, compromise or discharge any such claim without the indemnifying party's consent.

The indemnification required by Section 10.01(a) and 10.01(b) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or loss, liability, claim, damage or expense is incurred. All claims under Section 10.01(a) or 10.01(b) other than Third Party Claims shall be governed by Section 10.01(d).

(d) Other Claims. In the event any indemnified party should have a claim against any indemnifying party under Section 10.01(a) or 10.01(b) that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall deliver notice of such claim with reasonable promptness to the indemnifying party. The failure by any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to such indemnified party under Section 10.01(a) or 10.01(b), except to the extent that the indemnifying party demonstrates that it has been materially prejudiced by such failure. If the indemnifying party does not notify the indemnified party within 10 calendar days following its receipt of such notice that the indemnifying party disputes its liability to the indemnified party under Section 10.01(a) or 10.01(b), such claim specified by the indemnified party in such notice shall be conclusively deemed a liability of the indemnifying party under Section 10.01(a) or 10.01(b) and the indemnifying party shall pay the amount of such liability to the indemnified party on demand or, in the case of any notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of such claim (or such portion thereof) becomes finally determined. If the indemnifying party has timely disputed its liability with respect to such claim, as provided above, the indemnifying party and the indemnified party shall proceed in good faith

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to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

(e) Environmental Claims. In the event Rodamco should have a claim against CPI under Section 10.01(a), 10.01(c) or 10.01(d) which relates to Hazardous Material Laws or Hazardous Materials, then in such event, notwithstanding anything to the contrary in Section 10.01(c) or 10.01(d), Rodamco or its designee shall give CPI written notice of any such claim for indemnification as soon as practicable. CPI shall thereafter defend the applicable claim against Rodamco with counsel reasonably approved by Rodamco, such approval not to be unreasonably withheld. The failure of Rodamco to give the written notice required by the first sentence of this paragraph 10.01(e) shall not release or limit in any way the indemnification obligation of CPI, except to the extent that CPI shall be prejudiced by such failure. Thereafter, all other provisions of Section 10.01(c) and (d) shall apply.

SECTION 10.02. The representations and warranties set forth in this Agreement shall survive the First Closing Date solely for purposes of Sections 10.01(a) and (b) and shall terminate at the close of business on the first anniversary of the First Closing Date, except that the representations and warranties of CPI contained in the penultimate sentences of Sections 5.02(b), (c) and (d) and the representations and warranties of Rodamco contained in the first sentence of Section 6.06 shall survive indefinitely. All other provisions of this Agreement shall survive indefinitely.

ARTICLE XI

Miscellaneous

SECTION 11.01. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

SECTION 11.02. This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and signed by or on behalf of each of the parties hereto.

SECTION 11.03. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to

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their respective heirs, executors, administrators, and successors and assigns. Neither CPI nor Rodamco nor any Rodamco Subsidiary nor any HRE Subsidiary may assign its rights under this Agreement without the prior written consent of the other, except that either party may assign its rights hereunder to a wholly owned subsidiary which assumes the obligations of such party hereunder. No assignment shall relieve the assignor of any obligations hereunder.

SECTION 11.04. All understandings and agreements heretofore had between CPI and Rodamco, including the letter from CPI to Rodamco dated November 13, 1996, are merged into this Agreement and the Exhibits hereto, which fully and completely express the parties' agreement with respect to all matters pertaining to the subject matter hereof.

SECTION 11.05. At any time prior to, on or after the First Closing Date, each party shall execute and deliver to the other party any additional documents and instruments which are reasonably necessary to further assure the consummation of the transactions contemplated hereby; provided that such additional documents and instruments do not impose any material additional cost or liability on the party delivering the same.

SECTION 11.06. This Agreement is for the sole and exclusive benefit of the parties hereto, and their respective permitted successors and assigns, and no third party is intended to or shall have any rights hereunder. Notwithstanding the preceding sentence, the indemnities set forth in this Agreement are intended for the benefit of, and shall be enforceable by, the indemnitees thereunder.

SECTION 11.07. (a) The headings and captions herein are inserted for convenient reference only and the same shall not limit or construe the paragraphs or sections to which they refer or apply or otherwise affect the interpretation hereof.

(b) The terms "hereby", "hereof", "herein", "hereunder" and any similar terms shall refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Agreement.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

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(d) The terms "include", "including", "including specifically" and similar terms shall be construed as if followed by the phrase "without limitation" or "and without limitation", as applicable.

(e) As used in this Agreement, the term "Assignment" shall mean an agreement substantially in the form of Exhibit C and the term the "Assignments" shall mean collectively, the Assignments to be delivered in accordance with and pursuant to Sections 1.01 and 1.02 hereof.

(f) As used in this Agreement, the term "affiliate", as applied to any person, shall mean any other person controlling, controlled by or under common control with such person. For purposes of the preceding sentence, (i) "control" of any person other than a natural person shall be deemed to be held by any other person owning, directly or indirectly, 10% or more of such person's voting securities and (ii) "control" of any partnership shall be deemed to be held by any general partner of such partnership.

(g) As used in this Agreement, the term "Release" shall mean an agreement substantially in the form of Exhibit F and the term the "Releases" shall mean collectively, the Releases delivered pursuant to and in accordance with Sections 1.01 and 1.02 hereof.

(h) The rights and remedies of the parties hereunder shall be cumulative, and no single or partial exercise of any of them shall preclude the further or other exercise of any of them, in any sequence or combination, and in one or more iterations.

SECTION 11.08. This Agreement and any document or instrument executed pursuant hereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement or any document or instrument executed pursuant hereto by facsimile transmission shall be effective as delivery of an originally executed counterpart thereof.

SECTION 11.09. If any provision of this Agreement shall be judicially or administratively held invalid or unenforceable for any reason, such holding shall not be deemed to affect, alter, modify or impair in any way any other provision hereof.

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SECTION 11.10. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without reference to its conflicts of laws provisions. Each of Rodamco and CPI irrevocably submits to the jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each of Rodamco and CPI further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction to this Section 11.11. Each of Rodamco and CPI irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Each of Rodamco and CPI waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby.

SECTION 11.11. Each of Rodamco and CPI acknowledges and agrees that the other party would be damaged irreparably in the event that the agreements contained in this Agreement are not performed in accordance with their specific terms which includes, but is not limited to the Second Closing, which is an essential bargained for element of the Exchange Transactions. Accordingly, each party hereto agrees that the other shall be entitled to specifically enforce this Agreement, including the consummation of the Exchange Transactions, in addition to any other remedy to which the nonbreaching party may be entitled at law or in equity without the posting of any bond or proof of damages.

SECTION 11.12. Each of Rodamco and the Rodamco Subsidiaries hereby acknowledges and agrees that, upon the transfer of the Initial Rodamco Shares and the Remaining Rodamco Shares to CPI pursuant to this Agreement, all rights

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of the Rodamco Subsidiaries with respect to such Rodamco Shares, whether arising under the Purchase Agreement dated December 29, 1989, between CPI and Rodamco N.V. (the "Purchase Agreement"), the letter agreement dated December 29, 1989, between CPI and Rodamco N.V. (the "Letter Agreement") or under any other agreement or arrangement, written or oral, or in any other manner, shall be deemed to be transferred therewith, and all rights of Rodamco or the Rodamco Subsidiaries or any of their respective affiliates under the Share Purchase Agreement, the Letter Agreement or otherwise relating to the Rodamco Shares shall be terminated and of no further force or effect.

SECTION 11.13. Rodamco and CPI acknowledge and agree that the fair market value of the Partnership Interests in CPI-Northstar is $143 million, that the fair market value of the Partnership Interests in Bellwether Florida is $101.1 million and that the fair market value of Partnership Interests in Maplewood is $86.3 million (in each case without regard to Working Capital). Rodamco and CPI agree that they will file all their tax returns (and cause their respective affiliates to file all their tax returns) on a basis consistent with the foregoing fair market value amounts.

SECTION 11.14. The following notification is hereby given pursuant to Florida Statute Section 404.056(6) (1995):

> RADON GAS: Radon is naturally occurring radio-active gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

SECTION 11.15. The parties hereby agree that neither this Agreement nor any memorandum or notice hereof shall be recorded.

SECTION 11.16. CPI, CRC, Rodamco, each of the Rodamco Subsidiaries and each of the HRE Subsidiaries, each after consultation with an attorney of its own selection (which counsel was not directly or indirectly identified, suggested or selected by the other party or any agent of the other party), hereby voluntarily waives its rights under the Deceptive Trade Practices - Consumer Protection Act

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(Section 17.41, et seq., Business and Commerce Code), a law that gives consumers special rights and protections. The parties hereby acknowledge to the other that neither party is in a significantly disparate bargaining position.

ARTICLE XII

Exculpation

SECTION 12.01. Rodamco understands that the name "Corporate Property Investors" is the designation of the trustees thereof under the Declaration of Trust, on file with the Secretary of State of the Commonwealth of Massachusetts, and neither the shareholders nor the Trustees, officers, employees or agents of the Trust created thereby, nor any of their personal assets, shall be liable hereunder and all persons dealing with the Trust shall look

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solely to the Trust estate for the payment any claims hereunder or for the performance hereof.

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

CORPORATE PROPERTY INVESTORS,

by

Name:
Title:

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RODAMCO NORTH AMERICA B.V.,

by /s/ Rodamco North America B.V.

Name:
Title:

For the limited purpose of
consenting and agreeing
to the provisions of
Section 11.12:

RODAMCO N.V.,

by /s/ Rodamco N.V.

Name:
Title:

Exhibit 10.41

STOCK PURCHASE AGREEMENT dated as of December 13, 1996, between CORPORATE PROPERTY INVESTORS, a voluntary association of the type commonly known as a Massachusetts business trust ("CPI") and FIFTH AND 59TH STREET INVESTORS CORPORATION, a Delaware corporation (the "Purchaser").

Preliminary Statement

Pursuant to and on the terms of this Purchase Agreement, CPI agrees to sell and Purchaser agrees to buy, certain voting Series A Common Shares of Beneficial Interest, par value $1 per share, in CPI, together with related beneficial interests in the shares of common stock, par value $.10 per share, of Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"), held in the CRC Trust (as hereinafter defined), in exchange for Purchaser's sale, assignment, transfer and conveyance to CPI or one of its affiliates of the Partnership Interest (as hereinafter defined).

SECTION 1. Definitions. As used herein the following terms have the following meanings:

"Assignment Agreement" means an assignment agreement dated as of the Closing Date, substantially in the form of Exhibit B, effecting Purchaser's sale, assignment, transfer and conveyance of the Partnership Interest to CPI or one of its affiliates.

"business day" means a day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized to be closed.

"Closing" shall have the meaning set forth in Section 2.2.

"Closing Date" means December 13, 1996, or such later date as may be mutually agreed upon by the parties hereto, but in no event later than February 14, 1997.

"Closing Date Share Number" means a number equal to (a) $227,200,000 divided by (b) the Purchase Price.

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

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"Commission" means the Securities and Exchange Commission or any successor federal agency charged with responsibility for enforcing the United States federal securities laws.

"Common Share" means any shares of beneficial interest of any class of CPI that are designated Common Shares pursuant to the Declaration of Trust as of the date of this Purchase Agreement, and shares of any class or classes authorized after the date of this Purchase Agreement or resulting from the reclassification of any of the foregoing which have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of CPI and which are not subject to redemption by CPI (except as the Trustees of CPI may deem necessary so that CPI may qualify as a Real Estate Investment Trust in accordance with the terms of Section 5.12 of the Declaration of Trust).

"CPI" shall have the meaning set forth in the preamble, and shall include any successor thereto.

"CRC" shall have the meaning set forth in the preamble, and shall include any successor thereto.

"CRC Shares" means shares of Common Stock, par value $.10 per share, of CRC.

"CRC Trust" means the Trust created by the CRC Trust Agreement, under which the depositing holders of Common Shares have ratable beneficial interests in the CRC Shares deposited in the CRC Trust.

"CRC Trust Agreement" means the Trust Agreement dated as of October 30, 1979, among the shareholders of CPI at that date, CRC and the Bank of Montreal Trust Company, as successor Trustee.

"Declaration of Trust" means the Second Amended and Restated Declaration of Trust executed as of March 16, 1995, as amended, of CPI.

"Encumbrance" means any security interest, lien, charge, claim or other encumbrance or restriction of any other nature or kind other than those granted by this Purchase Agreement, the Declaration of Trust or the CRC Trust Agreement.

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"Evaluation Material" shall have the meaning set forth in Section 2.4.

"1934 Act" means the Securities Exchange Act of 1934 and the rules and regulations of the Commission thereunder, all as in effect from time to time.

"Partnership" means Longstreet Associates, L.P., a New York limited partnership.

"Partnership Interest" shall mean the rights and obligations of Purchaser that are set forth in those agreements and other documents listed in Schedule 6.2.1, together with any other rights or claims that the Purchaser may have (as a partner, creditor, beneficiary or other claimant) in, to or against the Partnership.

"Per Share Proration Factor" means an amount equal to $1.875 multiplied by a fraction, the numerator of which is the number of days following November 15, 1996, that the Closing Date occurs and the denominator of which is 92.

"Preference Shares" means any shares of beneficial interest of any class or series of CPI that are designated Preference Shares pursuant to the Declaration of Trust.

"Purchaser" shall have the meaning set forth in the preamble.

"Purchase Price" means $131.32 per Share, which amount includes the portion thereof ($.44 as of December 31, 1995, as determined by Landauer Associates, Inc.) per Common Share which represents the fair value of the beneficial interest which the certificate for such Common Share represents (at the ratio of 1/10th of a CRC Share per Common Share) in the CRC Shares held in the CRC Trust, plus the Per Share Proration Factor.

"Real Estate Investment Trust" or "REIT" means "real estate investment trust" as defined in Section 856 of the Code, or such other entity as may, under the corresponding section or sections of any United States income tax law at the time in effect, be entitled to substantially the same treatment in respect of liability for Federal income taxes as a "real estate investment trust", as so defined, is entitled pursuant

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to Sections 856 through 860 of the Code, as in effect on the date of this Purchase Agreement.

"Release" means a release dated as of the Closing Date, substantially in the form of Exhibit C hereto.

"Securities Act" means the Securities Act of 1933 and the rules and regulations of the Commission thereunder, all as in effect from time to time.

"Series A Shares" means voting Series A Common Shares of Beneficial Interest, par value $1, in CPI.

"Shares" means the Common Shares (with their related beneficial interests in CRC Shares held in the CRC Trust) purchased by the Purchaser from CPI pursuant to Section 2.

"Statement" shall have the meaning set forth in Section 2.3.1.

"TREET" means State Street Bank and Trust Company, a Massachusetts banking corporation, in its capacity as Trustee of the Telephone Real Estate Equity Trust and not individually.

"Undistributed Cash Flow" of the Partnership means the amount of the Partnership's adjusted undistributed cash flow, computed in accordance with Schedule 1 hereto.

"Working Capital Share Number" shall mean a number (which number of Shares may be positive or negative) equal to the Working Capital Value divided by the Purchase Price.

"Working Capital Value" for the Partnership means the sum of (i) the Purchaser's proportionate share as of the Closing Date of (a) the cash and cash equivalents, short-term investments, receivables (net of allowances for doubtful collections and exclusive of any "straight-line" rent receivable) and prepaid taxes, prepaid utilities and other prepaid expenses of the Partnership minus (b) the liabilities of the Partnership (including any unpaid tenant inducements payable by the Partnership, but excluding the principal amount of mortgage liabilities and other long-term indebtedness), and the Partnership's Undistributed Cash Flow, all of the items referred to in clauses (a) and (b) computed (to the extent applicable) in accordance

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with generally accepted accounting principals applied consistently with the most recently prepared audited financial statements of the Partnership, plus (ii) the Purchaser's proportionate share of the Partnership's Undistributed Cash Flow. The method of computation of Working Capital Value for the Partnership is more particularly described on Schedule 1 hereto, in a manner consistent with the definition thereof.

SECTION 2. Sale and Purchase of Shares; Adjustments.

SECTION 2.1. Sale and Purchase of Shares; Sale and Assignment of Partnership Interest; Delivery of Shares. Subject to the terms and conditions of and in reliance upon the representations and warranties set forth in this Purchase Agreement, (a) CPI agrees to sell to the Purchaser, and the Purchaser agrees to purchase from CPI, on the Closing Date, at a price per Share equal to the Purchase Price, a number of Shares equal to the Closing Date Share Number (and, in connection therewith, CRC agrees to sell to the Purchaser, and the Purchaser agrees to purchase from CRC, a number of CRC Shares equal to 10% of the Closing Date Share Number, which CRC Shares the Purchaser and CRC agree shall be issued directly to the trustee of the CRC Trust and deposited in the CRC Trust to be held thereafter for the ratable benefit of the holders of Common Shares pursuant to the terms of the CRC Trust Agreement), (b) the Purchaser agrees to sell, assign, transfer and convey to CPI or one or more of its affiliates all of the Purchaser's right, title and interest in and to the Partnership Interest, (c) CPI agrees to deliver to Purchaser such Common Shares as CPI may be required to deliver pursuant to Section 2.3.3 hereof and (d) Purchaser agrees to deliver to CPI such Common Shares as Purchaser may be required to deliver pursuant to Section 2.3.3 hereof.

SECTION 2.2. Closings. The purchase by and the sale of Shares to the Purchaser and the sale, assignment, transfer and conveyance of the Partnership Interest by the Purchaser to CPI (the "Closing") shall take place on the Closing Date at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, New York 10019, or at such other place as may be mutually agreed by the parties.

The Purchaser may, by written notice to CPI and pursuant to documentation satisfactory to CPI, assign

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this Purchase Agreement to Fosterlane Holdings Corporation concurrently with an assignment of the Partnership Interest to such entity. Except as the context otherwise requires, each such entity shall be deemed the "Purchaser" for all purposes of this Purchase Agreement to the same extent as if it had executed and delivered a copy of this Purchase Agreement, provided that the Purchaser referenced in the first paragraph of this Purchase Agreement shall remain liable for all of its obligations hereunder.

At least five business days prior to the Closing Date, CPI may, by written notice to the Purchaser, specify one or more affiliates of CPI as the entities to acquire all or any part of the Partnership Interest pursuant hereto, provided that CPI shall remain liable for all of its obligations hereunder.

At the Closing, (a) CPI will deliver to the Purchaser one certificate, registered in the name of the Purchaser, representing the number of Shares set forth in Section 2.1 (unless the Purchaser has at least two business days prior to the Closing Date specified in writing to CPI a different name or names and/or different number of certificates representing the same aggregate number of such Shares) and (b) CRC shall deliver to the trustee of the CRC Trust one certificate, registered in the name of such trustee, representing the number of CRC Shares to be deposited in the CRC Trust in accordance with Section 2.1, each against the sale, assignment, transfer and conveyance by the Purchaser to CPI or its specified affiliates of the Partnership Interest in the Partnership pursuant to the Assignment Agreement, all as may be reasonably requested by CPI. The Certificate representing the Shares that is delivered to the Purchaser shall include the following descriptive legend:

"The holder of the shares represented by this certificate also holds a beneficial interest in shares of stock of Corporate Realty Consultants, Inc. ("CRC") held in a trust under a Trust Agreement dated as of October 30, 1979, among shareholders of the Trust, CRC and the Trustee thereunder."

SECTION 2.3. Adjustments.

SECTION 2.3.1. Working Capital Value Statement. Within 45 days after the Closing Date,

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CPI shall prepare and deliver to Purchaser a statement (the "Statement") setting forth CPI's determination of the Working Capital Value and the elements and calculation thereof, all as set forth in Schedule 1 hereto and consistent with the definitions related thereto, along with a Certificate of the Chief Financial Officer, Chief Accounting Officer or Controller of CPI to the effect that the Statement was prepared substantially in accordance with the requirements therefor as provided herein. From the Closing Date through the date which is 30 days after receipt by the Purchaser of the Statement, CPI shall provide the Purchaser with reasonable access to any books, records, working papers or other information reasonably necessary or useful in the preparation or calculation of the Statement or any Notice of Disagreement (as defined hereafter). The Statement shall become final and binding upon both parties hereto on the 31st day following delivery thereof unless the Purchaser delivers written Notice of Disagreement (a "Notice of Disagreement") with the Statement to CPI prior to such date. Any Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted and shall relate solely to the preparation of the Statement and the calculation of the Working Capital Value.

SECTION 2.3.2. Disputes. If a Notice of Disagreement is received by CPI in a timely manner, then the Working Capital Value set forth in the Statement, as adjusted pursuant hereto, shall become final and binding upon the parties hereto on the earlier of (i) the date Purchaser and CPI resolve, in writing, any differences they may have with respect to any matters specified in the Notice of Disagreement or (ii) the date any disputed matters are finally resolved in writing by the Arbitrator. During the 30-day period following the delivery of the Notice of Disagreement, CPI and the Purchaser shall seek in good faith to resolve, in writing, any differences which they may have with respect to any matter specified in the Notice of Disagreement and each shall provide the other with reasonable access to any books, records, working papers or other information reasonably necessary or useful in the preparation or calculation of the Statement, any Notice of Disagreement, the Working Capital Value

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or otherwise with respect to any thereof. At the end of such 30-day period, if there has been no resolution of the matters specified in the Notice of Disagreement, then CPI and the Purchaser shall submit to an arbitrator (the "Arbitrator") for review and resolution any and all matters (and only such matters) arising under this Section which remain in dispute. The Arbitrator shall be Arthur Andersen L.L.P., or if such firm is unable or unwilling to act, such other nationally recognized independent public accounting firm as shall be agreed upon, in writing, by CPI and the Purchaser. The Arbitrator shall render a decision resolving the matters submitted to the Arbitrator within 30 days following submission thereto. The costs of any arbitration (including the fees of the Arbitrator) shall be borne 50% by CPI and 50% by the Purchaser. Except as specified above, each of CPI and the Purchaser shall bear their own costs and expenses incurred in connection with any arbitration.

SECTION 2.3.3. Adjustment Mechanics. Within 7 days after the date that the Working Capital Value set forth in the Statement (as adjusted according to the procedures set forth in Section 2.3) becomes final and binding on the parties: (a) if the Working Capital Value is a positive number, then the number of Shares to be sold to, and purchased by, the Purchaser hereunder shall be increased by a number of Shares equal to the Working Capital Share Number and CPI shall deliver to the Purchaser a certificate, registered in the name of the Purchaser (or such other name as may be designated by the Purchaser) representing such number of Shares (and, in connection therewith, CRC agrees to deliver to the Purchaser a number of CRC Shares equal to 10% of the Working Capital Share Number, which CRC Shares the Purchaser and CRC agree shall be issued directly to the trustee of the CRC Trust and deposited in the CRC Trust to be held thereafter for the benefit of the holders of Common Shares pursuant to the terms of the CRC Trust Agreement), or

(b) if the Working Capital Value is a negative number, then the number of Shares sold to, and purchased by, the Purchaser hereunder shall be reduced by a number of Shares equal to

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the absolute value of the Working Capital Share Number and the Purchaser shall deliver to CPI such number of Shares (and, in connection therewith, CPI and CRC shall cause a number of CRC Shares equal to 10% of the Working Capital Share Number to be withdrawn from the CRC Trust and delivered to CRC). In connection with any delivery of Shares by the Purchaser pursuant to this Section 2.3.3(b), the Purchaser shall deliver to CPI the certificate or certificates delivered pursuant to Section 2.2 hereof (together with an undated stock power executed in blank) and, upon receipt thereof, CPI shall deliver to the Purchaser one certificate, registered in the name of the Purchaser (or such other name as may be designated by the Purchaser pursuant to Section 2.2) representing the number of Shares equal to the Closing Date Share Number less the number of Shares returned to CPI pursuant to this Section 2.3.3(b).

SECTION 2.4. Evaluation Material. CPI has delivered to the Purchaser its Annual Report for the year 1995, its Proxy Statement for the 1996 Annual Meeting of its shareholders and its Nine Month Report for the six months ended September 30, 1996 (collectively called the "Evaluation Material").

SECTION 3. Conditions.

SECTION 3.1. Conditions to Purchaser's Obligations. The obligations of the Purchaser to purchase the Shares and sell, assign, transfer and convey the Partnership Interest on the Closing Date shall be subject to the following conditions at the Closing Date:

(a) The Purchaser shall have received a certificate of the President or a Vice-President of CPI dated the Closing Date to the effect that (A) the representations and warranties of CPI contained in Section 6 of this Purchase Agreement are true and correct in all material respects as of such date as if made on and as of such date and (B) the covenants, agreements and conditions that CPI was required to perform or comply with have been fulfilled in all material respects.

(b) The Purchaser shall have received (i) a Certificate of the Secretary of CPI certifying as to

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the accuracy of the copies of the Declaration of Trust of CPI, the CRC Trust Agreement and the Trustees Regulations of CPI provided to the Purchaser and (ii) a Certificate of the Secretary of CRC certifying as to the accuracy of the copies of the Certificate of Incorporation and by-laws of CRC provided to the Purchaser.

(c) The Purchaser shall have received from Cravath, Swaine & Moore, counsel for CPI (who may rely with respect to any matters of Massachusetts law involved therein on an opinion of Peabody & Arnold, Massachusetts counsel for CPI, a signed copy of which, addressed to Purchaser, shall accompany such opinion of Cravath, Swaine & Moore), a favorable opinion dated the Closing Date, and reasonably satisfactory in scope and form to the Purchaser, to the effect set forth in Sections 6.1.1, 6.1.2, 6.1.3, 6.1.4(i), 6.1.7, 6.1.13, 6.1.14 (the first and second sentences thereof), 6.1.15(i), 6.1.18, 6.1.23 and 6.1.24 and, to the knowledge of such counsel, after having made due inquiry, Sections 6.1.4(ii), 6.1.5, 6.1.6, 6.1.15(ii), 6.1.16, 6.1.17 and 6.1.21, and as to:

(i) the exemption from the registration and prospectus delivery requirements of the Securities Act of the offer, sale and delivery to the Purchaser of the Shares then to be purchased by the Purchaser;

(ii) that CPI qualified as a REIT for its taxable years ended December 31, 1993, December 31, 1994 and December 31, 1995, and that its organization and method of operation for its current taxable year should enable it to continue so to qualify;

(iii) the due execution and delivery by authorized representatives of CPI and CRC, respectively, of all instruments and documents signed by or on behalf of CPI and CRC and delivered to the Purchaser on the Closing Date.

(d) The purchase of and payment for the Shares to be purchased by the Purchaser on the Closing Date on the terms and conditions herein provided shall not violate any applicable law or governmental regulation and the Purchaser shall have received such certificates or other evidence as it may reasonably request to establish compliance with this condition.

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(e) All proceedings in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be reasonably satisfactory in substance and form to the Purchaser, and the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as the Purchaser may reasonably request.

(f) From the date of this Purchase Agreement to and including the Closing Date there shall not have been any material adverse change in the business, assets, operations, properties, prospects or condition, financial or otherwise, of CPI and its subsidiaries taken as a whole.

(g) The Purchaser shall have received from CPI an executed Release.

(h) The Purchaser shall have received from CPI an executed statement in the form of Exhibit D attached hereto.

SECTION 3.2. Conditions to CPI's Obligations. The obligation of CPI to sell the Shares and acquire the Partnership Interest on the Closing Date shall be subject to the following conditions at the Closing Date:

(a) CPI shall have received a certificate of the President or a Vice-President of the Purchaser dated the Closing Date to the effect that (i) the representations and warranties of the Purchaser contained in Section 6 of this Purchase Agreement are true and correct in all material respects as of such date as if made on and as of such date and (ii) the covenants, agreements and conditions that the Purchaser was required to perform or comply with have been fulfilled in all material respects.

(b) CPI shall have received a Certificate of the Secretary or an Assistant Secretary of the Purchaser certifying as to the accuracy of the copies of the Certificate of Incorporation, by-laws and other organizational documents of the Purchaser provided to CPI.

(c) CPI shall have received from Shearman & Sterling, counsel for the Purchaser, a favorable opinion dated the Closing Date and reasonably

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satisfactory in scope and form to CPI, to the effect set forth in Sections 6.2.2, 6.2.3(i) and 6.2.5, and to the knowledge of such counsel, after having made due inquiry, Sections 6.2.3(ii) and 6.2.4, and as to:

(i) the exemption from the registration and prospectus delivery requirements of the Securities Act of the sale, assignment, transfer and conveyance to CPI of the Partnership Interest; and

(ii) the due execution and delivery by authorized representatives of the Purchaser, respectively, of all instruments and documents signed by or on behalf of the Purchaser and delivered to CPI on the Closing Date.

(d) The acquisition by CPI of the Partnership Interest on the Closing Date on the terms and conditions herein provided shall not violate any applicable law or governmental regulation and CPI shall have received such certificates or other evidence as it may reasonably request to establish compliance with this condition.

(e) All proceedings in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be reasonably satisfactory in substance and form to CPI, and CPI shall have received all such counterpart originals or certified or other copies of such documents as CPI may reasonably request.

(f) From the date of this Purchase Agreement to and including the Closing Date there shall not have been any material adverse change in the business, assets, operations, properties, prospects or condition, financial or otherwise, of the Partnership.

(g) CPI shall have received from the Purchaser an executed Release.

(h) CPI shall have received from Purchaser a duly executed certificate of non-foreign status in the form presented by Treasury Regulation ss. 1.1445-1(b)(2).

SECTION 4. Covenants.

SECTION 4.1. CPI agrees with the Purchaser as follows:

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SECTION 4.1.1 From the date of this Purchase Agreement through the Closing Date, CPI shall not issue any Common Shares or Preference Shares by virtue of any reclassification, recapitalization, split-up, subdivision, declaration of a stock dividend or otherwise except pursuant to plans, arrangements and agreements existing on the date hereof.

SECTION 4.1.2. CPI has not, either by itself or through any agent on its behalf, offered to sell any Common Shares, or solicited any offers to buy Common Shares and will not so offer or solicit offers, so as thereby to bring the issuance and sale of Shares pursuant to this Purchase Agreement or any other securities in violation of the Securities Act, the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act or any other state securities or real estate syndication or similar laws.

SECTION 4.1.3. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall, within 120 days after the close of each fiscal year of CPI, furnish to the Purchaser or any permitted transferee of the Shares, as long as it owns any Shares, the following statements prepared in accordance with generally accepted accounting principles consistently applied and reported upon by Ernst & Young LLP or such other independent public accountants of recognized standing as may be retained by CPI from time to time: (i) a balance sheet of CPI as of the end of such fiscal year and (ii) statements of income, cash flow and shareholders' equity for such fiscal year, in each case setting forth in comparative form the corresponding figures for the preceding fiscal year. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall, within 60 days after the close of each of the first three quarters of each fiscal year of CPI, furnish to the Purchaser or any permitted transferee of the Shares as long as it owns any Shares (1) a balance sheet of CPI as of the end of such quarter and (2) statements of income, cash

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flow and shareholders' equity for the portion of such fiscal year preceding the end of such quarter, in each case setting forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal year.

SECTION 4.1.4. Until a class of CPI's equity securities has been registered under Section 12 of the 1934 Act or CPI has become obligated to file reports under Section 15(d) of the 1934 Act, CPI shall promptly furnish to the Purchaser or any transferee of the Shares such other information with respect to the finances, business, operations, affairs, prospects, condition, properties and assets of CPI and CRC as from time to time may be reasonably requested by the Purchaser or such transferee, it being understood that CPI shall determine whether or not any such request is reasonable, giving effect to all relevant circumstances.

SECTION 5. Transfer and Registration.

SECTION 5.1. Investment Statements. The Purchaser hereby represents and warrants to CPI that (1) the Purchaser will purchase the Shares to be purchased by it hereunder for investment and not with a view to their public sale or distribution, nor with any present intention of selling or distributing any such Shares or beneficial interests in CRC Shares, (2) the Purchaser will purchase such Shares for its own account (including any separate accounts maintained by the Purchaser) and that such Shares (and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) will be acquired by it or such funds for the purpose of investment and not with a view to, or for sale in connection with, the public distribution thereof, nor with any present intention of publicly distributing the same other than in accordance with the registration provisions hereof) and (3) Purchaser is familiar with the business and operations of CPI and CRC and has conducted its own due diligence investigation with respect thereto.

The Purchaser further represents and warrants to CPI (i) that the Purchaser understands that such Shares (and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements

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of the Securities Act pursuant to Section 4(2) thereof, (ii) that such Shares (and any CRC Shares delivered to the Purchaser upon a termination of the CRC Trust) will not be disposed of unless such disposition is either registered under the Securities Act or is exempt from registration under that Act and (iii) that CPI has no obligation to register such Shares (or CRC Shares so delivered to the Purchaser) other than as set forth herein.

The Purchaser also understands and agrees that, if any CRC Shares shall be delivered to the Purchaser upon a termination of the CRC Trust, the Purchaser shall be bound by and entitled to the benefits of the provisions of Article FOURTH of CRC's Certificate of Incorporation (a copy of which has been delivered to the Purchaser) restricting transfers of, and providing rights to registrations under the Securities Act of, any such CRC Shares. Each certificate for CRC Shares so delivered will bear the legend prescribed by said Article FOURTH.

SECTION 5.2. Permissible Transfers. Except in accordance with this Section 5, the Purchaser shall not effect any Transfer of Restricted Shares (both as hereinafter defined) or of any interest or right to purchase the same other than:

(a) a Transfer from the Purchaser to another person or persons acting as nominee or nominees or trustee or trustees for the Purchaser or, if the Purchaser is acting as nominee or trustee in making the purchases hereunder, to a different nominee or trustee for the same person as the Purchaser is so acting;

(b) a Transfer to the Purchaser from one or more other person or persons acting as nominee or nominees or trustee or trustees for the Purchaser;

(c) a Transfer by the Purchaser, if it is a trustee for a pension or trust fund, in connection with the dissolution of such fund or in connection with the Transfer or distribution of all or part of the assets of such fund to another pension or trust fund for which the Purchaser or another corporate trustee is acting as trustee; or

(d) a Transfer by a pension or trust fund to another pension or trust fund the investment

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discretion for which is exercised by the same trustee or other fiduciary or director.

In the event that the Purchaser shall Transfer any Restricted Shares in a manner contemplated by this Section 5.2, the Purchaser shall cause its transferee or transferees to agree in writing to take and hold such securities subject to the provisions of this Section 5.

SECTION 5.3. Certain Definitions. As used in this Section 5 (and elsewhere herein with reference to this Section 5), the following terms shall have the following respective meanings:

"Transfer" means, as to any Restricted Shares, any sale, assignment or transfer of any of such Restricted Shares or of any interest therein or right to subscribe therefor, whether or not such transfer would constitute a "sale" as that term is defined in Section 2(3) of the Securities Act.

"Restricted Shares" means the Shares and any other securities issued as a dividend or other distribution on or as a result of a subdivision, combination or reclassification of any Shares, in each case, prior to the effective registration of the Transfer thereof under the Securities Act.

"Registration Expenses" means the expenses so described in Section 5.8.

"Selling Expenses" means the expenses so described in Section 5.8.

"Underwriter" means each person who is or may be deemed to be an "underwriter", as that term is defined in Section 2(11) of the Securities Act, in respect of Restricted Shares which shall have been registered by CPI under the Securities Act pursuant to any of the provisions of this Section 5.

"CPI Counsel" means Cravath, Swaine & Moore, or such other counsel as shall at the time be serving as counsel to CPI.

"Holder's Counsel" shall mean counsel for the holder of the Restricted Shares in question, which counsel shall be reasonably satisfactory to CPI.

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SECTION 5.4. Transfer Legends. Each certificate for Restricted Shares, including each certificate issued to any transferee, shall be stamped or otherwise imprinted with a legend (in addition to any legends otherwise required by the Declaration of Trust of CPI) in substantially the following form (unless otherwise permitted by the provisions of Section 5.5 or unless such Restricted Shares shall have been effectively registered under the Securities Act and sold or otherwise disposed of pursuant to the registration statement covering such Restricted Shares):

"The shares represented by this certificate were issued pursuant to a Stock Purchase Agreement dated as of December 13, 1996, between Corporate Property Investors and the original purchaser of such shares (copies of which Agreement are on file at the principal office of the issuer of such shares), have not been registered under the Securities Act of 1933 and may not be sold, assigned or transferred until the applicable provisions of Section 5 of such Agreement have been complied with."

SECTION 5.5. Notice of Proposed Transfers; Requests for Registration. The holder of any Restricted Shares by acceptance thereof agrees, prior to any Transfer of any such Restricted Shares (other than a Transfer referred to in paragraphs (a) to (d), inclusive, of Section 5.2), to give written notice to CPI of such holder's intention to effect such Transfer and to comply in all other respects with the provisions of this Section 5.5. Each notice shall describe in detail the manner, method of disposition and circumstances of the proposed Transfer and shall be accompanied by (i) a written opinion of Holder's Counsel addressed to CPI stating whether in the opinion of such counsel such proposed Transfer involves a transaction requiring registration of the Restricted Shares under the Securities Act, and (ii) if in the opinion of such counsel registration is required, a written request that CPI effect the registration of such Restricted Shares under the Securities Act, subject to the limitations contained in Section 5.10. Upon receipt by CPI of any such notice, opinion and, if necessary, request, the following provisions shall apply:

(a) Not more than 20 calendar days after such receipt, CPI Counsel shall render an opinion to CPI as to whether such counsel concurs in the

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opinion of Holder's Counsel. CPI Counsel shall furnish copies of such opinion to CPI, Holder's Counsel and the shareholder giving such notice. If CPI Counsel shall not render such opinion within such 20 calendar days, its opinion shall be deemed to concur with the opinion of Holder's Counsel.

(b) If in the opinion of Holder's Counsel and CPI Counsel the proposed Transfer of Restricted Shares may be effected without registration under the Securities Act, the shareholder shall thereupon be entitled to transfer such Restricted Shares in accordance with the terms of the notice delivered to CPI; provided, however, that the transferee of such Restricted Shares shall agree in writing to take and hold such securities subject to the applicable provisions of this Section 5. Each certificate evidencing the Restricted Shares issued upon the Transfer (and each certificate evidencing any untransferred balance of the original Restricted Shares) shall bear the legend set forth in Section 5.4 unless in the opinion of CPI Counsel such legend is not necessary.

(c) If in the opinion of both Holder's Counsel and CPI Counsel the proposed Transfer of the Restricted Shares may not be effected without registration under the Securities Act, CPI shall use its best efforts to effect such registration, all in accordance with the request of the prospective seller and the provisions and conditions of this Section 5. Upon the effectiveness of such registration the Restricted Shares may be transferred to the extent permitted by law and the legend thereon shall be removed promptly upon delivery of certificates therefor to CPI.

(d) If in the opinion of Holder's Counsel the proposed Transfer of Restricted Shares may be effected without registration under the Securities Act, but CPI Counsel shall not concur in such opinion, Holder's Counsel at their option may submit the question to the staff of the Commission for an advisory opinion and, in the event that the staff of the Commission shall issue a "no action" letter or other favorable advisory opinion which, in the view of CPI Counsel, shall be conclusive

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with respect to the proposed Transfer, the shareholder shall be entitled to transfer the Restricted Shares covered by such "no action" letter or other favorable advisory opinion on the basis and in accordance with the terms thereof; provided, however, that the transferee of such Restricted Shares shall agree in writing to take and hold such securities subject to the provisions of this Section 5.

The holder of Restricted Shares giving the notice under this Section 5.5 shall not Transfer such Restricted Shares unless and until (i) the favorable opinions of Holder's Counsel and CPI Counsel referred to in paragraph (b) shall have been given, (ii) registration of such Restricted Shares under the Securities Act shall have become effective or (iii) the "no action" letter or other favorable advisory opinion referred to in paragraph (d) shall have been received and reviewed by CPI Counsel and, in addition, in the case of (i) and (iii), the written agreement referred to in paragraphs (b) and (d), respectively, shall have been made. Nothing contained in this Section 5 shall preclude a holder of Restricted Shares from entering into an agreement to Transfer the same if such agreement requires compliance with the conditions set forth in this Section 5.5.

Section 5.6. Required Registration. Whenever CPI shall be required pursuant to Section 5.5 to effect the registration of any Restricted Shares under the Securities Act, CPI shall promptly give written notice of such proposed registration to all holders of outstanding Restricted Shares and, subject to the provisions of Section 5.10, shall use its best efforts to effect the registration under the Securities Act of the Restricted Shares which CPI has been requested to register pursuant to Section 5.5 and all other Restricted Shares the holders of which shall have made written requests (stating the proposed method of disposition of such securities by the prospective seller) to CPI for the registration thereof within 20 calendar days after the mailing of such written notice by CPI.

Section 5.7. Incidental Registration. If CPI shall propose to register any Common Shares or other securities which are convertible into or exchangeable for Common Shares (otherwise than pursuant to Section 5.6) on Form S-1, Form S-2, Form S-3, Form S-11

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or any similar form then in effect, it shall give written notice to all holders of outstanding Restricted Shares of its intention and, upon the written request of the holder of any such Restricted Shares given within 20 calendar days after the mailing of such notice (which request shall state the proposed method of disposition of such Restricted Shares), CPI shall use its best efforts to cause all Restricted Shares the holders of which have requested registration to be included under the proposed registration for disposition in accordance with the proposed method thereof stated in the respective shareholder's request; provided, however, that CPI may, in lieu of including any of or all such Restricted Shares under the proposed registration, elect to effect a separate registration thereof if its proposed registration relates to an underwritten public offering and the Underwriters thereof object to the inclusion of any of or all such Restricted Shares under such registration. In the event CPI shall elect to effect a separate registration in accordance with the provisions of the preceding sentence, CPI shall use its best efforts to cause such separate registration to become effective not later than 90 days after the effectiveness of its originally proposed registration. If CPI determines, prior to the effectiveness of its originally proposed registration, not to proceed with such registration, CPI shall have no further obligation under this Section 5.7 to register any Restricted Shares.

SECTION 5.8. Registration Procedures and Expenses. If and whenever CPI is required by the provisions of this Section 5 to use its best efforts to effect the registration of any Restricted Shares under the Securities Act, CPI shall, as expeditiously as possible,

(a) select underwriters, counsel and independent accountants for CPI of recognized standing and competence in connection with such registration;

(b) prepare and file (or cause to be prepared and filed) with the Commission a registration statement with respect to such Restricted Shares and use its best efforts to cause such registration statement to become effective;

(c) prepare and file (or cause to be prepared and filed) with the Commission such amendments and

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supplements to such registration statement as may be necessary to keep such registration statement effective for nine months from the date of its effectiveness;

(d) furnish each seller such number of copies of the registration statement and the prospectus forming a part of such registration statement (including each preliminary prospectus) as such seller may reasonably request;

(e) use its best efforts to register or qualify (or cause to be registered or qualified) the securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall reasonably request (including, without limitation, the New York State Real Estate Syndicate Act, the Massachusetts Uniform Securities Act and the New Jersey Real Estate Syndicate Offerings Law), and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition of the Restricted Shares during the period provided in paragraph (c) of this Section 5.8; provided, however, that in no event shall CPI be obligated to qualify to do business in any jurisdiction where it is not now so qualified, to take any action which would subject it to the service of process in suits other than those arising out of the offer or sale of the securities covered by such registration statement in any jurisdiction where it is not now so subject or to conform the composition of its assets at the time to the securities or blue sky laws of such jurisdiction;

(f) notify each seller of any Restricted Shares covered by such registration statement, during the period when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event which causes the prospectus forming a part of such registration statement to include an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such seller prepare and furnish such seller a reasonable number of copies of any supplement to

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or any amendment of such prospectus necessary so as to render such prospectus, as amended or supplemented, in compliance with the provisions of the Securities Act;

(g) engage a transfer agent and registrar for the Restricted Shares at least by the effective date of the first registration of any of such Restricted Shares;

(h) give serious consideration to the listing of the Restricted Shares on an appropriate national securities exchange as promptly after the effectiveness of such first registration as the Trustees of CPI deem advisable.

(i) use its best efforts to procure a comfort letter or letters for the benefit of the underwriters of such registration which substantially conform with the requirements of the American Institute of Certified Public Accountants' Statement of Auditing Standards No. 72 from independent accountants for CPI of recognized standing and competence in connection with such registration;

(j) use its best efforts to deliver customary closing opinions of counsel for CPI in connection with such registration; and

(k) make customary representations and warranties to the underwriters in connection with such registration.

All expenses (except for the compensation of regular employees of CPI, which shall be paid in any event by CPI) incurred by CPI in complying with this Section 5.8, including, without limitation, all registration and filing fees, printing expenses, expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for CPI, counsel for the Underwriters and counsel representing selling shareholders owning a majority of the Restricted Shares being registered), all fees and disbursements of counsel for CPI and any accountants' fees and expenses incident to or required by any such registration are herein called "Registration Expenses", which shall be borne as provided in Section 5.9. All underwriting fees and commissions to be incurred by any seller and all fees and disbursements of counsel for

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any seller (other than counsel described in the second parenthetical phrase in the preceding sentence) are herein called "Selling Expenses", which shall be borne by the seller or sellers in such proportions as they may agree upon; provided, however, that if such sellers cannot otherwise agree, they shall bear such expenses (other than their individual counsel fees which shall be borne by them directly) in direct proportion to the number of Restricted Shares which they are having registered.

It shall be a condition precedent to the obligation of CPI to take any action pursuant to this Section 5.8 for the benefit of a prospective seller of Restricted Shares that (x) CPI shall have received an undertaking satisfactory to it from such seller (A) to pay all Registration Expenses required to be paid by such seller pursuant to Section 5.9 and all Selling Expenses to be incurred by or for account of such seller and (B) to notify CPI of the happening of any event within the knowledge of such seller which causes the prospectus referred to in Section 5.8(d), as it may be amended or supplemented, to include an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, in each case with respect to such seller, and (y) such seller shall furnish to CPI such information regarding such seller, the Restricted Shares held by such seller and the intended method of disposition of such Restricted Shares as CPI shall reasonably request and as shall be required by applicable law in connection with the action to be taken by CPI.

SECTION 5.9. Allocation of Expenses. If and whenever CPI is required by the provisions of this Section 5 to use its best efforts to effect the registration of any of its securities under the Securities Act, CPI shall pay all Registration Expenses in connection with

(a) (i) the first two registrations of any Restricted Shares consummated pursuant to Sections 5.5 and 5.6 and (ii) each of the third, fourth, fifth and sixth registrations of any Restricted Shares consummated pursuant to Sections 5.5 and 5.6, so long as each such registration is effected pursuant to a request or requests from a prospective seller or sellers

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(including Purchaser) to register at least 5% of the outstanding Common Shares (including as "outstanding" for such purpose any Common Shares issuable upon conversion of any outstanding securities of CPI which may then be converted); provided, however, that if the full number of Restricted Shares covered by a request pursuant to Section 5.5 is not in fact sold pursuant to any such registration as a result of the inclusion of any additional outstanding or newly issued securities of CPI in such registration, such registration shall not be counted for purposes of this clause (a) of Section 5.9; and

(b) each registration pursuant to Section 5.7.

The Registration Expenses in connection with any other registration of its Restricted Shares which CPI shall be required to use its best efforts to effect pursuant to any of the provisions of this Section 5, and all Selling Expenses in connection with any registration of its Restricted Shares pursuant to this Section 5, shall be borne by the seller or sellers of such Restricted Shares in such proportions as they may agree upon; provided, however, that if such sellers cannot otherwise agree, they shall bear such expenses (other than their individual counsel fees which shall be borne by them directly) in direct proportion to the number of Restricted Shares which they are having registered.

SECTION 5.10. Limitations on Obligations to Register and Right To Sell Restricted Shares. Anything in this Section 5 to the contrary notwithstanding:

(a) if CPI has not theretofore registered an offering of Common Shares or other securities which are convertible into or exchangeable for Common Shares under the Securities Act, CPI shall not be obligated to effect any registration under Section 5.5 or Section 5.6 unless it shall have received a request or requests pursuant to Section 5.5 or Section 5.6 or any similar provision of any other agreement from a prospective seller or sellers (including the Purchaser) to register at least 10% of the outstanding Common Shares (including as "outstanding" for such purpose any Common Shares issuable upon conversion of any outstanding securities of CPI which may then be converted);

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(b) if CPI has theretofore registered an offering of Common Shares or other securities which are convertible into or exchangeable for Common Shares under the Securities Act, CPI shall not be obligated to effect any registration under Section 5.5 or Section 5.6 unless it shall have received a request or requests from a prospective seller or sellers (including Purchaser) to register Common Shares with a minimum value of $15 million, based on the current value of shareholder's equity per Common Share as of the December 31 immediately preceding the date of the first such request. For purposes of the preceding sentence, the "current value of shareholder's equity per Common Share" shall be deemed to be the average of the daily closing prices for the thirty consecutive business days commencing no more than forty-five business days before the day in question. The closing price for each day shall be the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Shares are admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the average of highest reported bid and lowest reported asked prices on the over-the-counter market on the day in question as reported by the National Association of Securities Dealers, Inc. Automated Quotation System (or any successor to such system), or a similarly generally accepted reporting service, or if not so available, the "current value of shareholder's equity per Common Share" shall be determined in an appraisal conducted by Landauer Associates, Inc. or such other independent person of recognized standing as shall have been selected by the Trustees of CPI to determine the net asset value of CPI;

(c) CPI shall not be required to register Restricted Shares under the Securities Act pursuant to Section 5.5 or Section 5.6 more than once in any consecutive 12-month period; provided, that if the full number of Restricted Shares covered by a request pursuant to Section 5.5 is not in fact sold pursuant to any such registration as a result of the inclusion of any additional outstanding or newly issued securities of CPI in

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such registration, such registration shall not be counted for purposes of this clause (c) of Section 5.10;

(d) CPI shall not be obligated to effect any registration pursuant to Section 5.5 or Section 5.6 if such registration would require an audit of CPI as of a date other than its fiscal year end unless the seller requesting such registration agrees to bear responsibility for the expenses of such an audit; and

(e) any registration statement prepared pursuant to this Section 5 shall be subject to such restrictions or limitations as may be required by law to the sales price or sales method of the Restricted Shares included in such registration statement; provided, however, that, if upon the effectiveness of any such registration statement CPI will be engaged in a primary distribution of its securities, CPI may require the prospective seller or sellers whose Restricted Shares are included in such registration statement to agree not to sell any such Restricted Shares for a period of 90 days after the effective date of such registration statement.

SECTION 5.11. Indemnification. In the event of any registration of Restricted Shares pursuant to this Section 5, CPI shall indemnify and hold harmless the Purchaser, its officers, directors or trustees and each seller of Restricted Shares covered by a registration pursuant to this Section 5 and each Underwriter of such Restricted Shares and each person, if any, who controls the Purchaser or such seller or Underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities and any action in respect thereof, joint or several, to which the Purchaser or such seller, Underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated

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therein or necessary to make the statements therein not misleading; and CPI will reimburse the Purchaser and each such seller, Underwriter and controlling person for any legal or any other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that CPI will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, preliminary prospectus, prospectus or amendment or supplement thereto in reliance upon and in conformity with information furnished to CPI in writing by the Purchaser or such seller specifically for use therein, or by any Underwriter distributing or selling the Restricted Shares of such seller, specifically for use in the preparation thereof. This indemnity will be in addition to any liability which CPI may otherwise have.

A party from whom indemnity may be sought pursuant to the provisions of this Section 5.11 shall not be liable for such indemnity with respect to any claim as to which indemnity is sought unless the party seeking such indemnity shall have notified such indemnifying party in writing of the nature of such claim promptly after such indemnified party becomes aware of the assertion thereof; provided, however, that the failure so to notify such indemnifying party shall not relieve such party from any liability which it may have to such indemnified party otherwise than on account of the provisions of this Section 5.11 or if the failure to give such notice promptly shall not have been prejudicial to such indemnifying party. Any indemnifying party may participate (with counsel reasonably satisfactory to the indemnified party) in, and to the extent that it shall wish, may direct (at its own expense and either individually or jointly with any other indemnifying party), the defense of any suit brought to enforce such claim; provided, that if a party seeking such indemnity shall give notice to such indemnifying party that in its good faith judgment an important general interest of such party is involved in such proceeding, such party seeking indemnity shall have the right to control (at its own expense), with the participation of the indemnifying party, the defense against or settlement of any such proceeding. If any indemnifying party elects to assume the defense of any such suit and retains counsel satisfactory to

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such indemnified party, such indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such suit, other than reasonable costs of investigation. No indemnifying party shall be liable for any compromise or settlement of any such action effected without its consent.

Insofar as the foregoing indemnity agreement may permit indemnification for liabilities under the Securities Act of any person who is a partner or controlling person of an Underwriter within the meaning of Section 15 of the Securities Act and who, at the effective date of the registration statement, is, or is named to be, a Trustee of CPI, if a claim for indemnification for any such liabilities (except payment for expenses incurred in the successful defense of any action, suit or proceeding) is asserted by such a person, CPI will submit to a court of competent jurisdiction (unless in the opinion of counsel for CPI the matter has already been settled by controlling precedent) the question of whether or not such indemnification is against public policy and unenforceable, and such person and CPI will be governed by the final adjudication of such issue.

It shall be a condition precedent to the obligation of CPI to take any action pursuant to Section 5.8 that CPI shall have received an undertaking satisfactory to it from each prospective seller of the Restricted Shares to be registered under each registration pursuant to this Section 5, and from any Underwriter of such Restricted Shares, to indemnify and hold harmless (in the same manner and to the same extent as set forth in the preceding paragraphs of this Section 5.11) CPI and each of its Trustees, officers and "control" persons within the meaning of that term under the Securities Act, against any losses, claims, damages or liabilities to which CPI or any such Trustee, officer or control person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact

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required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was in reliance upon and in conformity with information furnished to CPI in writing by such seller or Underwriter, as the case may be, specifically for use therein; and such persons will reimburse CPI and each of its Trustees, officers and control persons for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity will be in addition to any liability which such seller or Underwriter may otherwise have.

SECTION 5.12. 1934 Act Registration. CPI shall cause at least one class of its securities to be registered pursuant to Section 12 of the 1934 Act within 90 calendar days after the effective date of the first registration statement pertaining to Common Shares or other securities which are convertible into or exchangeable for Common Shares filed by CPI under the Securities Act or as otherwise required by the 1934 Act and shall thereafter (i) cause such securities to remain registered under such Section 12, (ii) file within the requisite period of time all reports required to be filed by issuers having securities registered pursuant to such Section 12, (iii) file such other documents as may be required to be filed pursuant to Rule 144 under the Securities Act as a condition to the sale of restricted or control securities and (iv) provide such other information as may be required to be provided pursuant to Rule 144A under the Securities Act as in effect on the date of this Purchase Agreement.

CPI covenants that, so long as the Purchaser shall hold any Common Shares or CRC Shares, it will give to the Purchaser prompt written notice of (i) the filing and effectiveness of any registration statement filed by CPI under the 1934 Act pursuant to the preceding paragraph, relating to any class of securities of CPI or CRC, and (ii) the number of shares of such class of securities outstanding at the time such registration statement becomes effective. CPI also covenants that it will furnish to the Purchaser any information which it may reasonably require for the purpose of completing Form 144, or any other comparable form, in connection with any proposed sale by the Purchaser pursuant to

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Rule 144 under the Securities Act, as then in effect, or any other comparable rule, of any Common Share or any CRC Shares.

SECTION 5.13. More Favorable Rights. CPI agrees that if it shall hereafter afford to any person or entity registration rights with respect to Restricted Shares more favorable than those provided in this Section 5, it will forthwith make such more favorable rights available to the Purchaser with respect to the Restricted Shares held by the Purchaser.

SECTION 6. Representations and Warranties.

SECTION 6.1. Representations and Warranties of CPI. CPI (and, with respect to the representations and warranties applicable to it, CRC) represents and warrants to the Purchaser as follows:

SECTION 6.1.1. CPI is a voluntary association of the type commonly known as a business trust duly organized and existing under the laws of the Commonwealth of Massachusetts, has all the requisite power to own and deal with real and other property, conduct its business as it is now conducted and perform this Purchase Agreement and is duly qualified to do business and in good standing in Massachusetts and in each jurisdiction, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary. This Purchase and Exchange Agreement, the Assignment Agreement and the Release have been duly authorized, executed and delivered by CPI and constitute CPI's legal, valid and binding agreements enforceable against CPI in accordance with their terms (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

SECTION 6.1.2. The Shares to be delivered to the Purchaser on the Closing Date in accordance

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with this Purchase Agreement will have all the rights and privileges applicable to Series A Shares as provided in the Declaration of Trust and, when so delivered against payment therefor, will be duly authorized, validly issued, fully paid and non-assessable, and the delivery to the Purchaser of certificates for the Shares will pass to the Purchaser good and valid title thereto, free of any Encumbrance.

SECTION 6.1.3. The Declaration of Trust and the Trustees' Regulations of CPI, in the forms certified by the Secretary of CPI and delivered to the Purchaser on the date hereof, are and at the Closing will be in full force and effect.

SECTION 6.1.4. The execution and delivery by CPI of this Purchase Agreement, the Assignment Agreement, the Release and the certificates representing the Shares and performance of this Purchase Agreement, the Assignment Agreement and the Release and compliance with the provisions hereof and thereof do not and, in the case of the Release and Assignment Agreements, upon their execution and delivery will not (i) violate any provision of any applicable law or of the Declaration of Trust or Trustees' Regulations, (ii) conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any Encumbrance upon any of the properties or assets of CPI pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which CPI is a party or by which it or any of its properties may be bound or (iii) require any consent under any such material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument other than consents (A) that have been obtained or the procurement of which is a condition to the closing of the transactions contemplated hereby or (B) the failure to obtain of which is not reasonably likely to have a material adverse effect upon the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole or the ability of CPI and CRC to consummate the transactions contemplated hereby.

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SECTION 6.1.5. CPI has not, either directly or through any agent, offered any Common Shares or other securities for sale, or solicited any orders to buy the same, or otherwise approached or negotiated in respect thereof, in such manner as to require registration under the Securities Act, the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act of such Common Shares, such other securities or any Shares to be sold hereunder.

SECTION 6.1.6. Except as described in the Evaluation Material, there is no action, proceeding or investigation pending or, to the knowledge of CPI, threatened, against CPI in which there is a reasonable possibility of an adverse decision that would materially adversely affect the condition, business or prospects of CPI or any of its properties or assets, or which questions the validity of this Purchase Agreement, the Shares, the Assignment Agreement, the Release or any action to be taken pursuant to this Purchase Agreement, the Assignment Agreement or the Release.

SECTION 6.1.7. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of CPI is required in connection with the valid execution, delivery and performance of this Purchase and Exchange Agreement, the Assignment Agreement, the Release or the offer, sale and delivery of the Shares, as contemplated hereby.

SECTION 6.1.8. CPI has no present intention of making any public distribution of any equity securities.

SECTION 6.1.9. Each of CPI, CPI's subsidiaries and CRC have filed all material Federal, state and local income, franchise and other tax returns, reports and statements required to have been filed to date. All material taxes shown to be due on such returns have been paid. There is no material audit, examination, investigation, dispute or claim concerning any taxes of any of CPI, CPI's subsidiaries or CRC raised by any taxing authority in writing or as to which any of the Trustees and officers of CPI,

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other directors and officers of CPI's subsidiaries and the directors and officers of CRC have actual knowledge. There are no settlements or closing agreements with respect to any taxes of CPI or CRC with respect to which any material amounts remain to be paid. Neither CPI nor CRC is a party to any income tax sharing agreement.

SECTION 6.1.10. CPI has endeavored and will endeavor to operate in such manner as to qualify as a real estate investment trust under Sections 856-860 of the Code.

SECTION 6.1.11. The Evaluation Material does not contain any untrue statement of a material fact. The balance sheets of CPI as at December 31, 1995, and September 30, 1996, and the related statements of income, cash flow and shareholders' equity for the twelve months then ended and nine months then ended, respectively, included in the Evaluation Material, fairly present the financial condition of CPI as at such dates and the results of operations of CPI for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since September 30, 1996, there has been no material adverse change in the business, operations, financial condition, results of operations or prospects of CPI and its subsidiaries.

SECTION 6.1.12. CPI in its Federal income tax return for the taxable year ended December 31, 1995, elected to be treated as a Real Estate Investment Trust.

SECTION 6.1.13. CRC is a duly organized and validly existing corporation under the laws of the State of Delaware, has all the requisite power to own and deal with real and other property, and is duly qualified to do business and in good standing in the jurisdictions, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary.

SECTION 6.1.14. Upon its acquisition of the Shares, the Purchaser will also acquire related beneficial interests in the CRC Shares held in the CRC Trust. The CRC Shares held in the CRC Trust

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are duly authorized, validly issued, fully paid and non-assessable, and the delivery to the Purchaser pursuant to this Purchase Agreement of certificates for the Shares will pass to the Purchaser good and valid title to their related beneficial interests in the CRC Shares held in the CRC Trust, free of any Encumbrance except as set forth in Article FOURTH of CRC's Certificate of Incorporation. All but 74.3 of the outstanding CRC Shares are held by the CRC Trust or by the Bank of Montreal Trust Company, as trustee, ratably on behalf of the holders of CPI's outstanding Preference Shares.

SECTION 6.1.15. The execution and delivery by each of CPI and CRC of this Purchase Agreement and by CPI of the certificates representing the Shares and performance by CPI and CRC of this Purchase Agreement and compliance with the provisions hereof do not (i) violate any provision of CRC's Certificate of Incorporation, its By-laws or the CRC Trust Agreement or (ii) conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of CRC pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which CRC is a party or by which it or any of its properties may be bound or (iii) require any consent under any such material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument other than consents (A) that have been obtained or the procurement of which is a condition to the closing of the transactions contemplated hereby or (B) the failure to obtain of which is not reasonably likely to have a material adverse effect upon the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole or the ability of CPI and CRC to consummate the transactions contemplated hereby.

SECTION 6.1.16. CRC has not, either directly or through any agent, offered any CRC Shares or other securities for sale, or solicited any orders to buy the same, or otherwise approached or negotiated in respect thereof, in such manner as to require registration under the Securities Act,

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the Massachusetts Uniform Securities Act, the New Jersey Uniform Securities Law or the New York State Martin Act of such CRC Shares, such other securities or any Shares to be sold hereunder.

SECTION 6.1.17. Except as described in the Evaluation Material, there is no action, proceeding or investigation pending or, to the knowledge of CPI, threatened, against CRC in which there is a reasonable possibility of an adverse decision that would materially adversely affect the condition, business or prospects of CPI and CRC taken as a whole, or which questions the validity of this Purchase Agreement, the CRC Shares or any action taken by CPI or CRC pursuant to this Purchase Agreement.

SECTION 6.1.18. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of CRC is required in connection with the valid execution, delivery and performance of this Purchase Agreement or the issuance for deposit in the CRC Trust of CRC Shares as contemplated hereby.

SECTION 6.1.19. CRC has no present intention of making any public distribution of any CRC Shares.

SECTION 6.1.20. The financial information concerning CRC set forth in the Annual Report and Nine Month Report of CPI included in the Evaluation Material fairly summarizes the financial condition of CRC at such dates and the results of operations of CRC for the periods indicated in such information, all in accordance with generally accepted accounting principles consistently applied. Since September 30, 1996, there has been no adverse change in the business, operations, financial condition, results of operations or prospects of CRC and its subsidiaries that are material in the context of CPI (and its subsidiaries) and CRC, taken as a whole.

SECTION 6.1.21. CPI is not in violation of any provision of its Declaration of Trust or Trustees' Regulations. CRC is not in violation of any provision of the CRC Trust.

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SECTION 6.1.22. CRC is not in violation of any provision of its Certificate of Incorporation or By-laws.

SECTION 6.1.23. The Certificate of Incorporation of CRC, as amended, in the form certified by the Secretary of CRC and heretofore delivered to the Purchaser, is and at the Closing will be in full force and effect.

SECTION 6.1.24. The CRC Trust Agreement in the form certified by the Secretary of CRC and heretofore delivered to the Purchaser, is and at the Closing will be in full force and effect.

SECTION 6.1.25. The total number of Preference Shares which CPI shall have authority to issue shall be 209,249, and the total number of Common Shares which CPI shall have authority to issue shall be 36,089,872 Common Shares plus such number (if any) of additional Common Shares as shall be required for issuance pursuant to Share Purchase Contracts entered into under CPI's 1994 Plan for Shareholder Contractual Purchases of Shares (the "1994 Plan") and 1997 Plan for Shareholder Contractual Purchases of Shares (the "1997 Plan"); provided, however, that (a) upon the issuance of all Common Shares issuable pursuant to the terms of Share Purchase Contracts entered into under the 1994 Plan (the "1994 Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,105,894 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to November 1, 1996, pursuant to such 1994 Contracts; (b) upon the issuance of all Common Shares issuable pursuant to the terms of Share Purchase Contracts entered into under the 1997 Plan (the "1997 Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,100,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to January 1, 1997, pursuant to such 1997 Contracts; (c) upon the issuance of all Common Shares issuable pursuant to all Employee Share Purchase Plan Contracts entered into under CPI's Employee Share Purchase Plan as amended ("Employee Contracts"), the number of Common Shares authorized to be issued as aforesaid shall be

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reduced by the excess (if any) of 12,513 (as adjusted to reflect non-vested shares acquired by CPI) over the total number of authorized but unissued Common Shares as shall then have been issued subsequent to June 15, 1994, pursuant to Employee Contracts; (d) upon the issuance of all Common Shares issuable pursuant to Share Purchase Agreements providing for the issuance of up to 1,788,948 Common Shares directly, or upon the conversion or exchange of securities convertible into or exchangeable for Common Shares, the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,788,948 over the number of authorized but unissued Common Shares as shall have been issued subsequent to November 1, 1996 pursuant to such Share Purchase Agreements; (e) upon the termination or expiration of the Trust's 1993 Share Option Plan for Employees and all options granted thereunder (the "1993 Share Options"), the number of Common Shares authorized to be issued as aforesaid shall be reduced by the excess (if any) of 1,000,000 over the total number of Common Shares as shall then have been issued upon the exercise of 1993 Share Options granted on or after November 2, 1993; (f) upon the issuance of all Common Shares issuable upon conversion of the First Series Preference Shares, the number of Common Shares authorized to be issued as aforesaid shall be reduced by the excess (if any) of 1,600,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to June 15, 1994 upon conversion of such First Series Preference Shares; (g) upon the issuance of all Common Shares issuable in exchange for interests in properties (whether direct or indirect through ownership interests in legal entities) pursuant to contracts entered into on or before January 31, 1997 ("Bellwether Contracts"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any), of 6,000,000 over the number of authorized but unissued Common Shares as shall have been issued subsequent to November 1, 1996 pursuant to such Bellwether Contracts; and (h) upon the issuance of all Common Shares (excluding those utilized in (g) above) issuable in exchange for interests in the Partnership (or in a successor to the assets thereof or in the underlying assets thereof), on or before December 31, 2000 ("Longstreet

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Exchanges"), the number of Common Shares authorized to be issued shall be reduced by the excess (if any) of 1,800,000 over the number of authorized but unissued Common Shares as shall then have been issued subsequent to November 1, 1996 pursuant to such Longstreet Exchanges. As of November 20, 1996 there were outstanding 26,918,773 Common Shares (excluding 404,967 Common Shares held by CPI in its treasury), 209,249 Preference Shares and 2,843,075.3 shares of common stock of CRC. Since November 4, 1996, neither CPI nor CRC has effected any change in its authorized classes of beneficial interest (whether by way of reclassification, recapitalization, subdivision, stock splits or otherwise). Neither CPI nor CRC is required to file, pursuant to the requirements of Section 12 of the 1934 Act, a registration statement relating to any of its securities.

SECTION 6.1.26. Since January 1, 1975, CPI has been, and CPI continues to be, primarily engaged directly in the management or development of real estate.

SECTION 6.1.27. Schedule 6.2.1 contains a correct and complete list of all of the organizational documents of the Partnership.

SECTION 6.1.28. Each of CPI and CRC are in compliance in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities except where (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to comply therewith would not, together with all other such failures, reasonably be expected to have a material adverse effect on the assets, business or operations of CPI, CRC and their subsidiaries taken as a whole.

SECTION 6.1.29. CPI (a) will acquire the Partnership Interest for the purpose of investment and not with a view to, or for sale in connection with, the public distribution thereof, nor with any present intention of publicly distributing the same and (b) is familiar with the business and operations of the Partnership and has conducted its own due diligence investigation with respect thereto.

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SECTION 6.2. Representations and Warranties of Purchaser. The Purchaser hereby represents and warrants to CPI as follows:

SECTION 6.2.1. Schedule 6.2.1 contains a correct and complete list of all of the organizational documents of the Partnership and the Purchaser owns the Partnership Interest free and clear of all Encumbrances.

SECTION 6.2.2. The Purchaser is duly organized, validly existing and in good standing under the laws of the state of Delaware, the Purchaser has all the requisite power to own and deal with its real and other property, conduct its business as it is now conducted and perform this Purchase Agreement, the Assignment Agreement and the Release and is duly qualified to do business and in good standing in each jurisdiction, if any, in which the nature of the business transacted or the character of the property owned by it therein makes such qualification necessary. This Purchase Agreement has been duly authorized, executed and delivered by Purchaser and each of the Assignment Agreement and the Release has been duly authorized by Purchaser and shall be duly executed and delivered by Purchaser at the Closing and this Purchase Agreement and the Assignment Agreement (upon its execution and delivery) and the Release (upon its execution and delivery) constitute (or will constitute upon execution and delivery) Purchaser's legal, valid and binding agreement enforceable in accordance with its terms (subject to any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and except as the enforceability of the indemnification provisions hereof may be limited by federal securities law and public policy considerations).

SECTION 6.2.3. The execution and delivery by Purchaser of this Purchase Agreement, the Assignment Agreement and the Release and the performance of this Purchase Agreement, the Assignment Agreement and the Release, and

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compliance with the provisions hereof and thereof do not and, in the case of the Release and the Assignment Agreements, upon their execution and delivery will not (i) violate any provision of any applicable law or of the Certificate of Incorporation or By-laws of the Purchaser or (ii) conflict with or result in any breach of any of the terms, conditions or provisions of or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of Purchaser pursuant to, any material indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which Purchaser is a party or by which it or any of its properties may be bound.

SECTION 6.2.4. There is no action, proceeding or investigation pending or, to the knowledge of Purchaser, threatened, against Purchaser in which there is a reasonable possibility of an adverse decision that questions the validity of this Purchase Agreement, the Assignment Agreement, the Release, the Partnership Interest or any action to be taken pursuant to this Purchase Agreement.

SECTION 6.2.5. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or public body or authority on the part of Purchaser is required in connection with the valid execution, delivery and performance of this Purchase Agreement, the Assignment Agreement, the Release, Purchaser's sale, assignment, transfer and conveyance of the Partnership Interest or Purchaser's acquisition of the Shares, all as contemplated hereby.

SECTION 7. Applicability of Declaration of Trust. Notwithstanding any other provisions of this Purchase Agreement, the rights of the Purchaser to hold and transfer the Shares shall at all times be subject to the provisions of Sections 5.12, Purchasers Disclosures; Redemption of Shares, and 5.13, Right to Refuse to Transfer Shares; Certain Transfers Void, of the Declaration of Trust of CPI and to all rights granted to the Trustees of CPI thereunder.

SECTION 8. Assignment. This Purchase Agreement may not be assigned by CPI or the Purchaser prior to the Closing Date without, in the case of a transfer by the

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Purchaser, the consent of CPI and, in the case of a transfer by CPI, the consent of the Purchaser. After the Closing Date, all representations, warranties, covenants and agreements contained in this Purchase Agreement shall bind and inure to the benefit of CPI and the Purchaser and their respective successors and assigns (including without limitation transferees of any or all Shares to be purchased hereunder by the Purchaser if such transferees acquired such Shares prior to the public offering thereof), except as any provision may by its terms be otherwise limited. After the Closing Date, the Purchaser shall not assign this Purchase Agreement or any of its rights, privileges or obligations hereunder to any party other than such a transferee without the prior written consent of CPI.

SECTION 9. Governing Law. This Purchase Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of the conflicts of laws thereof.

SECTION 10. Jurisdiction; Consent to Service of Process. (a) Each of the Purchaser and CPI hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Purchase Agreement, or for recognition or enforcement of any judgment arising therefrom, and CPI and the Purchaser hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. CPI and the Purchaser agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Purchase Agreement shall affect any right that the Purchaser or CPI may otherwise have to bring any action or proceeding relating to this Purchase Agreement against the other or its properties in the courts of any jurisdiction.

(b) CPI and the Purchaser hereby irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Purchase Agreement in any New York State or Federal court sitting in New York City. CPI and the Purchaser hereby

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irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) CPI and the Purchaser irrevocably consent to service of process in the manner provided for notices in Section 13. Nothing in this Purchase Agreement will affect the right of any party to this Purchase Agreement to serve process in any other manner permitted by law.

SECTION 11. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Purchase Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other party hereto have been induced to enter into this Purchase Agreement by, among other things, the mutual waivers and certifications in this Section 11.

SECTION 12. Brokers Fees. The Purchaser shall indemnify CPI and CPI shall indemnify the Purchaser against any claim for brokerage or other commissions relative to this Purchase Agreement or to the transactions contemplated hereby based in any way on agreements, arrangements or understandings made or alleged to have been made by the indemnifying party.

SECTION 13. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered or mailed by first-class registered or certified mail (air mail when being sent outside the United States) postage prepaid, addressed (a) if to the Purchaser, at its address set forth in Exhibit A hereto, or at such other address as may be furnished in writing by the Purchaser to CPI, or (b) if to CPI, Three Dag Hammarskjold Plaza, 305 East 47th Street, New York, N.Y. 10017, or at such other address as CPI shall have furnished to the Purchaser in writing.

SECTION 14. Survival of Provisions. The representations, warranties and covenants set forth in Sections 2, 4, 5, 6, 7, 12 and 15 shall survive the purchase of Shares under this Purchase Agreement.

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SECTION 15. Expenses. Each of CPI and the Purchaser shall bear its own respective direct and indirect costs and expenses incurred by it in connection with the negotiation, preparation, execution and performance of this Purchase Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated, including, without limitation, all fees and disbursements of agents, representatives, counsel and accountants.

SECTION 16. Entire Agreement; Section Headings. This Purchase Agreement sets forth the entire agreement of the parties hereto, and supersedes the provisions of any prior agreement or understanding of the parties hereto, with respect to the subject matter hereof. The descriptive headings of the several sections of this Purchase Agreement are inserted for convenience only and do not constitute a part of this Purchase Agreement.

SECTION 17. Counterparts. This Purchase Agreement may be executed in counterparts, each of which shall be an original.

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The Purchaser understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

Very truly yours,

CORPORATE PROPERTY INVESTORS,

by /s/ Corporate Property Investors

Name:
Title:

CORPORATE REALTY CONSULTANTS, INC.,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

Accepted and agreed to:

FIFTH AND 59TH STREET INVESTORS CORPORATION,

by

Name:
Title:

by

Name:
Title:

Exhibit A

Name and Address
of Purchaser

Fifth and 59th Street Investors Corporation
c/o Fosterlane Management Corporation
400 Northcreek, Suite 700
3715 Northside Parkway
Atlanta, Georgia 30327
Attention: Mr. Saleh F. Alzouman
President

with a copy to:

Fifth and 59th Street Investors Corporation
c/o Fosterlane Management Corporation
400 Northcreek, Suite 700
3715 Northside Parkway
Atlanta, Georgia 30327
Attention: Vice President

Exhibit B

Assignment Agreement

[Form of]

PARTNERSHIP INTEREST ASSIGNMENT

This Partnership Interest Assignment ("Assignment") is made on [the Closing Date] by and between [FOSTERLANE HOLDINGS CORPORATION], a Delaware corporation ("Assignor"), and [ ](1) ("Assignee"), with reference to the following:

A. Assignor owns the rights of Fifth and 59th Street Investors Corporation, that are set forth in those agreements and other documents listed on Schedule A annexed hereto (collectively, the "Partnership Agreement"), which constitute the organizational documents of Longstreet Associates, L.P., a New York limited partnership (the "Partnership"), as amended to the date hereof.

B. Assignor now wishes to assign to Assignee all of Assignor's interest in and to the Partnership and the Partnership Agreement and to cause Assignee to become a substituted limited partner of the Partnership in the place and stead of Assignor.

NOW, THEREFORE, the parties agree as follows:

1. Assignment. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns and transfers to Assignee, its successors and assigns, effective as of the date hereof, all of Assignor's right, title and interest (whether as partner, creditor, beneficiary or other claimant) in and to the Partnership, the Partnership Agreement and all of the Partnership's rights, interests and assets of any nature whatsoever, whether now existing or hereafter arising, including, without limitation, all of Assignor's right, title and interest in and to all distributions of cash or property made by the Partnership after the date hereof, all of Assignor's rights to the repayment of any moneys advanced or otherwise lent to the Partnership that have not been repaid as of the date hereof, all of Assignor's right, title and interest in and to all allocations of profits, losses and tax credits for tax purposes arising with respect to Assignor's interest in the

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(1) Designee of CPI.

Partnership after the date hereof and all of Assignor's capital account attributable to Assignor's interest in the Partnership (all of the foregoing being collectively referred to herein as the "Partnership Interest").

2. Substitution of Assignee as Limited Partner. Assignor and Assignee intend that, effective as of the date hereof, Assignee shall be substituted as a limited partner in the Partnership in the place and stead of Assignor. Upon Assignee's request, Assignor shall execute and deliver to each of the remaining partners in the Partnership and to Assignee an amendment to the Partnership Agreement, in form and substance reasonably satisfactory to each of the remaining partners and Assignee, effecting the substitution of Assignee from and after the date hereof in the place and stead of Assignor as a partner of the Partnership.

3. Acceptance and Assumption; Indemnity. Effective as of the date hereof, Assignee hereby accepts the assignment to it of all of Assignor's right, title and interest in and to the Partnership Interest, hereby agrees to become a substituted limited partner in the Partnership from and after the date hereof in the place and stead of Assignor and, to the extent of the Partnership Interest and as otherwise provided by law, hereby assumes and agrees to be bound by all of the obligations of Assignor under the Partnership Agreement arising after the date hereof, whether known or unknown, fixed or contingent and howsoever arising; provided, however, that the liabilities and obligations assumed by Assignee hereunder do not include (i) any claims related to Federal, state or local income, franchise, sales, property, transfer, document recording or other taxes of Assignor or the Partnership accruing prior to the date hereof or by reason of the assignment and transfer contemplated hereby or (ii) any other liabilities or obligations of Assignor or the Partnership accruing prior to the date hereof. Assignee hereby indemnifies and agrees to hold harmless Assignor from and against all of Assignor's losses, costs, damages and claims arising out of the liabilities assumed pursuant to this paragraph 3 to the extent that such losses, costs, damages or claims are incurred by Assignor on or after the date hereof.

4. Further Assurances. Assignor shall, at any time and from time to time after the date hereof, upon the request of Assignee, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances, and take all such further actions, as shall be necessary or desirable to give effect to the transactions hereby consummated and to

collect and reduce to the possession of Assignee any and all of the interests and assets hereby transferred to Assignee. Without limiting the generality of the foregoing, Assignor hereby appoints Assignee, and its nominees, successors and assigns, the true and lawful attorney of Assignor, with full power of substitution, in the name of Assignee or in the name of Assignor but for the benefit and at the expense of Assignee, to demand and receive from time to time the benefits of the right and title to the Partnership Interest hereby conveyed, transferred and assigned, to give receipts and releases for and in respect of the same, or any part thereof, and from time to time to institute and prosecute in the name of Assignor or otherwise, for the benefit of Assignee, any and all proceedings at law, in equity or otherwise, which Assignee, its nominees, successors or assigns, may deem proper in order to collect, assert or enforce the right or title to the Partnership Interest hereby conveyed, transferred and assigned, or intended so to be, to defend and compromise any and all actions, suits or proceedings in respect of the Partnership Interest, and to do any and all such acts and things in relation thereto as Assignee, its nominees, successors or assigns, shall deem advisable; Assignor hereby declaring that the appointment hereby made and the powers hereby granted are coupled with an interest and are and shall be irrevocable by Assignor; provided that prior to its exercise of any rights granted pursuant to the foregoing appointment, Assignee shall deliver to Assignor at least 5 business days' prior notice of Assignee's intention to take any such action.

5. Counterparts. This Assignment may be executed in counterparts with the same effect as if all parties hereto had executed the same document. All counterparts shall be construed together and shall constitute a single Assignment.

6. Governing Law. This Assignment shall be construed and interpreted in accordance with, and governed and enforced in all respects by, the laws of the State of

New York without giving effect to the conflict of laws principles of such State.

Assignor understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Partnership Interest Assignment as of the date and year first above written.

[FOSTERLANE HOLDINGS CORPORATION],
a Delaware corporation,

by

Name:
Title:

by

Name:
Title:

[ASSIGNEE],

by

Name:
Title:

Consent to Assignment:

The undersigned, as general partner of Longstreet Associates, L.P., hereby consents to the foregoing assignment:

CPI-767 CORPORATION,

by

Name:
Title:

NOTARIAL ACKNOWLEDGMENTS

[To be Attached]

Schedule A
to
Assignment

ORGANIZATIONAL DOCUMENTS

Longstreet Associates L.P., a New York limited partnership.

a. Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

b. Certificate of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

c. First Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 29, 1982.

d. Second Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of January 3, 1983.

e. Third Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of February 4, 1987.

f. Partnership Interest Assignment dated as of December 27, 1990.

g. Partnership Interest Assignment dated as of December 27, 1990.

h. Fourth Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 27, 1990.

i. Letter Agreements dated November 14, 1990, December 11, 1990, December 19, 1990, December 27, 1990, February 11, 1991, March 8, 1991, June 6, 1991, September 11, 1991, January 10, 1992, June 14, 1992, December 14, 1992 and May 18, 1994.

Exhibit C

[Form of]

GENERAL RELEASE

In consideration of, among other things, the premises and mutual covenants contained in that certain Purchase Agreement (the "Agreement") dated as of December 13, 1996, between Corporate Property Investors, a voluntary association of the type commonly known as a Massachusetts business trust ("CPI"), Corporate Realty Consultants, Inc., a Delaware corporation ("CRC"), and Fosterlane Holdings Corporation, a Delaware corporation (the "Purchaser"), and the mutual covenants contained herein, the parties hereto agree as follows:

1. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Each of CPI, CPI-767 Corporation, a Delaware corporation ("CPI-767"), CPI-767 II Corporation, a Delaware corporation ("CPI-767 II"), and CRC hereby forever releases and discharges the Purchaser, its subsidiaries and partners, and each of their respective directors, officers and employees (collectively, the "Purchaser Releasees") from, and waives and relinquishes any and all claims, demands, debts, liabilities, obligations, actions, causes of action, suits, sums of money, accounts, reckonings, covenants, contracts, controversies, agreements, promises and rights whatsoever, whenever arising, known or unknown, suspected or unsuspected, contingent or fixed, liquidated or unliquidated, matured or unmatured, in law, equity or otherwise (collectively, "Claims") that CPI, CPI-767, CPI- 767 II or CRC ever had, now has, or hereafter can, shall or may have against the Purchaser Releasees for, upon, or by reason of any matter, cause, transaction or thing whatsoever occurring at any time prior to the date hereof; provided, however, that nothing contained herein shall be deemed to release any person from its obligations under the Agreement, the Assignment Agreements or any other documents delivered pursuant to the express provisions thereof or to release the Purchaser from any obligations to CPI under any written agreement pursuant to which the Purchaser or any predecessor in interest acquired Common Shares.

3. The Purchaser hereby forever releases and discharges each of CPI, CPI-767, CPI-767 II, CRC, all of their respective subsidiaries and partners, and all the

respective trustees, directors, officers and employees of each of them (collectively, the "CPI Releasees") from, and waives and relinquishes any and all Claims that Purchaser ever had, now has, or hereafter can, shall or may have against the CPI Releasees for, upon or by reason of, any matter, cause, transaction or thing whatsoever occurring at any time prior to the date hereof; provided, however, that nothing contained herein shall be deemed to release any person from its obligations under the Agreement, the Assignment Agreements or any other documents delivered pursuant to the express provisions thereof or to release CPI or CRC from any obligations to the Purchaser (i) under any written agreement pursuant to which the Purchaser or any predecessor in interest acquired Common Shares or (ii) that may arise solely by virtue of the Purchaser's ownership of any such Common Shares.

4. This Release shall be binding upon the parties hereto and their respective successors and permitted assigns. No party hereto may assign either this Release or any of its rights, interests or obligations hereunder without the prior written approval of the other party.

5. This Release constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. It is expressly understood and agreed that this Release may not be altered, amended, modified or otherwise changed in any respect whatsoever, except by a writing duly executed and delivered by all of the parties hereto.

6. THIS RELEASE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, AND GOVERNED AND ENFORCED IN ALL RESPECTS BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE. THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREE TO SUBMIT TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND TO WAIVE ANY OBJECTION AS TO VENUE IN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING TO THIS RELEASE AND/OR THE CLAIMS. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS RELEASE. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS RELEASE BY, AMONG OTHER THINGS THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.

7. If any provisions of this Release are determined by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, the remaining

provisions, and any partially invalid or unenforceable provisions, to the extent valid and enforceable, shall nevertheless be binding and valid and enforceable.

8. This Release may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

9. This Release shall not be effective unless and until executed by all of the parties hereto.

9. The Purchaser understands that the name "Corporate Property Investors" is the designation of the Trustees under its Declaration of Trust. Neither the shareholders nor the Trustees or officers, employees or agents of the trust created thereby shall be liable hereunder and all persons shall look solely to the trust estate for the payment of any claims hereunder or for the performance hereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Release as of the ____ day of December, 1996.(2)

CORPORATE PROPERTY INVESTORS,

By:

Name:
Title:

CPI-767 CORPORATION,

By:

Name:
Title:

CPI-767 II CORPORATION,

By:

Name:
Title:

- --------
(2) This Release should be dated as of the Closing Date.

CORPORATE REALTY CONSULTANTS, INC.,

By:

Name:
Title:

FOSTERLANE HOLDINGS CORPORATION,

By:

Name:
Title:

By:

Name:
Title:

Exhibit D

Statement pursuant to Treasury
Regulation Section 1.897-2(h)

In accordance with Treasury Regulation Section 1.897-2(h), Corporate Property Investors, a Massachusetts business trust ("CPI"), hereby states that its Series A Common Shares do not represent a "United States real property interest" within the meaning of Section 897(c) of the Internal Revenue Code of 1986, as amended (the "Code"), because CPI has determined based upon its corporate records that it currently is a "domestically-controlled REIT" within the meaning of Section 897(h)(4)(B) of the Code.

Under penalties of perjury, I declare that (i) I have examined this statement, (ii) to the best of my knowledge and belief, this statement is true, correct and complete and (iii) I have authority to sign this statement on behalf of CPI.

Dated: _____

By:

Name:
Title:

Subscribed to and sworn
before me this __ of
_____, 1996.

State of New York
County of New York

[Seal]

- ---
Notary Public

SCHEDULE 1

Computation of Working Capital Value

As used on the preceding page, "Undistributed C/F - Per Partnership Equity" means (x) income before extraordinary items plus depreciation less principal payments on mortgages, for the period commencing on January 1, 1996, and ending on the Closing Date, all computed in accordance with generally accepted accounting principles applied consistently with the most recently prepared audited financial statements, minus (y) all distributions of "Net Cash Flow" or "Excess Cash Available" actually made in respect of such period on or before the Closing Date.

SCHEDULE 6.2.1

Partnership Interest

Longstreet Associates L.P., a New York limited partnership.

a. Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

b. Certificate of Limited Partnership of Longstreet Associates L.P. dated as of December 30, 1981.

c. First Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 29, 1982.

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e. Third Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of February 4, 1987.

f. Partnership Interest Assignment dated as of December 27, 1990.

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h. Fourth Amendment to Agreement of Limited Partnership of Longstreet Associates L.P. dated as of December 27, 1990.

i. Letter Agreements dated November 14, 1990, December 11, 1990, December 19, 1990, December 27, 1990, February 11, 1991, March 8, 1991, June 6, 1991, September 11, 1991, January 10, 1992, June 14, 1992, December 14, 1992 and May 18, 1994.

EXHIBIT 10.42

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
OF
CORPORATE PROPERTY INVESTORS

STATEMENT OF AMENDMENTS
EFFECTIVE AS OF JULY 1, 1998

1. The penultimate sentence of Section 5.2(b) is replaced by the following:

"Such election may be made at the time the Executive becomes a Participant or at any time thereafter; provided, however, that no such election shall require payment prior to 1999 or be effective unless it is made (i) at least 12 months prior to his or her Termination of Service or (ii) prior to August 31, 1998, and within a calendar year prior to the calendar year in which the distribution or commencement of distributions of his or her Investment Credits would otherwise occur without regard to the new election. The foregoing advance election requirements shall not apply in the event Termination of Service is by reason of death."

2. Article VII is amended to read as follows:

"The Committee may, in its absolute discretion, without notice, at any time and from time to time, modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely, provided, that no such modification, amendment, suspension or termination may, without his consent, apply to or affect the payment or distribution to any Participant or adversely affect the rights of any Participant with respect to benefits accrued under the Plan prior to the effective date of such modification, amendment, suspension or termination, including but not limited to, the right to any Investment Option or to any Investment Credits credited to him prior to the effective date of such modification, amendment, suspension or termination."

EXHIBIT 10.42

AMENDED AND RESTATED

SUPPLEMENTAL EXECUTIVE

RETIREMENT PLAN

OF

CORPORATE PROPERTY INVESTORS

Effective as of August 1, 1997

INDEX

AMENDED AND RESTATED

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

OF

CORPORATE PROPERTY INVESTORS

EFFECTIVE AS OF AUGUST 1, 1997

PREAMBLE

Corporate Property Investors established its Supplemental Executive Retirement Plan of Corporate Property Investors effective January 1, 1993, in order to provide benefits to selected executives that are supplemental to the benefits provided under the Corporate. Property Investors Simplified Employee Pension Plan.

Said Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as described in Section 201(2) of the Employee Retirement Income Security Act of 1974, as amended.

Said Plan was amended and restated effective January 1, 1996, with retroactive effect to January 1, 1993, to clarify the calculation of benefits under said Plan if not all amounts payable with respect to a particular calendar year are actually paid in such year. Said Plan was further amended and restated effective August 1, 1997, to permit more frequent investment elections.

ARTICLE I

DEFINITIONS

1.1. "Board of Trustees" means the board of trustees of the Trust.

1.2. "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.3. "Committee" means the Compensation Committee of the Board of Trustees.

1.4. "Compensation" for any Year means the wages, salaries, fees for professional services and other amounts received by a Participant, regardless of when received, for personal services actually rendered in such Year in the course of such Participant's employment with the Employer, determined prior to reduction for any contributions made on a salary reduction basis and excluded from income pursuant to Sections 125 or 402(e)(3) of the Code and prior to reduction for amounts deferred under the Deferred Remuneration Plan. Compensation shall include bonuses and overtime but shall exclude:

(a) Employer contributions under the SEPP or any plan qualified under Section 401(a) of the Code (other than contributions excluded from income pursuant to Section 402(e)(3) of the Code);

(b) amounts included in gross income as a result of the exercise of a nonqualified stock option or a

disqualifying disposition of stock acquired under an incentive stock option;

(c) reimbursement for educational expenses and automobile expenses and allowances;

(d) any imputed income resulting from the provision of group-ten or split dollar life insurance to the Employee;

(e) living and moving allowances;

(f) severance payments and settlements;

(g) forgiveness of debt owed the Employer; and

(h) amounts paid pursuant to this Plan.

1.5. "Contribution Date" for any Year means the date the Trust fixes for a contribution to be made under this Plan with respect to such Year pursuant to Section 3.1, which date shall not be earlier than the Determination Date for such Year. If the Trust does not separately fix such a date for any Year, the Contribution Date for such Year will be the fourth business day following the Determination Date for such Year.

1.6. "Deferred Remuneration Plan" means the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors as in effect from time to time.

1.7. "Determination Date" for any Year means the date that the Trust makes a determination to make contributions under this Plan with respect to such Year pursuant to Section 3.1.

1.8. "Executive" means an employee (whether or not an officer) of the Trust whose Compensation is in excess of the dollar limit on pay that may be taken into account under the SEPP for any particular Year pursuant to Code Section 408(k)(3) (as adjusted by the Secretary of the Treasury or his delegate in accordance with Section 408(k)(8) of the Code).

1.9. "Insurance" means an annuity, life insurance policy or other similar investment vehicle approved by the Committee.

1.10. "Investment Credits" of a Participant at any time means the sum of (a) the amount of any uninvested balance in such Participant's Investment Credit account at such time and (b) the value of investments in such Participant's Investment Credit account at such time.

1.11. "Investment Options" means the investments (none of which shall be a partnership) designated by the Committee pursuant to Section 3.2(a) or, if the Committee should not have designated Investment Options pursuant to Section 3.2(a), the investment options available to participants under the Deferred Remuneration Plan.

1.12. "Quarter" means the four consecutive three-month periods of any Year of the Trust, with the first period beginning on the first day of such Year.

1.13. "Participant" means an Executive who is eligible under Article II or who was so eligible and whose Investment Credits have not been fully distributed.

1.14. "Plan" means this Amended and Restated Supplemental Executive Retirement Plan of Corporate Property Investors as set forth in this document, as it may be further amended from time to time.

1.15. "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as in effect from time to time.

1.16. "Termination of Service" means the termination (by death or otherwise) of a Participant's service with the Trust.

1.17. "Trust" means Corporate Property Investors, a Massachusetts business trust.

1.18. "Year" means the calendar year.

The masculine pronoun, wherever used herein, shall include the feminine pronoun, unless the context clearly indicates a different meaning.

ARTICLE II

PARTICIPATION

Each Executive shall be eligible to participate in the Plan for any Year provided that he was or would be eligible to share in the contribution, if any, made under the SEPP for such Year.

ARTICLE III

CONTRIBUTIONS AND ACCOUNTS

3.1 Contributions. For each Year after 1992, the Trust shall determine whether a contribution will be made under the Plan for the Year. Such determination need not be made prior to the end of such Year. If the Trust determines that a contribution will be made for a Year, there shall be contributed on behalf of each Participant an amount under this Plan equal to (a) reduced by (b):

(a) 7-1/2% of the Participant's Compensation for such Year up to the taxable wage base determined under Section 230 of the Social Security Act with respect to determining taxes under Code Section 3101(a) for such Year plus 11% of his Compensation for such Year in excess of such taxable wage base; reduced by

(b) the amount contributed on the Participant's behalf under the SEPP for such Year and in the case of a Participant who has had compensation deferred under the Deferred Remuneration Plan for such Year, any contribution to such plan by the Trust equivalent to amounts that would have been contributed under the SEPP on behalf of the Participant for such Year if such compensation had not been so deferred.

Such contributions shall be allocated to Investment Credit accounts established for the Participants' benefit as of the Contribution Date.

Notwithstanding the foregoing provisions of this Section 3.1, a Participant entitled to a contribution for any Year may elect, prior to the Contribution Date for such Year, that such contribution will be paid to him in cash on such Contribution Date. Such election will be honored only to the extent that the Participant furnishes evidence satisfactory to the Committee that the balance of such payment, after deductions for taxes imposed thereon (assuming that such taxes will be imposed at the highest marginal rates applicable to individuals living and working in the locales lived and worked in by such Participant), will be used to purchase new Insurance or maintain Insurance in effect. Unless the Committee shall require otherwise, "evidence satisfactory to the Committee" shall consist of a written description of the Insurance to be purchased or maintained, including the premium required to purchase or maintain it, and a written undertaking or representation of the Participant that the payment made under this paragraph either will be used to reimburse the Participant for paying such premium or will be applied to the prompt payment of such premium. To the extent a Participant's contribution is paid to him in cash, he will have no rights to any benefits provided under the Plan.

3.2 Investment of Contributions. (a) At the time an Executive becomes a Participant, he shall elect in writing his choice of Investment Options and the amount to be invested in each such Investment Option. The Committee shall inform, 30 days prior to the beginning of each Year or as soon thereafter as administratively practicable, each Participant of the Investment Options available for such Year.

(b) If a Participant shall fail to elect an Investment Option, he shall be deemed to have elected that his contributions be invested in a money market fund selected by the Committee. Any election pursuant to this Section 3.2 may be changed in accordance with Section 4.2.

3.3. Distributions. A Participant's Investment Credits shall be distributable in the manner and subject to the conditions set forth in Article V.

ARTICLE IV

ACCOUNTS

4.1. Investment Credits. (a) Until a Participant's Investment Credit account is invested as hereinafter provided, any uninvested balance in a Participant's Investment Credit account shall be credited as of the end of each month in each Year with an interest equivalent for such month which shall be an amount equal to the uninvested balance in a Participant's Investment Credit

account at the end of the prior month multiplied by a rate equal to (i) the number of days in such month during which the uninvested balance in a Participant's Investment Credit account was not invested divided by (ii) 360, and the quotient thereof multiplied by the average of the prime or base rate of interest of Citibank, N.A., New York, New York, on the first and last day of the current month.

(b) Subject to Section 4.3, the uninvested balance in a Participant's Investment Credit account shall be invested by the Committee or its designee, at such intervals as the Committee deems practicable, in the Investment Options selected by such Participant pursuant to Section 3.2, provided that the aggregate purchase price (including brokerage commissions and any other transaction costs) of such investments shall be approximately equal to the amount of such uninvested balance.

(c) The Investment Credit account of a Participant shall be credited with the proceeds (net of expenses of sale and any taxes) of any sale or exchange of investments in such account and with any dividends or other income received with respect to such investments and shall be debited with the value of any investments that are sold or exchanged. Until such credits are reinvested in the Investment Option from which they arose or as otherwise directed by the Participant pursuant to Section 4.2(a), they shall be added to the uninvested balance of such Participant's

Investment Credit account and shall earn interest equivalents as provided in Section 4.1(a).

4.2. Changes in Investments. (a) A Participant may, by notice to the Committee, change the manner in which his credits are accumulated by electing to change all or part of the Investment Options in his Investment Credit account.

(b) Any change of election provided in Section 4.2(a) shall be effected by filing an election in writing with the Committee at any time to be effective as soon as practicable thereafter subject to any restrictions imposed by the Committee; provided, however, that elections which relate to either increasing or decreasing a Participant's investment in shares of the Trust in his Investment Credit account may only be effected by filing an election form with the Committee not later than 15 days prior to the expiration of the first Quarter to be effective as of the first day of the second Quarter.

4.3. Committee Discretion. Notwithstanding anything contained in the Plan, the Committee shall determine in its sole discretion whether actually to invest a Participant's contributions in an Investment Option selected by a Participant pursuant to Section 3.2. If the Committee determines that a Participant's contributions shall not actually be invested in an Investment Option, the amount of a Participant's Investment Credits shall, for all purposes

of the Plan, be determined as if the amount of the Participant's allocations had actually been invested in the Investment Option in the manner described in this Article IV.

ARTICLE V

VESTING AND DISTRIBUTIONS

5.1 Vesting. The Investment Credits of a Participant shall be fully vested and nonforfeitable at all times.

5.2 Distribution. (a) Except as provided in paragraph (b) below, the Investment Credits of a Participant shall be distributed to such Participant in 15 annual installments commencing on (i) the first Tuesday following the end of the Year in which his Termination of Service occurs or as soon thereafter as practicable or (ii) if a Participant has a valid distribution election in effect pursuant to paragraph (b) (ii) below, the first Tuesday of the Year specified in such distribution election or as soon thereafter as practicable.

(b) A Participant may, in writing, also elect (i) the number of annual installments over which his or her Investment Credits shall be distributed after the Participant's Termination of Service (including an election to have all such credits distributed in a single installment) and/or (ii) the Year that distribution of the

Investment Credits shall commence; provided, however, that if the Participant's Termination of Service has not occurred by the first day of such specified Year the election under this clause (ii) shall be null and void. Such election may be made at the time the Executive becomes a Participant or at any time thereafter; provided, however, that no such election shall be effective unless it is made at least 12 months prior to his or her Termination of Service. Notwithstanding anything contained herein to the contrary, if a Participant also participates in the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, his Investment Credits shall be paid under the same distribution method as his cash and investment credits are paid under such plan.

(c) Except as provided in Section 5.3, the amount of each installment of the Investment Credits to be distributed to a Participant shall equal (i) the sum of such Participant's Investment Credits on the close of the business day next preceding the day of distribution divided by (ii) the total number of annual installments to be distributed to such Participant less the number of annual installments previously distributed to such Participant.

(d) Distribution of Investment Credits shall be made in cash or in kind, as selected by the Committee, and, if in kind, by delivery of whole shares of the investments in such Participant' s Investment Credit account (net of any

expenses) and by payment of the balance, if any, in cash with the last installment.

5.3. Committee Discretion. The Committee may, with the consent of the person or persons then entitled to receive distributions, make changes in the time, rate or medium of distribution of all or part of the Investment Credits.

5.4. Death Benefits. (a) Any Investment Credits or remaining undistributed installments thereof that become distributable after the death of a Participant shall be distributed in installments as provided in this Article V to such person or persons, or the survivors thereof, including corporations, unincorporated associations or trusts, as the Participant may have designated in a writing delivered to the Committee unless the Participant shall have elected that any remaining amounts shall be paid to such person or persons or to the Participant's estate in a lump sum. The Participant may from time to time revoke or change any such designation by a writing delivered to the Committee. If there is no unrevoked designation on file with the Committee at the time of the Participant's death, or if the person or persons designated therein shall have all predeceased the Participant or otherwise ceased to exist, such distribution shall be made to the Participant's estate in a lump sum. If the person or persons designated by the Participant shall survive the Participant but shall die before receiving all

of such distributions, the balance thereof payable to such deceased distributee shall, unless the Participant's designation provides otherwise, be distributed to such deceased distributee's estate in a lump sum.

(b) If the death of the Participant occurs after his Termination of Service, the number of installments remaining to be paid shall be the number that otherwise would have been distributed to the Participant.

ARTICLE VI

ADMINISTRATION

6.1. Committee. The Plan shall be administered by the Committee.

6.2. Rules. The Committee shall from time to time establish rules for the administration of the Plan that are not inconsistent with the provisions of the Plan.

6.3. Authority of the Committee. All determinations of the Committee, including, but without limitation, the determination of the Committee as to any disputed question arising under the Plan, including all questions of construction and interpretation, shall be final, binding and conclusive upon all persons. Without limiting the generality of the foregoing, the determination of the Committee as to whether a Participant has had a Termination of Service and the date thereof shall be final, binding and conclusive upon all persons.

6.4. Acknowledgments and Distributions. The acknowledgment by the Committee of an assignment or pledge made in accordance with the provisions of Section 8.3 and any distribution by the Committee to the assignee or pledgee shall be final, binding and conclusive upon all persons and shall relieve the Trust and the Committee of any liability or obligation to any other person or persons with respect to such distribution. As a condition to such acknowledgment or distribution, the Committee may require the submission of such statements, opinions, orders, certificates, resolutions or other instruments, documents, consents or evidence, as the case may be, as either of them, in its sole discretion, shall determine to be necessary or appropriate.

6.5. Legal Counsel. The Committee may consult with legal counsel, who may be counsel for the Trust or other counsel, with respect to its obligations or duties hereunder, or with respect to any action or proceeding or any question of law, and shall not be liable with respect to any action taken or omitted by it in good faith pursuant to the advice of such counsel.

6.6. Incompetency. If the Committee shall find that any person to whom any payment is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, the Committee may direct that any payment due (unless a prior claim shall have been made for such payment by a duly appointed legal representative) shall

be paid to his spouse, a child, a parent or other blood relative. Any payment so made shall be a complete discharge of the liabilities of the Trust for that payment.

ARTICLE VII

AMENDMENT AND TERMINATION

The Committee may, in its absolute discretion, without notice, at any time and from time to time, modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely, provided, that no such modification, amendment, suspension or termination may, without his consent, apply to or affect the payment or distribution to any Participant or adversely affect the right of any Participant to any Investment Credits credited to him for any Year ended prior to the effective date of such modification, amendment, suspension or termination. Notwithstanding the preceding sentence, at all times when Investment Credits are held under the Plan, the Committee shall permit such Investment Credits to be invested pursuant to one or more Investment Options that provides a reasonable rate of return.

ARTICLE VIII

GENERAL PROVISIONS

8.1. Funding. Distributions under the Plan shall be made solely from the general assets of the Trust, and a Participant's interest in his Investment Credit accounts shall be that of a general unsecured creditor. No Participant or any other person shall have any interest in any fund or in any specific asset or assets of the Trust by reason of any Investment Credits or interest equivalents, dividend equivalents or other income credited to him hereunder, nor the right to exercise any of the rights or privileges of an owner with respect to any investment credited to his Investment Credit account, nor any right to receive any distribution under the Plan except as and to the extent expressly provided in the Plan.

8.2. No Guarantee of Employment. Neither the adoption nor the amendment of the Plan, nor any action of the Board of Trustees or the Committee shall be held or construed to confer on any person any legal right to be continued in the employ of the Trust.

8.3. Nonalienation. No Participant shall have the right to assign, pledge or otherwise dispose of (except as provided in Section 5.4) any Investment Credits nor shall the Participant's interest therein be subject to garnishment, attachment, transfer by operation of law, or any legal process; nor shall any person entitled to receive

Investment Credits or remaining undistributed installments thereof, which become distributable after the death of a Participant in accordance with Section 5.4, have the right to assign or pledge any such credits or remaining undistributed installments except to the extent that the executor or administrator of a Participant's estate may exercise such right as hereinafter in this Section 8.3 provided. If and to the extent that other assets of a Participant's estate are not sufficient or available for the purpose of paying estate and other death taxes or other obligations of his or her estate, the executor or administrator thereof may, if so authorized by the terms of the Participant's will or by a court having jurisdiction of his or her estate or otherwise by operation of law, assign or pledge, to the extent required to secure borrowings made to pay such taxes or obligations, the Investment Credits or the remaining undistributed installments thereof, including the interest equivalents, dividends and other income (all of which together are hereinafter in this sentence referred to as "installments"), which become distributable after the Participant's death to his or her estate, provided that (a) the installments so assigned or pledged shall be those which first become payable, and (b) the assignment or pledge of installments of Investment Credits shall constitute an irrevocable direction for the Committee's investment of the Investment Credits so assigned or pledged in a money market

fund selected by the Committee. Any such assignment or pledge, and the exercise of the election provided in the preceding sentence, may be made, if at all, only within the two-year period beginning with the date of the Participant's death.

8.4. Applicable Law. The Plan shall be construed in accordance with, and governed by, the laws of the State of New York.

EXHIBIT 10.43

TRUSTEES' AND EXECUTIVES' DEFERRED REMUNERATION PLAN OF CORPORATE PROPERTY INVESTORS

STATEMENT OF AMENDMENTS EFFECTIVE AS OF JULY 1, 1998

1. The fifth sentence of Section 2.1 is replaced by the following:

"A Participant may make a new or revise a prior installment or distribution election (with payments to begin or be paid no earlier than 1999) with respect to compensation previously deferred provided that such election is made (i) at least one year prior to the Termination of Service of such Participant or (ii) prior to August 31, 1998, and within a calendar year prior to the calendar year in which the distribution or commencement of the Cash Credits and Investments would otherwise occur without regard to the new election. The foregoing advance election requirements shall not apply in the event Termination of Service is by reason of death."

2. Article VIII is amended to read as follows:

"The Committee may, in its absolute discretion, without notice, at any time and from time to time, modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely, provided, that no such modification, amendment, suspension or termination may, without his consent, apply to or affect the payment or distribution to any Participant or adversely affect the rights of any Participant with respect to benefits accrued under the Plan prior to the effective date of such modification, amendment, suspension or termination, including but not limited to the right to any Investment Option or any Cash Credits or Investment Credits credited to him prior to the effective date of such modification, amendment, suspension or termination."

EXHIBIT 10.43

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TRUSTEES' AND EXECUTIVES'

DEFERRED REMUNERATION PLAN

OF

CORPORATE PROPERTY INVESTORS

As Amended and Restated Effective August 1, 1997

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INDEX

TRUSTEES' AND EXECUTIVES' DEFERRED REMUNERATION PLAN

OF

CORPORATE PROPERTY INVESTORS

AS AMENDED AND RESTATED EFFECTIVE AUGUST 1, 1997

ARTICLE I

DEFINITIONS

1.1. "Cash Credits" of a Participant at any time means the sum of all amounts, including interest equivalents, theretofore credited to such Participant's Cash Credit account pursuant to Article III.

1.2. "Committee" means the Compensation Committee of the Board of Trustees of the Trust.

1.3. "Deferred Remuneration" means the portion of a Participant's remuneration from the Trust for any Fiscal Year, or part thereof, that has been deferred pursuant to the Plan.

1.4. "Executive" means an employee (whether or not an officer) of the Trust whose annual remuneration rate is $100,000 or more. Notwithstanding the foregoing, the dollar amount set forth in this Section 1.4 shall be adjusted by the Committee to comply with any regulations or rulings issued by the Secretary of Labor with respect to deferred compensation plans maintained for management or highly compensated employees.

1.5. "Fiscal Quarter" means the four consecutive three-month periods of any Fiscal Year of the Trust, with the first period beginning on the first day of such Fiscal Year.

1.6. "Fiscal Year" means the calendar year or other fiscal year of the Trust.

1.7. "Investment Credits" of a Participant at any time means the sum of (A) the amount of any uninvested balance in such Participant's Investment Credit account at such time and (B) the value of investments in such Participant's Investment Credit account at such time, provided that the value of a Participant's investment in shares of the Trust shall be based upon the most recent (at such time) appraisal of the Trust's shares by Landauer Associates, Inc. or any successor appraiser.

1.8. "Investment Options" means (A) shares of the Trust, (B) the investments (none of which shall be a partnership) designated by the Committee pursuant to Section 2.3(a), which may include one of each of the following types of investments: (i) U.S. Treasury notes and bonds; (ii) a U.S. Treasury or agency bond fund; (iii) a money market fund; (iv) a growth-oriented equity fund; (v) an income-oriented equity fund; and (vi) an international fund and (C) in the case of Participants specified in Section 2.3(c), the other investments provided for in such Section 2.3(c) in which the amount credited to a

Participant's Investment Credit account may be invested pursuant to the Plan.

1.9. "Participant" means a Trustee or Executive all or a portion of whose remuneration for any Fiscal Year has been deferred pursuant to the Plan and whose Cash Credits or Investment Credits have not been fully distributed.

1.10. "Plan" means the Deferred Remuneration Plan of the Trust, as described in this instrument.

1.11. "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as in effect from time to time.

1.12. "Termination of Service" means the termination (by death or otherwise) of a Participant's service as a Trustee or Executive, as the case may be.

1.13. "Trust" means Corporate Property Investors, a Massachusetts business trust.

1.14. "Trustee" means a member of the Board of Trustees of the Trust.

The masculine pronoun, wherever used herein, shall include the feminine pronoun, unless the context clearly indicates a different meaning.

ARTICLE II

DEFERRALS

2.1. Deferral Elections. Each Trustee and each Executive may elect to have a percentage of the remuneration to be earned by him during each Fiscal Year or portion thereof deferred in accordance with the terms and conditions of the Plan. A Trustee or Executive desiring to exercise such election shall, prior to the beginning of each Fiscal Year, notify the Trust, in writing, of the amount of his remuneration for such Fiscal Year that he elects to be so deferred. The amount of such remuneration which is to be deferred pursuant to each such election shall be in each case at least $5,000.00 per year. At the time of such notification to the Trust, the Trustee or Executive may, in writing, also elect (a) the number of annual installments over which the Cash Credits and Investment Credits shall be distributed after the Participant's Termination of Service and/or (b) the year that distribution of the Cash Credits and Investment Credits shall commence, provided that if the Participant's Termination of Service has not occurred by the first day of such specified year the election made pursuant to this clause (b) shall be null and void. A Participant may make a new or revise a prior installment or distribution election with respect to compensation previously deferred provided that, except in the case of the death of the Participant prior to his Termination of Service, such

election is made at least one year prior to the Termination of Service of such Participant. In the absence of a valid installment election, the number of installments over which the Cash Credits and Investment Credits of a Participant are to be distributed shall be made as provided in Section 5.1(b). In the absence of a valid distribution election, distribution of the Cash Credits and Investment Credits shall commence as provided in clause (i) of Section 5.1(a).

2.2. Amounts Deferred Under Prior Plan. In addition to any amount described in Section 2.1, each Executive shall have an amount of compensation that was previously deferred pursuant to the deferred compensation plan in effect prior to April 1, 1975, deferred in accordance with terms and conditions of the Plan.

2.3. Investment Elections. (a) At the time a Participant gives notice to the Trust pursuant to Section 2.1 he shall elect in writing the amount of his Deferred Remuneration to be credited as a Cash Credit, an Investment Credit or a combination thereof. If a Participant elects that an amount of his Deferred Compensation is to be credited as an Investment Credit, such Participant shall also elect in writing his choice of Investment Options and the amount to be invested in each such Investment Option. The Committee shall, 30 days prior

to the beginning of each Fiscal Year, notify each Participant of the Investment Options for such Fiscal Year.

(b) If a Participant shall fail to make the election described in Section 2.3(a), he shall be deemed to have elected his Deferred Remuneration be credited to him as a Cash Credit. If a Participant elects to have his Deferred Remuneration credited to him as an Investment Credit but fails to elect an Investment Option, he shall be deemed to have elected shares of the Trust as his Investment Option. Any election pursuant to this Section 2.3 may be changed in accordance with Section 4.2.

(c) Notwithstanding anything to the contrary contained in the Plan, subject to any rules and restrictions imposed by the Committee, if a Participant is a Trustee or if the sum of the value of a Participant's Cash Credits and the value of his Investment Credits (when aggregated with the value of his `investment credits' as defined under the Supplemental Executive Retirement Plan of Corporate Property Investors) exceeds $250,000, then, with respect to such Participant, the term Investment Option shall be deemed also to include any other investment selected by such Participant; provided, however, that the amount at risk under any Investment Option may not exceed the amount of the initial investment.

2.4. Credits Related to the SEPP. On December 31 of each Fiscal Year (or such later date as the Committee

selects), there shall be credited to the Cash Credits or Investment Credits of each Participant (as selected in writing by such Participant, or if no such selection shall have been made, such Participant's Cash Credits) an amount equal to (a) reduced by (b):

(a) the amount that would have been contributed for such Fiscal Year on such Participant's behalf under the SEPP had such Participant's compensation, as determined for the purpose of the SEPP, included amounts deferred pursuant this Plan; reduced by

(b) the amount actually contributed for such Fiscal Year on such Participant's behalf under the SEPP.

2.5. Distributions. A Participant's Cash Credits and Investment Credits shall be distributable in the manner and subject to the conditions set forth in Articles V and VI.

ARTICLE III

CASH CREDITS

(a) If a Cash Credit is elected, the Participant' s Cash Credit account shall be credited, as of the end of each month in each Fiscal Year for which the election was made, with a pro rata portion of the amount of the Participant's annual Deferred Remuneration which he elected to have credited to him as a Cash Credit.

(b) The Cash Credit account of each Participant shall be credited, as of the end of each month in each Fiscal Year for which the election was made, with an interest equivalent for such month, which shall be an amount equal to the Cash Credits of a Participant at the end of the prior month multiplied by a rate equal to (x) prior to April 1, 1994, 1/12th of the average of the prime or base rate of interest of Citibank, N.A., New York, New York, on the first and last day of the current month and (y) after March 31, 1994, the rate of return provided by a money market fund selected by the Committee for the current month.

ARTICLE IV

INVESTMENT CREDITS AND INVESTMENT ELECTIONS

4.1. Investment Credits. (a) If an Investment Credit is elected, the Participant's Investment Credit account shall be credited, as of the end of each month in each Fiscal Year for which the election was made, with a pro rata portion of the amount of the Participant's annual Deferred Remuneration which he elected to have credited to him as an Investment Credit, and until invested as hereinafter provided, any uninvested balance in a Participant's Investment Credit account shall be credited as of the end of each month in each Fiscal Year with an interest equivalent for such month which shall be an amount equal to the uninvested balance in a Participant's

Investment Credit account at the end of the prior month multiplied by a rate equal to (x) the number of days in such month during which the uninvested balance in a Participant's Investment Credit account was not invested divided by (y) 360, and the quotient thereof multiplied by the average of the prime or base rate of interest of Citibank, N.A., New York, New York, on the first and last day of the current month.

(b) The uninvested balance in a Participant's Investment Credit account shall be invested by the Committee, at such intervals as the Committee deems practicable, in the Investment Options selected by such Participant pursuant to Section 2.3, provided that aggregate purchase price (including brokerage commissions and any other transaction costs) of such investments shall be approximately equal to the amount of such uninvested balance.

(c) The Investment Credit account of a Participant shall be credited with the proceeds of any sale or exchange of investments in such account and with any dividends or other income received with respect to such investments and shall be debited with the value of any investments that are sold or exchanged. Until such credits are reinvested in the Investment Option from which they arose or as otherwise directed by the Participant pursuant to Section 4.1(b), they shall be added to the uninvested

balance of such Participant's Investment Credit account and shall earn interest equivalents as provided in Section 4.1(a).

4.2. Changes in Investment Elections. (a) A Participant may change the manner in which his credits are accumulated by electing (i) to have all or part of his Cash Credits invested in the manner provided in Section 2.3, (ii) to have all or part of the Investment Options in his Investment Credit account liquidated and the proceeds credited to his Cash Credit account or (iii) to change all or part of the Investment Options in his Investment Credit account; provided, however, in the case of a Participant's election made pursuant to this Section 4.2(a) to increase or decrease an investment in shares of the Trust in his Investment Credit account, the value of shares of the Trust as of the effective date of such election (determined pursuant to Section 4.2(b)) shall be based upon the appraisal utilized for purposes of determining Investment Credits referred to in Section 1.7 for the Fiscal Year first preceding the effective date of such election.

(b) The election provided in Section 4.2(a) may be effected by filing an election in writing with the Committee at any time to be effective as soon as practicable thereafter subject to any restrictions imposed by the Committee; provided, however, that elections which relate to (i) having all or part of a Participant's Cash Credit

invested in shares of the Trust, (ii) having all or part of a Participant's investment in shares of the Trust liquidated and the proceeds credited to his Cash Credit account or (iii) either increasing or decreasing a Participant's investment in shares of the Trust in his Investment Credit account may only be effected by filing an election form with the Committee not later than 15 days prior to the expiration of the first Fiscal Quarter to be effective as of the first day of the second Fiscal Quarter.

4.3. Investment by the Trust. Notwithstanding anything contained in the Plan, the Committee shall determine in its sole discretion whether actually to invest a Participant's Deferred Compensation in an Investment Option selected by a Participant pursuant to Section 2.3. If the Committee determines that a Participant's Deferred Compensation shall not actually be invested in an Investment Option, the amount of a Participant's Investment Credits shall, for all purposes of the Plan, be determined as if the amount of the Participant's annual Deferred Remuneration that he elected to have credited to him as an Investment Credit had actually been invested in the Investment Option in the manner described in this Article IV.

ARTICLE V

DISTRIBUTIONS

5.1. Distributions. (a) Except as provided in Section 5.2, the Cash Credits and Investment Credits of a Participant shall be distributed to such Participant in annual installments commencing on (i) except as provided in clause (ii) of this sentence, the first Tuesday following the end of the calendar year in which his Termination of Service occurs or as soon thereafter as practicable or (ii) if a Participant has a valid distribution election in effect pursuant to Section 2.1, the first Tuesday of the year specified in such distribution election or as soon thereafter as practicable.

(b) Except as provided in Sections 2.1 and 5.2, if Termination of Service occurs at or after the date on which the Participant has attained age 65, such distribution shall be made in five annual installments. The number of installments shall be increased by one for each year by which the Participant's age shall be under 65 at the time of Termination of Service, but the number of installments shall not exceed 15 in any case.

(c) Except as provided in Section 5.2, the amount of each installment of the Cash Credits and Investment Credits to be distributed to a Participant pursuant to Section 5.1(a) shall equal (x) the sum of such Participant's Cash Credits and Investment Credits on the close of the

business day next preceding the day of distribution divided by (y) the total number of annual installments to be distributed to such Participant less the number of annual installments previously distributed to such Participant.

(d) Distribution of the Cash Credits of a Participant shall be made in cash. Distribution of Investment Credits shall be made in cash or in kind, as selected by the Committee, and, if in kind, by delivery of whole shares of the investments in such Participant's Investment Credit account (net of any expenses) and by payment of the balance, if any, in cash with the last installment.

5.2. Changes by the Committee. The Committee may, with the consent of the person or persons then entitled to receive distributions, make changes in the time, rate or medium of distribution of all or part of the Cash Credits or Investment Credits.

5.3. Death of Participant. Any Cash Credits or Investment Credits or remaining undistributed installments thereof which become distributable after the death of a Participant shall be distributed in installments as provided in this Article V to such person or persons, or the survivors thereof, including corporations, unincorporated associations or trusts, as the Participant may have designated in a writing delivered to the Committee unless the Participant shall have elected that any remaining

amounts shall be paid to such person or persons or to the Participant's estate in a lump sum. The Participant may from time to time revoke or change any such designation by a writing delivered to the Committee. If there is no unrevoked designation on file with the Committee at the time of the Participant`s death, or if the person or persons designated therein shall have all predeceased the Participant or otherwise ceased to exist, such distributions shall be made to the Participant's estate in a lump sum. If the person or persons designated therein shall survive the Participant but shall die before receiving all of such distributions, the balance thereof payable to such deceased distributee shall, unless the Participant's designation provides otherwise, be distributed to such deceased distributee's estate in a lump sum.

5.4 Death After Termination of Service. If the death of the Participant occurs after his Termination of Service, the number of installments remaining to be paid shall be the number that otherwise would be distributable to the Participant.

ARTICLE VI

GENERAL PROVISIONS

6.1. Plan is Unfunded. The Plan shall be unfunded and shall be maintained primarily for the purpose of providing deferred compensation for a select group of

management or highly compensated employees of the Trust as described in Section 201(2) of the Employee Retirement Income Security Act of 1974, as amended. Distributions under the Plan shall be made solely from the general assets of the Trust, and a Participant's interest in his Cash Credit and Investment Credit accounts shall be that of a general unsecured creditor. No Participant or any other person shall have any interest in any fund or in any specific asset or assets of the Trust by reason of any Cash Credits or Investment Credits or interest equivalents, dividends or other income credited to him hereunder, nor the right to exercise any of the rights or privileges of an owner with respect to any investment credited to his Investment Credit account, nor any right to receive any distribution under the Plan except as and to the extent expressly provided in the Plan.

6.2. No Guarantee of Employment. Neither the adoption nor the amendment of the Plan, nor any action of the Board of Trustees of the Trust or the Committee, nor any election to defer remuneration hereunder, shall be held or construed to confer on any person any legal right to be continued in the employ of the Trust.

6.3. Nonalienation. No Participant shall have the right to assign, pledge or otherwise dispose of (except as provided in Article V) any Cash Credits or Investment Credits, nor shall the Participant's interest therein be

subject to garnishment, attachment, transfer by operation of law, or any legal process; nor shall any person entitled to receive Cash Credits or Investment Credits or remaining undistributed installments thereof, which become distributable after the death of a Participant in accordance with Article V, have the right to assign or pledge any such credits or remaining undistributed installments except to the extent that the executor or administrator of a Participant's estate may exercise such right as hereinafter in this Section 6.3 provided. If and to the extent that other assets of a Participant's estate are not sufficient or available for the purpose of paying estate and other death taxes or other obligations of his estate, the executor or administrator thereof may, if so authorized by the terms of the Participant's will or by a court having jurisdiction of his estate or otherwise by operation of law, assign or pledge, to the extent required to secure borrowings made to pay such taxes or obligations, the Cash Credits or the Investment Credits, or both, or the remaining undistributed installments thereof, including the interest equivalents, dividends and other income (all of which together are hereinafter in this sentence referred to as "installments"), which become distributable after the Participant's death to his estate, provided that (a) the installments so assigned or pledged shall be those which first become payable, and (b) the assignment or pledge of installments of Investment

Credits shall constitute an irrevocable direction for the Committee's investment of the Investment Credits so assigned or pledged in a money market fund selected by the Committee. Any such assignment or pledge, and the exercise of the election provided in the preceding sentence, may be made, if at all, only within the two-year period beginning with the date of the Participant's death.

6.4. Governing Law. The Plan shall be construed in accordance with, and governed by, the laws of the State of New York.

ARTICLE VII

ADMINISTRATION

7.1. Committee. The Plan shall be administered by the Committee.

7.2. Rules. The Committee shall from time to time establish eligibility requirements for participation in the Plan and rules for the administration of the Plan that are not inconsistent with the provisions of the Plan.

7.3. Authority of Committee. All determinations of the Committee, including, but without limitation, the determination of the Committee as to any disputed question arising under the Plan, including all questions of construction and interpretation, shall be final, binding and conclusive upon all persons. Without limiting the generality of the foregoing, the determination of the

Committee as to whether a Participant has had a Termination of Service and the date thereof, shall be final, binding and conclusive upon all persons.

7.4. Acknowledgments and Distributions. The acknowledgment by the Committee of an assignment or pledge made in accordance with the provisions of Section 6.3 and any distribution by the Committee to the assignee or pledgee shall be final, binding and conclusive upon all persons and shall relieve the Trust and the Committee of any liability or obligation to any other person or persons with respect to such distribution. As a condition to such acknowledgment or distribution, the Committee may require the submission of such statements, opinions, orders, certificates, resolutions or other instruments, documents, consents or evidence, as the case may be, as either of them, in its sole discretion, shall determine to be necessary or appropriate.

7.5. Legal Counsel. The Committee may consult with legal counsel, who may be counsel for the Trust or other counsel, with respect to its obligations or duties hereunder, or with respect to any action or proceeding or any question of law, and shall not be liable with respect to any action taken or omitted by it in good faith pursuant to the advice of such counsel.

7.6. Incompetency. If the Committee shall find that any person to whom any payment is payable under the Plan is unable to care for his affairs because of illness or

accident, or is a minor, the Committee may direct that any payment due (unless a prior claim shall have been made for such payment by a duly appointed legal representative) shall be paid to his spouse, a child, a parent or other blood relative. Any payment so made shall be a complete discharge of the liabilities of the Trust for that payment.

ARTICLE VIII

AMENDMENT AND TERMINATION

The Committee may, in its absolute discretion, without notice, at any time and from time to time, modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely, provided, that no such modification, amendment, suspension or termination may, without his consent, apply to or affect the payment or distribution to any Participant of any Cash Credits or Investment Credits credited to him for any Fiscal Year ended prior to the effective date of such modification, amendment, suspension or termination.

Exhibit 10.44

[10/1/93)

CORPORATE PROPERTY INVESTORS

SIMPLIFIED EMPLOYEE

PENSION PLAN

As Amended and Restated

Effective January 1, 1993

CORPORATE PROPERTY INVESTORS SIMPLIFIED EMPLOYEE PENSION PLAN

ARTICLE I

Introduction

1.1 ESTABLISHMENT OF PLAN: Corporate Property Investors whose principal place of business is located at 305 East 47th Street, New York, N.Y. 10017 hereby amends and restates, effective January 1, 1993, the Corporate Property Investors Simplified Employee Pension Plan, which was originally effective as of the Effective Date. The Plan is intended to provide simplified employee pensions to eligible Employees in accordance with Section 408(k) of the Code. The provisions of this restated Plan applies to Employees employed by an Employer after 1992; changes effected by any amendments included in this restated Plan shall not be applicable to any Participant who retired or died or whose employment otherwise terminated prior to January 1, 1993; all rights and benefits payable with respect to him shall be determined in accordance with the provisions of the Plan as in effect on such date of termination of employment.

1.2 GENDER AND NUMBER: Wherever used herein, words in the masculine form shall be deemed to refer to females as well as to males and the singular shall be deemed to include the plural.

ARTICLE II

Definitions

2.1 AFFILIATE: (a) Any corporation or other business entity (other than the Trust) that is included in a controlled group of corporations or which is a trade or business under common control with the Trust, as provided in Section 414(b) and (c) of the Code, determined for purposes of Section 4.2, as if the phrase "more than 50 percent" was substituted for the phrase "at least 80 percent" each place it appears in Section 1563(a)(1) of the Code, (b) any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Trust and (c) any other entity required to be aggregated with the Trust Pursuant to regulations under Section 414(o) of the Code.

2.2 CODE: The Internal Revenue Code of 1986, as amended. All references to any section of the Code shall be deemed to refer not only to such section but also to

any amendment thereof and any successor statutory provision.

2.3 COMPENSATION: An Employee's wages, salaries and fees for professional services and other amounts received during the Plan Year for personal services actually rendered in the course of employment with the Employer determined prior to reduction for any contributions made on a salary reduction basis and excluded from income pursuant to Sections 125 or 402(e)(3) of the Code. Compensation shall include bonuses and overtime but shall exclude:

(a) amounts deferred under the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors;

(b) Employer contributions under this Plan or any plan qualified under Section 401(a) of the Code (other than contributions excluded from income pursuant to Section 402(e)(3) of the Code);

(c) amounts included in gross income as a result of the exercise of a nonqualified stock option or a disqualifying disposition of stock acquired under an incentive stock option;

(d) reimbursement for automobile expenses and allowances;

(e) any imputed income resulting from the provision of group-term or split dollar life insurance to the Employee;

(f) living and moving allowances;

(g) severance payments and settlements; and

(h) forgiveness of debt owed the Employer. In no event shall the Compensation taken into account under the Plan for any Plan Year exceed the dollar limit included in Code Section 408(k)(3) (as adjusted by the Secretary of the Treasury or his delegate in accordance with Section 408(k)(8) of the Code).

2.4 EFFECTIVE DATE: December 20, 1979.

2.5 EMPLOYEE: An individual who is employed by an Employer and any leased employee within the meaning of Section 414(n)(2) of the Code if an Employer was the recipient of such leased employee's services but excluding (a) any nonresident aliens who have received no earned income from an Employer which constitutes earned income from sources within the United States and

(b) individuals covered under a collective bargaining agreement which does not provide for coverage under the

Plan provided that retirement benefits were the subject of good faith bargaining.

2.6 EMPLOYER: The Trust and any Affiliate.

2.7 INDIVIDUAL RETIREMENT ACCOUNT: An individual retirement account that meets the requirements of Section 408(a) of the Code.

2.8 PARTICIPANT: An individual participating in the Plan in accordance with the provisions of Section 3.1.

2.9 PLAN YEAR: The 12-month period beginning on January 1st and ending on December 31st.

2.10 SERVICE: Employment with an Employer or an Affiliate or as a leased employee within the meaning of Section 414(n)(2) of the Code if an Employer or Affiliate was the recipient of such leased employee's services.

2.11 TRUST: Corporate Property Investors, a Massachusetts business trust.

ARTICLE III

Participation

3.1 ELIGIBILITY: Each Employee shall be a Participant for any Plan Year (whether or not he is employed by an Employer on the last day of the Plan Year) provided that he has:

(a) performed any Service during at least three of the immediately preceding five Plan Years; and

(b) received at least $300 of compensation (as defined in Section 414(g)(7) of the Code and as adjusted by the Secretary of the Treasury or his delegate in accordance with Section 408(k)(8) of the Code) during the Plan Year.

3.2 NOTIFICATIONS: The Plan administrator shall notify an Employee in writing prior to the end of the first Plan Year in which he becomes a Participant. Such notification shall include information required to be furnished by Department of Labor regulations under 29 CFR 2520.104-49. Such notification shall also advise the Participant that he should establish an Individual Retirement Account and the date by which such Individual Retirement Account should be established. Each Participant shall notify the Plan administrator of the name and address of the trustee of the Individual Retirement Account and any other information the Plan administrator may request. The Plan administrator shall continue making deposits to the institution selected by the Participant until the Plan administrator receives notice in writing from such Participant, acceptable to the Plan administrator,

requesting that deposits be made to another institution. If the Participant fails to notify the Plan administrator of the establishment of an Individual Retirement Account or fails to provide any required information as of the prescribed date, the Plan administrator shall select an institution for the establishment of such an account and execute such forms and documents as may be necessary to establish an Individual Retirement Account for and on behalf of such Participant.

ARTICLE IV

Contributions

4.1 CONTRIBUTIONS: For each Plan Year after 1992, the Trust shall determine whether a contribution will be made under the Plan for that Plan Year. If the Trust determines that a contribution will be made for a Plan Year, there shall be contributed to the Individual Retirement Account of each individual who is a Participant for the Plan Year (whether or not his employment with an Employer has terminated prior to the last day of such Plan Year) 7-1/2% of the Participant's Compensation for such Plan Year up to the taxable wage base determined under Section 230 of the Social Security Act with respect to determining taxes under

Code Section 3101(a) for such Plan Year plus 11% of his Compensation for such Plan Year in excess of such taxable wage base.

The contribution of the Employer made on behalf of each Participant shall be either (a) paid directly to the Individual Retirement Account of a Participant or (b) delivered to the Participant by check made payable to the trustee of the Participant's Individual Retirement Account. Such contribution shall be paid not later than the due date (including extensions) of the Employer's tax return for the tax year that corresponds with the Plan Year.

4.2 LIMITS ON CONTRIBUTIONS: Notwithstanding anything to the contrary in the Plan, the maximum "annual addition" (as herein defined) on behalf of any Participant for any Plan Year shall not exceed (and, if necessary, shall be reduced to) the lesser of $30,000 (or, if greater, 25% of the dollar limitation in effect under Section 415(b)(1)(A) of the Code for the Year) or 25% of his total compensation (within the meaning of Code Section 415(c)(3)) for such Plan Year. The "annual additions" for a Participant shall be the sum of (a) contributions allocated to his Individual Retirement Account under the Plan, (b) contributions

and forfeitures allocated to his account for the Plan Year under any plan qualified under Code Section 401(a) maintained by an Employer and (c) any other amounts considered annual additions pursuant to Code Sections 415(1)(1) and 419A(d) (2).

ARTICLE V

Benefits

5.1 VESTING: All contributions made to this Plan by an Employer on behalf of a Participant shall be fully vested and nonforfeitable at all times.

5.2 WITHDRAWALS: Withdrawal of amounts contributed to a Participant's Individual Retirement Account shall be governed by the terms of such Individual Retirement Account. If a Participant does withdraw amounts from his Individual Retirement Account, he shall be responsible for paying any income, penalty, excise or other taxes associated with such withdrawal.

5.3 DEATH: In the event of a Participant's death, disposition of his Individual Retirement Account shall be governed by the terms of his Individual Retirement Account.

ARTICLE VI

Administration

6.1 NAMED FIDUCIARY AND PLAN ADMINISTRATOR: The Trust shall be the named fiduciary and plan administrator. The Trust may by appointment allocate the duties of the plan administrator among several individuals or entities. Such appointments shall not be effective until the party designated accepts such appointment in writing. The Plan administrator shall have the following powers and duties:

(a) to construe and interpret the provisions of the Plan;

(b) to decide all questions of eligibility for Plan participation;

(c) to provide appropriate parties with such returns, reports, descriptions and statements as are required by law, within the times prescribed by law and to make them available for examination by Participants and their beneficiaries when required by law;

(d) to take such other action as may be reasonably required to administer the Plan in accordance with its terms or as may be provided for or required by law;

(e) to provide any Participant whose claim for contributions has been denied with a reasonable opportunity for a full and fair review;

(f) to appoint and retain such persons as may be necessary to carry out the functions of the Plan administrator.

6.2 EXPENSES OF ADMINISTRATION: All administrative expenses of the Plan shall be paid by the Employer.

ARTICLE VII

Employer Rights

7.1 NONGUARANTEE OF EMPLOYMENT: Nothing contained in this Plan shall be construed as a contract of employment between an Employer and any Employee, or as a right of any Employee to be continued in the employment of an Employer, or as a limitation of the right of an Employer to discharge any of its Employees, with or without cause.

7.2 AMENDMENTS: The Trust reserves the right to make from time to time any amendment or amendments to this Plan which do not cause any part of Employer contributions hereunder to be used for, or diverted to, any purpose other than the exclusive benefit of Participants; provided, however, that the Employer may make any amendment it determines necessary or desirable, with or

without retroactive effect, to comply with the Code or any other Federal law and regulations issued pursuant thereto.

7.3 SUCCESSOR EMPLOYER: In the event of the dissolution, merger, consolidation or reorganization of an Employer, provision may be made by which the Plan will be continued by the successor; and, in that event, such successor shall be substituted for the Employer under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of an Employer under the Plan.

7.4 RIGHT TO TERMINATE: The Plan is intended to be permanent but the Trust reserves the right to terminate the Plan at any time. In the event of the dissolution, merger, consolidation or reorganization of the Trust, the Plan shall terminate unless it is continued by a successor to the Trust in accordance with Section 7.3.

IN WITNESS WHEREOF, the Trust has executed this Plan the _____ day of _____, 1993.

CORPORATE PROPERTY INVESTORS

By: /s/ Corporate Property Investors

[Print Name]

Exhibit 10.45

1993 SHARE OPTION PLAN
OF
CORPORATE PROPERTY INVESTORS

1. Adoption and Purpose of the Plan. Corporate Property Investors ("CPI") hereby adopts this share option plan (the "Plan") to provide for the grant of share options to Trustees and employees of CPI. The general purpose of the Plan is to promote the interests of CPI by providing to Trustees and employees additional incentives to continue and increase their efforts with respect to, and (in the case of employees) to remain in the employ of, CPI.

2. Stock Subject to the Plan. There will be reserved for issuance upon the exercise of options to be granted from time to time under the Plan an aggregate of 1,000,000 Series A Common Shares of Beneficial Interest of CPI ("Common Shares"). Such shares may be in whole or in part, as the Board of Trustees of CPI (the "Board") shall from time to time determine, authorized and unissued Common Shares or issued Common Shares that shall have been reacquired by CPI. If any option granted under the Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purposes of the Plan.

3. Administration. The Plan shall be administered by the Compensation Committee of the Board (the "Committee"). Subject to the express provisions of the Plan, the Committee shall have plenary authority, in its discretion, to determine the terms of all options granted under the Plan (which need not be identical) including, without limitation, the purchase price of the Common Shares covered by each option, the individuals to whom, and the time or times at which, options shall be granted, the number of Common Shares to be subject to each option, when an option can be exercised and whether in whole or in installments. In making such determinations, the Committee may take into account the nature of the services rendered by the respective individuals, their present and potential contributions to CPI's success and such other factors as the Committee in its discretion shall deem relevant; provided, however, that each time options are granted to non-employee Trustees of CPI, all such Trustees shall be offered options for the same number of Common Shares and with the same terms

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and provisions. Subject to the express provisions of the Plan, the Committee shall have plenary authority to interpret the Plan, to prescribe, amend and rescind the rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The determinations of the Committee on the matters referred to in this section 3 shall be conclusive. No officer or former officer of CPI who is a Trustee shall serve as a member of the Committee.

The Committee shall select one of its members as Chairman of the Committee, and the Committee shall hold its meetings at such times and places as it shall deem advisable. A majority of its members shall constitute a quorum and all determinations shall be made by a majority of its members. Any determination reduced to writing and signed by a majority of the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held.

4. Eligibility and Types of Options. Options may be granted only to Trustees (whether or not employees), officers and other salaried employees of CPI. A Trustee, officer or employee who has been granted an option may be granted an additional option or options. The eligibility of non-employee Trustees to receive options shall be subject to the approval of the shareholders of CPI at the 1994 Annual Meeting; if such approval is not received, then any option theretofore granted to a non-employee Trustee shall terminate. Any options granted to non-employee Trustees prior to the 1994 Annual Meeting shall not be exercisable until after the date of such Meeting.

Nothing contained in the Plan shall be construed to limit the right of CPI to grant options otherwise than under the Plan in connection with the acquisition by purchase, lease, consolidation or otherwise of the business and assets of any corporation, firm or association, including options granted to employees thereof who become employees of CPI, or for other proper purposes.

In no event shall an option be granted to any person who, if such option were exercised in full immediately after the grant thereof, would own Common Shares such that CPI would not qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time (the "Code").

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All options granted under the Plan shall be non-qualified stock options unless the Committee shall determine with respect to any particular option grant that it shall be an "incentive stock option" within the meaning of Section 422(b) of the Code. No incentive stock option may be granted to a non-employee Trustee or to an employee who owns more than 10% of the combined voting power of all classes of shares of CPI. Each incentive stock option shall not be exercisable in any one calendar year for Common Shares having a value greater than the $100,000 limitation prescribed by Section 422(d) of the Code, such value to be determined on the basis of the Fair Market Value of a Common Share (as defined in section 5) on the date of grant of the option, and shall otherwise have such terms and provisions as are provided in the Plan. The exercise of an incentive stock option shall be subject to the approval of the right to grant incentive stock options by the shareholders of CPI at the 1994 Annual Meeting; if such approval is not received, then any incentive stock option granted by the Committee prior to such meeting shall continue unchanged, except that it shall be a nonqualified stock option and shall not contain any provisions stated in the Plan to be applicable to incentive stock options. Any incentive stock option granted prior to the 1994 Annual Meeting shall not be exercisable until after the date of such Meeting.

5. Option Prices. The purchase price of the Common Shares under each option shall be equal to the Fair Market Value of a Common Share on the date of grant of the option. The "Fair Market Value of a Common Share" as used in the Plan shall be at any time (i) the then most recent net asset value per Common Share as adjusted to appropriately reflect the assumed conversion into Common Shares of any outstanding convertible securities of CPI that have a conversion price for Common Shares less than the net asset value otherwise determined hereunder, plus an amount equal to (x) the equity in Corporate Realty Consultants, Inc. ("CRC"), available with respect to the Common Shares (including Common Shares subject to options) divided by (y) the adjusted number of Common Shares used in determining such net asset value per Common Share, all as most recently determined by Landauer Associates, Inc. (or such successor or other independent firm as shall at the time be retained by the Trustees of CPI to appraise the net asset value of CPI), or (ii) if since the date of such most recent appraisal there has been a sale or issuance in one or more closely related transactions of at least $1,000,000 worth of Common Shares and related interests in CRC at a different

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price, the most recent such different price; provided, however, that such sale or issuance must be an arms-length transaction (or series of transactions) between unaffiliated parties, must involve two United States parties or non-United States parties under circumstances having substantially the same tax consequences as would be the case if United States parties were involved, and, if CPI is not a party to the transaction (or series of transactions), at least one of the parties must notify CPI of the price by written notice addressed to the Secretary of CPI.

6. Term of Options. The term of each option shall be for such period as the Committee shall determine, but not more than 10 years from the date of granting thereof or such shorter period as is prescribed in sections 7, 10 and 11.

7. Exercise of Options. Subject to sections 10 and 11 and this section 7, unless the Committee otherwise determines, an option granted under the Plan shall become exercisable in annual installments of 25% of the aggregate number of shares covered by the option on each of the first four anniversaries of the date of grant, such installments to be cumulative. In no case may an option be exercised at any time for less than 50 Common Shares (or the remaining Common Shares covered by the option if less than 50).

An option may be exercised by written notice to CPI. Such notice shall state that the holder of the option elects to exercise the option, the number of Common Shares in respect of which it is being exercised and the manner of payment for such Common Shares; the notice shall include any representations required pursuant to section 9 and shall either (i) be accompanied by payment of the full purchase price of such Common Shares or (ii) fix a date (not more than 10 business days from the date of exercise) for the payment of the full purchase price of such Common Shares.

Payment shall be made in cash or, unless otherwise provided in the option agreement, in Common Shares which have been owned by the holder of the option for more than six months (or, in the case of Common Shares being used for payment on the exercise of an incentive stock option, such Common Shares shall meet any longer holding period requirement set forth in Section 422(a)(1) of the Code or any successor provision) or partly in cash and partly in such Common Shares. Cash payments shall be made by cash or check payable to the order of CPI. Payments in Common

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Shares (valued at the Fair Market Value of a Common Share on the date of exercise) shall be made by delivery of share certificates in negotiable form. If certificates representing Common Shares are used to pay all or part of the purchase price under an option, a separate certificate which shall bear legends reflecting any restrictions imposed upon the Common Shares surrendered (as well as the legend required under section 9(d)) shall be delivered by CPI representing the same number of Common Shares as each certificate so used, and an additional certificate shall be delivered representing the additional Common Shares to which the holder of the option is entitled as a result of the exercise of the option. Except as provided in sections 10 and 11 and for options granted to non-employee Trustees, no option may be exercised at any time unless the person to whom such option was originally granted is then an employee of CPI. The holder of an option shall have none of the rights of a shareholder with respect to the Common Shares subject to the option until such Common Shares shall be transferred to the holder upon exercise of the option.

Notwithstanding any contrary waiting period, installment period or other limitation or restriction in any option agreement or in the Plan, each outstanding option granted under the Plan shall become exercisable in full for the aggregate number of Common Shares covered thereby in the event the Board (or, if approval of the Board is not required as a matter of law, the shareholders of CPI) shall approve (i) any consolidation or merger of CPI in which CPI will not be the continuing or surviving corporation or pursuant to which Common Shares would be converted into cash, securities or other property, other than a merger of CPI in which the holders of Common Shares immediately prior to the merger have the same proportionate ownership of the common shares of the surviving corporation immediately after the merger, (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of CPI, (iii) the adoption of any plan or proposal for the liquidation or dissolution of CPI or (iv) the acquisition by one or more related entities of securities representing 50% or more of the combined voting power of CPI's outstanding securities having the right to vote in the election of trustees, adjusted to appropriately reflect the assumed conversion into Common Shares of any outstanding convertible securities of CPI.

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Notwithstanding any other provision of the Plan, CPI shall loan the funds needed to exercise an option to the holder of such option if such holder simultaneously exercises such option and exercises the option holder's rights under section 9(d) to sell all the Common Shares purchased under such option. The interest rate, the maturity date, any installments, any security and all other terms and conditions of each such loan shall be determined from time to time by the Committee, in its sole discretion; provided, however, that no installments shall be due on any such loan, nor shall any such loan mature, until the Next Determination Date (as defined in section 9) following the option holder's exercise of such holder's rights under section 9(d).

With respect to each Common Share issued upon the exercise of an option, CPI shall deliver to the trustee of the trust in which substantially all the outstanding shares of Common Stock of CRC have been deposited for the benefit of holders of the Common Shares an amount equal to the amount with respect to CRC (the "CRC Equity") included in the purchase price per Common Share set forth in such option pursuant to clauses (x) and (y) of the definition of Fair Market Value of a Common Share in section 5 or which would have been included in the purchase price per Common Share if the purchase price had been determined under clause (i) of section 5 rather than under clause (ii) of that section; such amount shall be used by such trustee to purchase, at a price of 10 times the CRC Equity, for deposit in such trust, a number of shares of CRC Common Stock equal to 1/10 of the number of Common Shares issued upon exercise of such option.

8. Transferability of Options. No option granted under the Plan shall be transferable otherwise than by will or the laws of descent and distribution, except that an option holder may transfer a nonqualified stock option to his or her spouse or children, a trust or trusts for the benefit of such option holder or his or her spouse or children or a corporation or partnership all the equity interests in which are owned by such option holder or his or her spouse or children; provided, however, that any such transferee shall be required to acknowledge and agree that the option so transferred shall remain subject to this section 8 and will not be transferable except as permitted by this section 8. The designation of a beneficiary by an option holder shall not constitute a transfer. An option may be exercised, during the lifetime of the holder thereof

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(whether the optionee or a permitted transferee under this section 8), only by such holder.

9. Restrictions on Options and Optioned Shares. (a) No options shall be granted under the Plan, and no Common Shares shall be issued and delivered upon the exercise of options granted under the Plan, unless and until any applicable Federal or state registration, listing and qualification requirements and any other requirements of law or of any regulatory agencies having jurisdiction shall have been fully complied with.

(b) The Committee in its discretion may, as a condition to the exercise of any option granted under the Plan, require the holder of such option (i) to represent in writing that the Common Shares received upon exercise of such option are being acquired for investment and not with a view to distribution and (ii) to make such other representations and warranties as are deemed appropriate by CPI.

(c) All Common Shares purchased by any option holder on exercise of an option granted under the Plan shall be transferable to any party only with the consent of CPI (which may not be unreasonably withheld), except that no such consent shall be required for any transfer of Common Shares (i) in accordance with section 9(d) or (ii) to such option holder's spouse or children, a trust or trusts for the benefit of such option holder or his or her spouse or children or a corporation or partnership all the equity interests in which are owned by such option holder or his or her spouse or children but, in the event of any such transfer under clause (ii), the transferee shall be required to acknowledge and agree that the Common Shares so transferred will remain subject to the provisions of this section 9. If pursuant to the preceding sentence any holder of Common Shares shall give notice to CPI seeking CPI's consent to the transfer of any of or all such Common Shares to an entity that is not an existing shareholder of CPI, then CPI may elect in its sole discretion, to be exercised by giving a written election to the person who delivered such notice within ten business days of CPI's receipt of such notice, to purchase all but not less than all the Common Shares specified in such notice at a price per Common Share equal to the then Fair Market Value of a Common Share as set forth in section 5, such purchase to be completed by CPI not later than five business days after it so elects to purchase such Common Shares.

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(d) Each option agreement shall provide that, for so long as the option holder or any permitted transferee under section 8 or this section 9 shall continue to hold the Common Shares acquired on exercise of the option, the option holder or such transferee, respectively, may at his or her election at any time notify CPI in writing of his or her intent to sell a specified number of such Common Shares and shall state in such notice that CPI shall either (as such option holder or transferee shall elect in such notice):

(i) use its best efforts to have the Common Shares specified therein purchased by other CPI shareholders or third parties, subject to CPI's customary restrictions on transfer and other limitations, at a price per Common Share not less than the then Fair Market Value of a Common Share as set forth in section 5; if by the later of six months after the receipt of such notice by CPI and the date of the next written determination of an appraisal of the net asset value of CPI as described in section 5 (the "Next Determination Date") all the Common Shares covered by such notice have not been purchased by other CPI shareholders or third parties, then on the later of such dates CPI shall notify such option holder or transferee that it will buy all such unsold Common Shares at a price per Common Share equal to the Fair Market Value of a Common Share as set forth in section 5 as of such later date, and such option holder or transferee shall then have ten business days to advise CPI if he or she still wishes to sell; or

(ii) if such notice is delivered to CPI on or before July 1 in any year, use its best efforts to have the Common Shares purchased as described in clause (1) above; and, if by the Next Determination Date such Common Shares shall not have been so purchased, purchase from such option holder or transferee the Common Shares specified in such notice at a price per Common Share equal to the Fair Market Value of a Common Share as of the Next Determination Date; provided, however, that CPI, not later than the last business day of such year, shall purchase such Common Shares from such option holder or transferee and shall pay a price per Common Share equal to the then Fair Market Value of a Common Share as set forth in section 5, and thereafter, promptly following such Next Determination Date, CPI shall pay such option holder or transferee, or such option holder or transferee shall pay CPI, as

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the case may be, an amount per share so purchased by CPI equal to the difference between such Fair Market Values.

(e) Stock certificates representing Common Shares acquired upon the exercise of options shall bear substantially the following legend or such other legend that may be required:

"THE TRANSFER OF SHARES COVERED HEREBY AND CERTAIN OTHER MATTERS WITH RESPECT TO SUCH SHARES ARE GOVERNED BY AND SUBJECT TO THE PROVISIONS OF AN OPTION AGREEMENT BETWEEN CORPORATE PROPERTY INVESTORS AND THE OPTIONEE OF THE OPTION UNDER WHICH SUCH SHARES WERE ISSUED, AND NO TRANSFER OF SUCH SHARES SHALL BE VALID OR EFFECTIVE WITHOUT COMPLIANCE THEREWITH. A COPY OF SUCH AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF CORPORATE PROPERTY INVESTORS."

10. Termination of Trusteeship or Employment. In the event that an option holder ceases to be a Trustee or an employee of CPI otherwise than by reason of death or total disability (as defined in section 11), such option may be exercised (to the extent of the number of Common Shares covered by the option which were purchasable by the option holder immediately prior to the termination of his or her Trusteeship or employment) at any time (i) within one year (three months in the case of an incentive stock option or, in any case, such shorter period as may be specified in the option agreement) after termination due to Retirement (as defined below) or (ii) within three months (or such shorter period as may be specified in the option agreement) after termination for any other reason; provided, however, that if the Trustee or employee shall die during such three-month period, the option may be exercised within one year after termination. In no event may an option be exercised after the expiration of its original term. Retirement shall mean, in the case of a non-employee Trustee, termination of service as a Trustee on or after the date on which such Trustee has reached 70 years of age or has served as a Trustee for more than 10 years and, in the case of an employee, the termination of employment on or after the date on which such employee has reached 62 years of age.

In the case of employees, options granted under the Plan shall not be affected by any change of employment

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so long as the optionee continues to be an employee of CPI. Nothing in the Plan or in any option granted pursuant to the Plan shall confer on any individual any right to continue as a Trustee or in the employ of CPI or interfere in any way with the right of CPI to terminate his or her Trusteeship or employment at any time, with or without cause, notwithstanding the possibility that the number of Common Shares purchasable by a Trustee or employee (or by a permitted transferee under section 8) under an option may thereby be reduced or eliminated.

11. Death or Total Disability of an Option Holder. In the event of (i) the death of an option holder while he or she is a Trustee of or employed by CPI or (ii) an option holder becoming disabled within the meaning of Section 422(c)(6) of the Code ("total disability"), such option may be exercised in full for the maximum number of Common Shares covered by the option by a legatee or legatees of such option holder under his or her last will, or by his or her personal representatives or distributees, or by such disabled option holder, or, if such option has been transferred by such option holder pursuant to section 8, by such transferee, at any time within a period of three years after death or total disability (one year after total disability in the case of an incentive stock option), but not after expiration of the original term of the option.

12. Adjustments upon Changes in Capitalization. The Committee, whose determination shall be conclusive, shall determine appropriate adjustments of the number and class of shares subject to each outstanding option and its option price in the event of any change in the outstanding shares of beneficial interest of CPI or the capital stock of CRC by reason of any stock dividend, stock split, recapitalization, combination, exchange of shares, merger, consolidation, liquidation, split-up, split-off, spin-off or other similar change in capitalization, any distribution to common shareholders, including a rights offering, other than regular cash dividends (i.e., dividends payable out of operating cash flow), or any like change, or any acquisition of property or stock, separation, reorganization, liquidation or the like. In the event of any such event, the aggregate number and class of shares available under the Plan shall also be appropriately adjusted by the Committee, whose determination shall be conclusive.

13. Termination and Amendment. Unless the Plan shall theretofore have been terminated as hereinafter

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provided, the Plan shall terminate on, and no option shall be granted after, February 4, 1998 (or December 1, 1998 if the shareholders of CPI shall approve such later date at the 1994 Annual Meeting). The Plan may be terminated, modified or amended by the shareholders of CPI. The Board may at any time terminate, modify or amend the Plan in such respects as it shall deem advisable; provided, however, that the Board may not, without approval by the holders of a majority of the outstanding shares of voting stock of CPI present and voting at a duly held meeting at which a quorum is present or acting by their written consent:

(i) increase (except as provided in section 12) the maximum number of Common Shares as to which options may be granted under the Plan;

(ii) change the persons eligible to receive options;

(iii) change the manner of determining the option prices other than to change the manner of determining the Fair Market Value of a Common Share as stated in section 5;

(iv) increase the periods during which options may be granted or exercised; or

(v) provide for the administration of the Plan otherwise than by a Committee consisting of Trustees of CPI.

No termination, modification or amendment of the Plan may, without the consent of the individual to whom an option shall theretofore have been granted, or, if the option has theretofore been transferred pursuant to section 8, without the consent of such transferee, adversely affect the rights of such individual or transferee under such option.

14. Effectiveness of the Plan. The Plan became effective as of February 4, 1993, since it thereafter received the approval of the holders of a majority of the outstanding Common Shares present and voting at the 1993 Annual Meeting of Shareholders of CPI.

15. Time of Granting of Options. For all purposes of the Plan, the date of grant of an option shall be the date on which the Committee approves the granting of such option or any later date selected by the Committee as

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the date of grant. Each grantee of an option shall be notified promptly of the grant of the option, and a written agreement shall promptly be executed and delivered by or on behalf of CPI and the grantee.

16. Tax Withholding. In connection with the issuance of Common Shares as a result of the exercise of an option, CPI shall have the right to retain, or to demand surrender of, Common Shares in value sufficient to cover any withholding tax (that is, any tax, including any Federal, state or local income tax, required by any governmental entity to be withheld of otherwise deducted and paid with respect to such issuance), and to make payment (or to reimburse itself for payment made) to the appropriate taxing authority of an amount in cash equal to the amount of such withholding tax, remitting any balance to the person exercising the option. For purposes of this section, the value of Common Shares so retained or surrendered shall be the Fair Market Value of a Common Share (determined as provided in section 5) on the date that the amount of the withholding tax is to be determined (the "Tax Date").

Notwithstanding the foregoing, the person exercising an option shall be entitled to satisfy the obligation to pay any withholding tax, in whole or in part, by providing CPI with funds sufficient to enable CPI to pay such withholding tax.

EXHIBIT 10.46

EXECUTIVE AGREEMENT dated as of August 7, 1997, between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("the Company"), and HANS C. MAUTNER (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Accrued Obligations" means the sum of the amounts described in Section 6(a)(i)(A) and Section 6(a)(ii)(A).

(b) "Annual Base Salary" means the Executive's salary at a rate not less than the Executive's annualized salary in effect immediately prior to the Operative Date or the date that is six months prior to the Operative Date (whichever date results in a larger salary).

(c) "Annual Bonus" means the Executive's annual bonus in an amount that is not less than the highest annual bonus paid to the Executive with respect to the three years preceding the Operative Date.

(d) "Board" means the Board of Trustees of the Company.

(e) "Cause" means (i) the wilful and continued failure of the Executive to perform substantially the Executive's duties owed to the Company after a written demand for substantial performance is delivered to the Executive which specifically identifies the nature of such non-performance, (ii) the wilful engaging by the Executive in gross misconduct significantly and demonstrably injurious to the Company, or (iii) conduct by the Executive in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party. No act or omission on the part of the Executive shall be considered "wilful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board

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finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth in clause (i) or (ii) above and specifying the particulars thereof in detail.

(f) A "Change in Control" shall be deemed to occur upon the consummation of any transaction involving the Company, such as a merger, consolidation or similar transaction involving the outstanding voting securities of the Company, the sale of voting securities of the Company (other than through an underwritten public offering), the sale of assets of the Company or the acquisition of assets by the Company, pursuant to which the shareholders of the Company immediately prior to such transaction would, after giving effect to such transaction, cease to beneficially own 70% or more of the outstanding voting securities of the Company or its successor. For purposes of the foregoing definition, the dissolution of the Telephone Real Estate Equity Trust, of which State Street Bank and Trust Company is the Trustee, and the resulting distribution of any of the Company's voting securities to the entities that are the beneficial owners thereof on the date hereof shall not be deemed a transaction involving a Change in Control.

(g) "Common Shares" means Series A Common Shares of Beneficial Interest of the Company.

(h) "Date of Termination" means: (i) if the Executive's employment is terminated by the Company, for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the Incapacity Effective Date, as the case may be.

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(i) "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Operative Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(j) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a), (B) any other action by the Company which results in a significant diminution in such position, authority, duties or responsibilities, or (C) any failure by the Company to comply with any of the provisions of Section 4(b);

(ii) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in Manhattan located in New York City;

(iii) any failure by the Company to comply with and satisfy Section 11(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(k) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Term.

(l) "Incapacity Effective Date" means the date of determination by the Board that the Incapacity of the Executive has occurred during the term of this Agreement; provided, however, that if the Company's policy regarding disability leaves of absence provides that the Executive's employment would cease and terminate on a later date, then the Incapacity Effective Date shall be such later date.

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(m) "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant to a resolution of the Board and (iv) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving) of such notice.

(n) "Operative Date" means the date on which a Change in Control shall have occurred.

(o) "Other Benefits" means any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including earned but unpaid stock and similar compensation, that is in effect on the date that is six months prior to the Operative Date.

(p) "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as it now exists or may hereafter be amended prior to the date six months prior to the Operative Date.

(q) "SERP" means the Supplemental Executive Retirement Plan of Corporate Property Investors as it now exists or may hereafter be amended prior to the date that is six months prior to the Operative Date.

(r) "Term" means the term of this Agreement which shall begin as of the date first written above, and shall continue to and remain in effect until the fourth anniversary of such date or, if later, two years following an Operative Date occurring prior to the fourth anniversary of the date first written above and shall include any extensions pursuant to Section 2.

SECTION 2. Extension of This Agreement. If no Operative Date shall have occurred on or before the 60th calendar day preceding the date on which the Term is then scheduled to expire, then the Term shall automatically be extended for one year unless either party shall have given the other party written notice of its intention not to extend the Term.

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SECTION 3. Terms of Employment Prior to Operative Date. Prior to the Operative Date, the terms and conditions of the Executive's employment, including the Executive's rights upon termination of the Executive's employment, shall be the same as they would have been had this Agreement not been entered into by the Executive and the Company.

SECTION 4. Terms of Employment on and After Operative Date. (a) Position and Duties. (i) On and after the Operative Date and during the Term of this Agreement, (A) the Executive's position (including status, offices, titles, authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to the Operative Date and (B) the Executive's work location shall be based in Manhattan in New York City and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required on the date that is six months prior to the Operative Date, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) On and after the Operative Date and during the Term of this Agreement, but excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation. (i) Salary and Bonus. On and after the Operative Date and during the Term of this Agreement, the Executive will receive compensation at an annual rate equal to the sum of (A) his or her Annual Base Salary plus (B) his or her Annual Bonus.

(ii) Stock Option, Savings and Supplemental Retirement Plans. On and after the Operative Date and during the Term of this Agreement, the Executive will be entitled to (A) continue to participate in all stock option, savings and supplemental retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the 1993 Share Option Plan of Corporate Property Investors, Corporate Property Investors Employee 401(k) Savings Plan, the SEPP, the SERP, and the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, or

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(B) participate in stock option, savings and retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. On and after the Operative Date and during the Term of this Agreement, the Executive and/or persons who from time to time thereafter are Dependents, as the case may be, shall be eligible to (A) participate in and shall receive (or, in the case of life insurance, shall be entitled to have the Executive's beneficiary receive) all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company on a date that is six months prior to the Operative Date, including, without limitation, medical, disability insurance (group and individual), disability leaves of absence, group life, split dollar life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive and the Dependents.

(iv) Business Expenses. On and after the Operative Date and during the Term of this Agreement, the Company shall, in accordance with policies in effect with respect to the payment of such expenses immediately prior to the Operative Date, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled on the date that is six months prior to the Operative Date.

(vi) Other Benefits. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to all Other Benefits not specifically provided for in subsections (i), (ii), (iii), (iv) and (v) of this Section 4(b).

SECTION 5. Termination of Employment. (a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death. On and after the Operative Date, the Executive's employment shall also terminate automatically on his or her Incapacity Effective Date during the Term of this Agreement.

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(b) Cause. Prior to the Operative Date, the Company may terminate the Executive's employment for any reason. On and after the Operative Date, the Company may terminate the Executive's employment only for Cause, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. Prior to the Operative Date, the Executive may terminate his or her employment for any reason. On and after the Operative Date, the Executive may terminate his or her employment for Good Reason.

(d) Notice of Termination. On and after the Operative Date and during the Term of this Agreement, any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

SECTION 6. Obligations of the Company Upon Termination on or After Operative Date. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, on or after the Operative Date and during the Term of this Agreement, (x) the Company shall terminate the Executive's employment other than for Cause, death or Incapacity or (y) the Executive shall terminate his or her employment for Good Reason, then:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 calendar days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's then Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) an amount equal to his or her then Annual Bonus times (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any accrued vacation pay to the extent not theretofore paid; and

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(B) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Annual Base Salary and (y) his or her then Annual Bonus; and

(ii) the Company will contribute within 30 calendar days after the Date of Termination an amount to the SERP equal to the sum of:

(A) the product of (1) 11% and (2) the sum of (x) the Executive's then Annual Base Salary through the Date of Termination plus (y) a portion of his Annual Bonus determined in accordance with Section 6(a)(i)(A)(2); and

(B) the product of (1) three times (2) 11% of the sum of the Annual Base Salary and the Annual Bonus;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iii) if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect generally at any time thereafter;

(iv) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Operative Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (iv) after the date he ceases to be a Dependent and (B) at all times after the expiration of the three-year period described in clause (iii) above, the Executive shall pay for such

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coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Internal Revenue Code of 1986, as amended;

(v) all outstanding options granted to Executive to purchase Common Shares under the 1993 Share Option Plan of Corporate Property Investors or under any other option plan shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(vi) the Company will continue to pay any premiums due on split-dollar life insurance policies in effect on the life of the Executive for three years following the Date of Termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premiums paid by the Company;

(vii) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(viii) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(ix) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

(x) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive all Other Benefits to the extent accrued on the Date of Termination and not specifically provided for in subsections (i) through (ix) of this Section 6(a).

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(b) Death or Incapacity. If the Executive's employment is terminated on or after the Operative Date by reason of the Executive's death or Incapacity, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Sections 4(b)(iii) and 6(a)(vi) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause; Other than for Good Reason. If the Executive's employment shall be terminated on or after the Operative Date for Cause, this Agreement shall terminate without further obligations to the Executive other than timely payment to the Executive of (x) the Executive's then Annual Base Salary through the Date of Termination and (y) Other Benefits, but in each case only to the extent theretofore unpaid as of the Date of Termination. If the Executive voluntarily terminates employment during the Term of this Agreement, excluding a termination for Good Reason on or after the Operative Date, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 8. No Mitigation. The Company agrees that, if the Executive's employment is terminated on or after the Operative Date and during the Term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, the amount of any payment or benefit provided hereunder on or after the Operative Date shall not be reduced by any

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compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 9. Full Settlement and Settlement of Disputes. (a) Subject to full compliance by the Company with all its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason on or after the Operative Date. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(b) All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 calendar days after notification by the Board that the Executive's claim has been denied. Any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid his Annual Base Salary and medical benefits until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. All costs of litigation or arbitration shall be borne by the Company and shall be paid as incurred.

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Any dispute or controversy arising from the circumstances under which the Executive terminates employment shall be settled by litigation or arbitration as the aggrieved party shall select.

SECTION 10. Partial Reduction in Payments. Anything in this Agreement to the contrary notwithstanding, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, being hereinafter called "Total Payments") would be subject (in whole or part), to the excise tax (the "Excise Tax") imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the payments or benefits to be made under Section 6 hereof (the "Severance Payments") shall be reduced (in the manner determined by the Executive or, if no such determination shall be made by the time such payments or benefits are required to be paid or given, by the Company) to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement) if (i) the net amount of such Total Payments, as so reduced (and after deduction of the net amount of federal, state and local income tax and employment taxes to which the Executive would be subject by virtue of his or her receipt of such reduced Total Payments), is greater than (ii) the excess of (A) the net amount of such Total Payments, without reduction (but after deduction of the net amount of federal, state and local income and employment taxes to which the Executive would be subject by virtue of his or her receipt of such Total Payments), over (B) the amount of Excise Tax to which the Executive would be subject in respect of such Total Payments.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the

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Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 12. Nonassignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 11. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section 12, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 13. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

- If to the Executive -- at the address included on the signature page.

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If to the Company:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017

Attention: Chairman of the Board and Chief
Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company prior to the Operative Date or subsequent to the end of the Term.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

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(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

CORPORATE PROPERTY INVESTORS,

by /s/ Harold Rolfe

Name: Harold Rolfe
Title: Vice President & General Counsel

/s/ Hans C. Mautner

HANS C. MAUTNER

1088 Park Avenue
New York, N.Y. 10128

(Address)

(Address)

Amendment to Executive Agreement
with Hans C. Mautner

WHEREAS, Hans C. Mautner and Corporate Property Investors (the "Company") entered into an agreement dated as of August 7, 1997 (the "Agreement"), setting forth the mutual agreement of the parties with respect to the terms and conditions of his employment by the Company following a change in control and his entitlement to various benefits from the Company in the event of his termination of employment on or following a change in control (see Exhibit 1 hereto);

WHEREAS, it is desired to amend such Agreement as provided herein to reflect the provisions contained in a Disclosure Letter referred to in the Agreement and Plan of Merger dated February 18, 1998, by and among Simon DeBartolo Group, the Company and Corporate Realty Consultants, Inc. (the "Merger Agreement");

NOW THEREFORE, the Agreement be, and it hereby is, amended in the following respects:

1. Each and every reference to the Operative Date and/or to the date that is six months prior to the Operative Date shall be deemed to be a reference to February 18, 1998.

2. The fourth sentence of Section 9(b) is amended to read as follows:

"Except as provided in Section 10, any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect."

3. Section 10 is amended to read as follows:

"Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or that

any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (the "Net Gross-Up Payment") in an amount equal to the excess of the Gross-Up Payment (as defined below) he would be entitled to receive based on all Payments over the Excise Tax he would have incurred if his only parachute payments (as defined in Code Section 280G(b)(2)) were the payments contemplated by clause (ii) of Section 6.9.3 of the Merger Agreement. The "Gross-Up Payment" is defined as an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Notwithstanding the provisions of Section 9(b), all determinations required to be made under this Section 10, including whether and when the Net Gross-Up Payment is required and the amount of such Net Gross-Up Payment including any determination of the parachute payments under Code Section 280G(b)(2), and the assumptions to be utilized in arriving at such determinations shall be made by a nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Net Gross-Up Payment shall be paid by the Company to the Executive within five days of the receipt of the Accounting Film's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Net Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to this Section 10 (the "Underpayment"). In the event that the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment and any such Underpayment shall be

promptly paid by the Company to or for the benefit of the Executive."

It is expressly understood that all other terms of the Agreement remain in effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Agreement to be executed as of the 18th day of February, 1998.

CORPORATE PROPERTY INVESTORS,

by /s/ Harold Rolfe

Name: Harold Rolfe
Title: VP & General Counsel

/s/ Hans C. Mautner

Hans C. Mautner

EXHIBIT 10.47

EXECUTIVE AGREEMENT dated as of August 7, 1997, between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("the Company"), and MARK S. TICOTIN (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Accrued Obligations" means the sum of the amounts described in Section 6(a)(i)(A) and Section 6(a)(ii)(A).

(b) "Annual Base Salary" means the Executive's salary at a rate not less than the Executive's annualized salary in effect immediately prior to the Operative Date or the date that is six months prior to the Operative Date (whichever date results in a larger salary).

(c) "Annual Bonus" means the Executive's annual bonus in an amount that is not less than the highest annual bonus paid to the Executive with respect to the three years preceding the Operative Date.

(d) "Board" means the Board of Trustees of the Company.

(e) "Cause" means (i) the wilful and continued failure of the Executive to perform substantially the Executive's duties owed to the Company after a written demand for substantial performance is delivered to the Executive which specifically identifies the nature of such non-performance, (ii) the wilful engaging by the Executive in gross misconduct significantly and demonstrably injurious to the company, or (iii) conduct by the Executive in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party. No act or omission on the part of the Executive shall be considered "wilful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (l) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board

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finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth in clause (i) or (ii) above and specifying the particulars thereof in detail.

(f) A "Change in Control" shall be deemed to occur upon the consummation of any transaction involving the Company, such as a merger, consolidation or similar transaction involving the outstanding voting securities of the Company, the sale of voting securities of the Company (other than through an underwritten public offering), the sale of assets of the Company or the acquisition of assets by the Company, pursuant to which the shareholders of the Company immediately prior to such transaction would, after giving effect to such transaction, cease to beneficially own 70% or more of the outstanding voting securities of the Company or its successor. For purposes of the foregoing definition, the dissolution of the Telephone Real Estate Equity Trust, of which State Street Bank and Trust Company is the Trustee, and the resulting distribution of any of the Company's voting securities to the entities that are the beneficial owners thereof on the date hereof shall not be deemed a transaction involving a Change in Control.

(g) "Common Shares" means Series A Common Shares of Beneficial Interest of the Company.

(h) "Date of Termination" means: (i) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the Incapacity Effective Date, as the case may be.

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(i) "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Operative Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(j) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a), (B) any other action by the Company which results in a significant diminution in such position, authority, duties or responsibilities, or (C) any failure by the Company to comply with any of the provisions of Section 4(b);

(ii) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in Manhattan located in New York City;

(iii) any failure by the Company to comply with and satisfy Section 11(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(k) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Term.

(l) "Incapacity Effective Date" means the date of determination by the Board that the Incapacity of the Executive has occurred during the term of this Agreement; provided, however, that if the Company's policy regarding disability leaves of absence provides that the Executive's employment would cease and terminate on a later date, then the Incapacity Effective Date shall be such later date.

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(m) "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant to a resolution of the Board, and (iv) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving) of such notice.

(n) "Operative Date" means the date on which a Change in Control shall have occurred.

(o) "Other Benefits" means any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including earned but unpaid stock and similar compensation, that is in effect on the date that is six months prior to the Operative Date.

(p) "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as it now exists or may hereafter be amended prior to the date six months prior to the Operative Date.

(q) "SERP" means the Supplemental Executive Retirement Plan of Corporate Property Investors as it now exists or may hereafter be amended prior to the date that is six months prior to the Operative Date.

(r) "Term" means the term of this Agreement which shall begin as of the date first written above, and shall continue to and remain in effect until the fourth anniversary of such date or, if later, two years following an Operative Date occurring prior to the fourth anniversary of the date first written above and shall include any extensions pursuant to Section 2.

SECTION 2. Extension of This Agreement. If no Operative Date shall have occurred on or before the 60th calendar day preceding the date on which the Term is then scheduled to expire, then the Term shall automatically be extended for one year unless either party shall have given the other party written notice of its intention not to extend the Term.

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SECTION 3. Terms of Employment Prior to Operative Date. Prior to the Operative Date, the terms and conditions of the Executive's employment, including the Executive's rights upon termination of the Executive's employment, shall be the same as they would have been had this Agreement not been entered into by the Executive and the Company.

SECTION 4. Terms of Employment on and After Operative Date. (a) Position and Duties. (i) On and after the Operative Date and during the Term of this Agreement, (A) the Executive's position (including status, offices, titles, authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to the Operative Date and (B) the Executive's work location shall be based in Manhattan in New York City and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required on the date that is six months prior to the Operative Date, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) On and after the Operative Date and during the Term of this Agreement, but excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation. (i) Salary and Bonus. On and after the Operative Date and during the Term of this Agreement, the Executive will receive compensation at an annual rate equal to the sum of (A) his or her Annual Base Salary plus (B) his or her Annual Bonus.

(ii) Stock Option, Savings and Supplemental Retirement Plans. On and after the Operative Date and during the Term of this Agreement, the Executive will be entitled to (A) continue to participate in all stock option, savings and supplemental retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the 1993 Share Option Plan of Corporate Property Investors, Corporate Property Investors Employee 401(k) Savings Plan, the SEPP, the SERP, and the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, or

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(B) participate in stock option, savings and retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. On and after the Operative Date and during the Term of this Agreement, the Executive and/or persons who from time to time thereafter are Dependents, as the case may be, shall be eligible to (A) participate in and shall receive (or, in the case of life insurance, shall be entitled to have the Executive's beneficiary receive) all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company on a date that is six months prior to the Operative Date, including, without limitation, medical, disability insurance (group and individual), disability leaves of absence, group life, split dollar life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive and the Dependents.

(iv) Business Expenses. On and after the Operative Date and during the Term of this Agreement, the Company shall, in accordance with policies in effect with respect to the payment of such expenses immediately prior to the Operative Date, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled on the date that is six months prior to the Operative Date.

(vi) Other Benefits. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to all Other Benefits not specifically provided for in subsections (i), (ii), (iii), (iv) and (v) of this Section 4(b).

SECTION 5. Termination of Employment. (a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death. On and after the Operative Date, the Executive's employment shall also terminate automatically on his or her Incapacity Effective Date during the Term of this Agreement.

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(b) Cause. Prior to the Operative Date, the Company may terminate the Executive's employment for any reason. On and after the Operative Date, the Company may terminate the Executive's employment only for Cause, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. Prior to the Operative Date, the Executive may terminate his or her employment for any reason. On and after the Operative Date, the Executive may terminate his or her employment for Good Reason.

(d) Notice of Termination. On and after the Operative Date and during the Term of this Agreement, any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

SECTION 6. Obligations of the Company Upon Termination on or After Operative Date. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, on or after the Operative Date and during the Term of this Agreement, (x) the Company shall terminate the Executive's employment other than for Cause, death or Incapacity or (y) the Executive shall terminate his or her employment for Good Reason, then:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 calendar days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's then Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) an amount equal to his or her then Annual Bonus times (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any accrued vacation pay to the extent not theretofore paid; and

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(B) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Annual Base Salary and (y) his or her then Annual Bonus; and

(ii) the Company will contribute within 30 calendar days after the Date of Termination an amount to the SERP equal to the sum of:

(A) the product of (1) 11% and (2) the sum of (x) the Executive's then Annual Base Salary through the Date of Termination plus (y) a portion of his Annual Bonus determined in accordance with Section 6(a)(i)(A)(2); and

(B) the product of (1) three times (2) 11% of the sum of the Annual Base Salary and the Annual Bonus;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice. or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iii) if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect generally at any time thereafter;

(iv) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Operative Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (iv) after the date he ceases to be a Dependent and (B) at all times after the expiration of the three-year period described in clause (iii) above, the Executive shall pay for such

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coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Internal Revenue Code of 1986, as amended;

(v) all outstanding options granted to Executive to purchase Common Shares under the 1993 Share Option Plan of Corporate Property Investors or under any other option plan shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(vi) the Company will continue to pay any premiums due on split-dollar life insurance policies in effect on the life of the Executive for three years following the Date of Termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premiums paid by the Company;

(vii) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(viii) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(ix) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

(x) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive all Other Benefits to the extent accrued on the Date of Termination and not specifically provided for in subsections (i) through (ix) of this Section 6(a).

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(b) Death or Incapacity. If the Executive's employment is terminated on or after the Operative Date by reason of the Executive's death or Incapacity, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Sections 4(b)(iii) and 6(a)(vi) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause; Other than for Good Reason. If the Executive's employment shall be terminated on or after the Operative Date for Cause, this Agreement shall terminate without further obligations to the Executive other than timely payment to the Executive of (x) the Executive's then Annual Base Salary through the Date of Termination and (y) Other Benefits, but in each case only to the extent theretofore unpaid as of the Date of Termination. If the Executive voluntarily terminates employment during the Term of this Agreement, excluding a termination for Good Reason on or after the Operative Date, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 8. No Mitigation. The Company agrees that, if the Executive's employment is terminated on or after the Operative Date and during the Term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, the amount of any payment or benefit provided hereunder on or after the Operative Date shall not be reduced by any

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compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 9. Full Settlement and Settlement of Disputes. (a) Subject to full compliance by the Company with all its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason on or after the Operative Date. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(b) All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 calendar days after notification by the Board that the Executive's claim has been denied. Any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid his Annual Base Salary and medical benefits until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. All costs of litigation or arbitration shall be borne by the Company and shall be paid as incurred.

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Any dispute or controversy arising from the circumstances under which the Executive terminates employment shall be settled by litigation or arbitration as the aggrieved party shall select.

SECTION 10. Partial Reduction in Payments. Anything in this Agreement to the contrary notwithstanding, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, being hereinafter called "Total Payments") would be subject (in whole or part), to the excise tax (the "Excise Tax") imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the payments or benefits to be made under Section 6 hereof (the "Severance Payments") shall be reduced (in the manner determined by the Executive or, if no such determination shall be made by the time such payments or benefits are required to be paid or given, by the Company) to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement) if (i) the net amount of such Total Payments, as so reduced (and after deduction of the net amount of federal, state and local income tax and employment taxes to which the Executive would be subject by virtue of his or her receipt of such reduced Total Payments), is greater than (ii) the excess of (A) the net amount of such Total Payments, without reduction (but after deduction of the net amount of federal, state and local income and employment taxes to which the Executive would be subject by virtue of his or her receipt of such Total Payments), over (B) the amount of Excise Tax to which the Executive would be subject in respect of such Total Payments.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession bad taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the

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Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 12. Nonassignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 11. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section 12, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 13. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

- If to the Executive -- at the address included on the signature page.

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If to the Company:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017

Attention: Chairman of the Board and Chief
Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company prior to the Operative Date or subsequent to the end of the Term.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

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(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

CORPORATE PROPERTY INVESTORS,

by /s/ [ILLEGIBLE]

Name:
Title: Chairman/CEO

/s/ Mark S. Ticotin

MARK S. TICOTIN

12 [ILLEGIBLE] Road

(Address)

New City, NY. 10956

(Address)

Amendment to Executive Agreement
with Mark S. Ticotin

WHEREAS, Mark S. Ticotin and Corporate Property Investors (the "Company") entered into an agreement dated as of August 7, 1997 (the "Agreement"), setting forth the mutual agreement of the parties with respect to the terms and conditions of his employment by the Company following a change in control and his entitlement to various benefits from the Company in the event of his termination of employment on or following a change in control (see Exhibit 1 hereto);

WHEREAS, it is desired to amend such Agreement as provided herein to reflect the provisions contained in a Disclosure Letter referred to in the Agreement and Plan of Merger dated February 18, 1998, by and among Simon DeBartolo Group, the Company and Corporate Realty Consultants, Inc. (the "Merger Agreement");

NOW THEREFORE, the Agreement be, and it hereby is, amended in the following respects:

1. Each and every reference to the Operative Date and/or to the date that is six months prior to the Operative Date shall be deemed to be a reference to February 18, 1998.

2. The fourth sentence of Section 9(b) is amended to read as follows:

"Except as provided in Section 10, any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect."

3. Section 10 is amended to read as follows:

"Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or that

any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (the "Net Gross-Up Payment") in an amount equal to the excess of the Gross-Up Payment (as defined below) he would be entitled to receive based on all Payments over the Excise Tax he would have incurred if his only parachute payments (as defined in Code Section 280G(b)(2)) were the payments contemplated by clause (ii) of Section 6.9.3 of the Merger Agreement. The "Gross-Up Payment" is defined as an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Notwithstanding the provisions of Section 9(b), all determinations required to be made under this Section 10, including whether and when the Net Gross-Up Payment is required and the amount of such Net Gross-Up Payment including any determination of the parachute payments under Code Section 280G(b)(2), and the assumptions to be utilized in arriving at such determinations shall be made by a nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Net Gross-Up Payment shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Net Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to this Section l0 (the "Underpayment"). In the event that the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment and any such Underpayment shall be

promptly paid by the Company to or for the benefit of the Executive."

It is expressly understood that all other terms of the Agreement remain in effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Agreement to be executed as of the 18th day of February, 1998.

CORPORATE PROPERTY INVESTORS,

by /s/ [ILLEGIBLE]

Name:
Title:

/s/ Mark S. Ticotin

Mark S. Ticotin

EXHIBIT 10.48

EXECUTIVE AGREEMENT dated as of August 7, 1997, between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("the Company"), and MICHAEL L. JOHNSON (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Accrued Obligations" means the sum of the amounts described in Section 6(a)(i)(A) and Section 6(a)(ii)(A).

(b) "Annual Base Salary" means the Executive's salary at a rate not less than the Executive's annualized salary in effect immediately prior to the Operative Date or the date that is six months prior to the Operative Date (whichever date results in a larger salary).

(c) "Annual Bonus" means the Executive's annual bonus in an amount that is not less than the highest annual bonus paid to the Executive with respect to the three years preceding the Operative Date.

(d) "Board" means the Board of Trustees of the Company.

(e) "Cause" means (i) the wilful and continued failure of the Executive to perform substantially the Executive's duties owed to the Company after a written demand for substantial performance is delivered to the Executive which specifically identifies the nature of such non-performance, (ii) the wilful engaging by the Executive in gross misconduct significantly and demonstrably injurious to the Company, or (iii) conduct by the Executive in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party. No act or omission on the part of the Executive shall be considered "wilful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board

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finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth in clause (i) or (ii) above and specifying the particulars thereof in detail.

(f) A "Change in Control" shall be deemed to occur upon the consummation of any transaction involving the Company, such as a merger, consolidation or similar transaction involving the outstanding voting securities of the Company, the sale of voting securities of the Company (other than through an underwritten public offering), the sale of assets of the Company or the acquisition of assets by the Company, pursuant to which the shareholders of the Company immediately prior to such transaction would, after giving effect to such transaction, cease to beneficially own 70% or more of the outstanding voting securities of the Company or its successor. For purposes of the foregoing definition, the dissolution of the Telephone Real Estate Equity Trust, of which State Street Bank and Trust Company is the Trustee, and the resulting distribution of any of the Company's voting securities to the entities that are the beneficial owners thereof on the date hereof shall not be deemed a transaction involving a Change in Control.

(g) "Common Shares" means Series A Common Shares of Beneficial Interest of the Company.

(h) "Date of Termination" means: (i) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the Incapacity Effective Date, as the case may be.

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(i) "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Operative Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(j) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a), (B) any other action by the Company which results in a significant diminution in such position, authority, duties or responsibilities, or (C) any failure by the Company to comply with any of the provisions of Section 4(b);

(ii) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in Manhattan located in New York City;

(iii) any failure by the Company to comply with and satisfy Section 11(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(k) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Term.

(l) "Incapacity Effective Date" means the date of determination by the Board that the Incapacity of the Executive has occurred during the term of this Agreement; provided, however, that if the Company's policy regarding disability leaves of absence provides that the Executive's employment would cease and terminate on a later date, then the Incapacity Effective Date shall be such later date.

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(m) "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant to a resolution of the Board, and (iv) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving) of such notice.

(n) "Operative Date" means the date on which a Change in Control shall have occurred.

(o) "Other Benefits" means any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including earned but unpaid stock and similar compensation, that is in effect on the date that is six months prior to the Operative Date.

(p) "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as it now exists or may hereafter be amended prior to the date six months prior to the Operative Date.

(q) "SERP" means the Supplemental Executive Retirement Plan of Corporate Property Investors as it now exists or may hereafter be amended prior to the date that is six months prior to the Operative Date.

(r) "Term" means the term of this Agreement which shall begin as of the date first written above, and shall continue to and remain in effect until the fourth anniversary of such date or, if later, two years following an Operative Date occurring prior to the fourth anniversary of the date first written above and shall include any extensions pursuant to Section 2.

SECTION 2. Extension of This Agreement. If no Operative Date shall have occurred on or before the 60th calendar day preceding the date on which the Term is then scheduled to expire, then the Term shall automatically be extended for one year unless either party shall have given the other party written notice of its intention not to extend the Term.

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SECTION 3. Terms of Employment Prior to Operative Date. Prior to the Operative Date, the terms and conditions of the Executive's employment, including the Executive's rights upon termination of the Executive's employment, shall be the same as they would have been had this Agreement not been entered into by the Executive and the Company.

SECTION 4. Terms of Employment on and After Operative Date. (a) Position and Duties. (i) On and after the Operative Date and during the Term of this Agreement, (A) the Executive's position (including status, offices, , authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to the Operative Date and (B) the Executive's work location shall be based in Manhattan in New York City and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required on the date that is six months prior to the Operative Date, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) On and after the Operative Date and during the Term of this Agreement, but excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive1s reasonable best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation. (i) Salary and Bonus. On and after the Operative Date and during the Term of this Agreement, the Executive will receive compensation at an annual-rate equal to the sum of (A) his or her Annual Base Salary plus (B) his or her Annual Bonus.

(ii) Stock Option, Savings and Supplemental Retirement Plans. On and after the Operative Date and during the Term of this Agreement, the Executive will be entitled to (A) continue to participate in all stock option, savings and supplemental retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the 1993 Share Option Plan of Corporate Property Investors, Corporate Property Investors Employee 40l(k) Savings Plan, the SEPP, the SERP, and the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, or

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(B) participate in stock option, savings and retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. On and after the Operative Date and during the Term of this Agreement, the Executive and/or persons who from time to time thereafter are Dependents, as the case may be, shall be eligible to (A) participate in and shall receive (or, in the case of life insurance, shall be entitled to have the Executive's beneficiary receive) all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company on a date that is six months prior to the Operative Date, including, without limitation, medical, disability insurance (group and individual), disability leaves of absence, group life, split dollar life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive and the Dependents.

(iv) Business Expenses. On and after the Operative Date and during the Term of this Agreement, the Company shall, in accordance with policies in effect with respect to the payment of such expenses immediately prior to the Operative Date, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled on the date that is six months-prior to the Operative Date.

(vi) Other Benefits. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to all Other Benefits not specifically provided for in subsections (i), (ii), (iii), (iv) and (v) of this Section 4(b).

SECTION 5. Termination of Employment. (a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death. On and after the Operative Date, the Executive's employment shall also terminate automatically on his or her Incapacity Effective Date during the Term of this Agreement.

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(b) Cause. Prior to the Operative Date, the Company may terminate the Executive's employment for any reason. On and after the Operative Date, the Company may terminate the Executive's employment only for Cause, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. Prior to the Operative Date, the Executive may terminate his or her employment for any reason. On and after the Operative Date, the Executive may terminate his or her employment for Good Reason.

(d) Notice of Termination. On and after the Operative Date and during the Term of this Agreement, any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

SECTION 6. Obligations of the Company Upon Termination on or After Operative Date. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, on or after the Operative Date and during the Term of this Agreement, (x) the Company shall terminate the Executive's employment other than for Cause, death or Incapacity or (y) the Executive shall terminate his or her employment for Good Reason, then:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 calendar days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's then Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) an amount equal to his or her then Annual Bonus times (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any accrued vacation pay to the extent not theretofore paid; and

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(B) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Annual Base Salary and (y) his or her then Annual Bonus; and

(ii) the Company will contribute within 30 calendar days after the Date of Termination an amount to the SERP equal to the sum of:

(A) the product of (1) 11% and (2) the sum of (x) the Executive's then Annual Base Salary through the Date of Termination plus (y) a portion of his Annual Bonus determined in accordance with Section 6(a)(i)(A)(2); and

(B) the product of (1) three times (2) 11% of the sum of the Annual Base Salary and the Annual Bonus;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iii) if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect generally at any time thereafter;

(iv) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Operative Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (iv) after the date he ceases to be a Dependent and (B) at all times after the expiration of the three-year period described in clause (iii) above, the Executive shall pay for such

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coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Internal Revenue Code of 1986, as amended;

(v) all outstanding options granted to Executive to purchase Common Shares under the 1993 Share Option Plan of Corporate Property Investors or under any other option plan shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(vi) the Company will continue to pay any premiums due on split-dollar life insurance policies in effect on the life of the Executive for three years following the Date of Termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premiums paid by the Company;

(vii) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(viii) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(ix) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

(x) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive all Other Benefits to the extent accrued on the Date of Termination and not specifically provided for in subsections (i) through (ix) of this Section 6(a).

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(b) Death or Incapacity. If the Executive's employment is terminated on or after the Operative Date by reason of the Executive's death or Incapacity, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Sections 4(b)(iii) and 6(a)(vi) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause, Other than for Good Reason. If the Executive's employment shall be terminated on or after the Operative Date for Cause, this Agreement shall terminate without further obligations to the Executive other than timely payment to the Executive of (x) the Executive's then Annual Base Salary through the Date of Termination and (y) Other Benefits, but in each case only to the extent theretofore unpaid as of the Date of Termination. If the Executive voluntarily terminates employment during the Term of this Agreement, excluding a termination for Good Reason on or after the Operative Date, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 8. No Mitigation. The Company agrees that, if the Executive's employment is terminated on or after the Operative Date and during the Term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, the amount of any payment or benefit provided hereunder on or after the Operative Date shall not be reduced by any

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compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 9. Full Settlement and Settlement of Disputes. (a) Subject to full compliance by the Company with all its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason on or after the Operative Date. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(b) All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 calendar days after notification by the Board that the Executive's claim has been denied. Any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid his Annual Base Salary and medical benefits until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. All costs of litigation or arbitration shall be borne by the Company and shall be paid as incurred.

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Any dispute or controversy arising from the circumstances under which the Executive terminates employment shall be settled by litigation or arbitration as the aggrieved party shall select.

SECTION 10. Partial Reduction in Payments. Anything in this Agreement to the contrary notwithstanding, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, being hereinafter called "Total Payments") would be subject (in whole or part), to the excise tax (the "Excise Tax") imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the payments or benefits to be made under Section 6 hereof (the "Severance Payments") shall be reduced (in the manner determined by the Executive or, if no such determination shall be made by the time such payments or benefits are required to be paid or given, by the Company) to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement) if (i) the net amount of such Total Payments, as so reduced (and after deduction of the net amount of federal, state and local income tax and employment taxes to which the Executive would be subject by virtue of his or her receipt of such reduced Total Payments), is greater than (ii) the excess of (A) the net amount of such Total Payments, without reduction (but after deduction of the net amount of federal, state and local income and employment taxes to which the Executive would be subject by virtue of his or her receipt of such Total Payments), over (B) the amount of Excise Tax to which the Executive would be subject in respect of such Total Payments.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the

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Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 12. Nonassignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 11. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section 12, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 13. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

- If to the Executive -- at the address included on the signature page.

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If to the Company:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017

Attention: Chairman of the Board and Chief
Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company prior to the Operative Date or subsequent to the end of the Term.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

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(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

CORPORATE PROPERTY INVESTORS,

by /s/ [ILLEGIBLE]

Name:
Title: CHAIRMAN/CEO

/s/ Michael L. Johnson

MICHAEL L. JOHNSON

c/o CORPORATE PROPERTY INVESTORS
305 EAST 47TH ST.

(Address)

NEW YORK, N.Y. 10017

(Address)

Amendment to Executive Agreement
with Michael L. Johnson

WHEREAS, Michael L. Johnson and Corporate Property Investors (the "Company") entered into an agreement dated as of August 7, 1997 (the "Agreement"), setting forth the mutual agreement of the parties with respect to the terms and conditions of his employment by the Company following a change in control and his entitlement to various benefits from the Company in the event of his termination of employment on or following a change in control (see Exhibit 1 hereto);

WHEREAS, it is desired to amend such Agreement as provided herein to reflect the provisions contained in a Disclosure Letter referred to in the Agreement and Plan of Merger dated February 18, 1998, by and among Simon DeBartolo Group, the Company and Corporate Realty Consultants, Inc. (the "Merger Agreement");

NOW THEREFORE, the Agreement be, and it hereby is, amended in the following respects:

1. Each and every reference to the Operative Date and/or to the date that is six months prior to the Operative Date shall be deemed to be a reference to February 18, 1998.

2. The fourth sentence of Section 9(b) is amended to read as follows:

"Except as provided in Section 10, any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect."

3. Section 10 is amended to read as follows:

"Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or that

any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (the "Net Gross-Up Payment") in an amount equal to the excess of the Gross-Up Payment (as defined below) he would be entitled to receive based on all Payments over the Excise Tax he would have incurred if his only parachute payments (as defined in Code Section 280G(b)(2)) were the payments contemplated by clause (ii) of Section 6.9.3 of the Merger Agreement. The "Gross-Up Payment" is defined as an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Notwithstanding the provisions of Section 9(b), all determinations required to be made under this Section 10, including whether and when the Net Gross-Up Payment is required and the amount of such Net Gross-Up Payment including any determination of the parachute payments under Code Section 280G(b)(2), and the assumptions to be utilized in arriving at such determinations shall be made by a nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees, and expenses of the Accounting Firm shall be borne solely by the Company. Any Net Gross-Up Payment shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Net Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to this Section 10 (the "Underpayment"). In the event that the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment and any such Underpayment shall be

promptly paid by the Company to or for the benefit of the Executive."

It is expressly understood that all other terms of the Agreement remain in effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Agreement to be executed as of the 18th day of February, 1998.

CORPORATE PROPERTY INVESTORS,

by /s/ [ILLEGIBLE]

Name:
Title:

/s/ Michael L. Johnson

Michael L. Johnson

Exhibit 10.49

EXECUTIVE AGREEMENT dated as of August 7, 1997, between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("the Company"), and J. MICHAEL MALONEY (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Accrued Obligations" means the sum of the amounts described in Section 6(a)(i)(A) and Section 6(a)(ii)(A).

(b) "Annual Base Salary" means the Executive's salary at a rate not less than the Executive's annualized salary in effect immediately prior to the Operative Date or the date that is six months prior to the Operative Date (whichever date results in a larger salary).

(c) "Annual Bonus" means the Executive's annual bonus in an amount that is not less than the highest annual bonus paid to the Executive with respect to the three years preceding the Operative Date.

(d) "Board" means the Board of Trustees of the Company.

(e) "Cause" means (i) the wilful and continued failure of the Executive to perform substantially the Executive's duties owed to the Company after a written demand for substantial performance is delivered to the Executive which specifically identifies the nature of such non-performance, (ii) the wilful engaging by the Executive in gross misconduct significantly and demonstrably injurious to the Company, or (iii) conduct by the Executive in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party. No act or omission on the part of the Executive shall be considered "wilful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board

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finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth in clause (i) or (ii) above and specifying the particulars thereof in detail.

(f) A "Change in Control" shall be deemed to occur upon the consummation of any transaction involving the Company, such as a merger, consolidation or similar transaction involving the outstanding voting securities of the Company, the sale of voting securities of the Company (other than through an underwritten public offering), the sale of assets of the Company or the acquisition of assets by the Company, pursuant to which the shareholders of the Company immediately prior to such transaction would, after giving effect to such transaction, cease to beneficially own 70% or more of the outstanding voting securities of the Company or its successor. For purposes of the foregoing definition, the dissolution of the Telephone Real Estate Equity Trust, of which State Street Bank and Trust Company is the Trustee, and the resulting distribution of any of the Company's voting securities to the entities that are the beneficial owners thereof on the date hereof shall not be deemed a transaction involving a Change in Control.

(g) "Common Shares" means Series A Common Shares of Beneficial Interest of the Company.

(h) "Date of Termination" means: (i) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the Incapacity Effective Date, as the case may be.

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(i) "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Operative Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(j) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a), (B) any other action by the Company which results in a significant diminution in such position, authority, duties or responsibilities, or (C) any failure by the Company to comply with any of the provisions of Section 4(b);

(ii) without the Executive's express written consent, the Company' s requiring the Executive's work location to be other than in Manhattan located in New York City;

(iii) any failure by the Company to comply with and satisfy Section 11(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(k) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Term.

(1) "Incapacity Effective Date" means the date of determination by the Board that the Incapacity of the Executive has occurred during the term of this Agreement; provided, however, that if the Company's policy regarding disability leaves of absence provides that the Executive's employment would cease and terminate on a later date, then the Incapacity Effective Date shall be such later date.

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(m) "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant to a resolution of the Board, and (iv) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving) of such notice.

(n) "Operative Date" means the date on which a Change in Control shall have occurred.

(o) "Other Benefits" means any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including earned but unpaid stock and similar compensation, that is in effect on the date that is six months prior to the Operative Date.

(p) "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as it now exists or may hereafter be amended prior to the date six months prior to the Operative Date.

(q) "SERP" means the Supplemental Executive Retirement Plan of Corporate Property Investors as it now exists or may hereafter be amended prior to the date that is six months prior to the Operative Date.

(r) "Term" means the term of this Agreement which shall begin as of the date first written above, and shall continue to and remain in effect until the fourth anniversary of such date or, if later, two years following an Operative Date occurring prior to the fourth anniversary of the date first written above and shall include any extensions pursuant to Section 2.

SECTION 2. Extension of This Agreement. If no Operative Date shall have occurred on or before the 60th calendar day preceding the date on which the Term is then scheduled to expire, then the Term shall automatically be extended for one year unless either party shall have given the other party written notice of its intention not to extend the Term.

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SECTION 3. Terms of Employment Prior to Operative Date. Prior to the Operative Date, the terms and conditions of the Executive's employment, including the Executive's rights upon termination of the Executive's employment, shall be the same as they would have been had this Agreement not been entered into by the Executive and the Company.

SECTION 4. Terms of Employment on and After Operative Date. (a) Position and Duties. (i) On and after the Operative Date and during the Term of this Agreement, (A) the Executive's position (including status, offices, titles, authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to the Operative Date and (B) the Executive's work location shall be based in Manhattan in New York City and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required on the date that is six months prior to the Operative Date, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) On and after the Operative Date and during the Term of this Agreement, but excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation. (i) Salary and Bonus. On and after the Operative Date and during the Term of this Agreement, the Executive will receive compensation at an annual rate equal to the sum of (A) his or her Annual Base Salary plus (B) his or her Annual Bonus.

(ii) Stock Option, Savings and Supplemental Retirement Plans. On and after the Operative Date and during the Term of this Agreement, the Executive will be entitled to (A) continue to participate in all stock option, savings and supplemental retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the 1993 Share Option Plan of Corporate Property Investors, Corporate Property Investors Employee 401(k) Savings Plan, the SEPP, the SERP and the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, or

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(B) participate in stock option, savings and retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. On and after the Operative Date and during the Term of this Agreement, the Executive and/or persons who from time to time thereafter are Dependents, as the case may be, shall be eligible to (A) participate in and shall receive (or, in the case of life insurance, shall be entitled to have the Executive's beneficiary receive) all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company on a date that is six months prior to the Operative Date, including, without limitation, medical, disability insurance (group and individual), disability leaves of absence, group life, split dollar life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive and the Dependents.

(iv) Business Expenses. On and after the Operative Date and during the Term of this Agreement, the Company shall, in accordance with policies in effect with respect to the payment of such expenses immediately prior to the Operative Date, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled on the date that is six months prior to the Operative Date.

(vi) Other Benefits. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to all Other Benefits not specifically provided for in subsections (i), (ii), (iii), (iv) and (v) of this Section 4(b).

SECTION 5. Termination of Employment. (a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death. On and after the Operative Date, the Executive's employment shall also terminate automatically on his or her Incapacity Effective Date during the Term of this Agreement.

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(b) Cause. Prior to the Operative Date, the Company may terminate the Executive's employment for any reason. On and after the Operative Date, the Company may terminate the Executive's employment only for Cause, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. Prior to the Operative Date, the Executive may terminate his or her employment for any reason. On and after the Operative Date, the Executive may terminate his or her employment for Good Reason.

(d) Notice of Termination. On and after the Operative Date and during the Term of this Agreement, any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

SECTION 6. Obligations of the Company Upon Termination on or After Operative Date. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, on or after the Operative Date and during the Term of this Agreement, (x) the Company shall terminate the Executive's employment other than for Cause, death or Incapacity or (y) the Executive shall terminate his or her employment for Good Reason, then:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 calendar days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's then Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) an amount equal to his or her then Annual Bonus times (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any accrued vacation pay to the extent not theretofore paid; and

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(B) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Annual Base Salary and (y) his or her then Annual Bonus; and

(ii) the Company will contribute within 30 calendar days after the Date of Termination an amount to the SERP equal to the sum of:

(A) the product of (1) 11% and (2) the sum of (x) the Executive's then Annual Base Salary through the Date of Termination plus (y) a portion of his Annual Bonus determined in accordance with Section 6(a)(i)(A)(2); and

(B) the product of (1) three times (2) 11% of the sum of the Annual Base Salary and the Annual Bonus;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iii) if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect generally at any time thereafter;

(iv) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Operative Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (iv) after the date he ceases to be a Dependent and (B) at all times after the expiration of the three-year period described in clause (iii) above, the Executive shall pay for such

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coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Internal Revenue Code of 1986, as amended;

(v) all outstanding options granted to Executive to purchase Common Shares under the 1993 Share Option Plan of Corporate Property Investors or under any other option plan shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(vi) the Company will continue to pay any premiums due on split-dollar life insurance policies in effect on the life of the Executive for three years following the Date of Termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premiums paid by the Company;

(vii) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(viii) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(ix) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

(x) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive all Other Benefits to the extent accrued on the Date of Termination and not specifically provided for in subsections (i) through (ix) of this Section 6(a).

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(b) Death or Incapacity. If the Executive's employment is terminated on or after the Operative Date by reason of the Executive's death or Incapacity, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Sections 4(b)(iii) and 6(a)(vi) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause; Other than for Good Reason. If the Executive's employment shall be terminated on or after the Operative Date for Cause, this Agreement shall terminate without further obligations to the Executive other than timely payment to the Executive of (x) the Executive's then Annual Base Salary through the Date of Termination and (y) Other Benefits, but in each case only to the extent theretofore unpaid as of the Date of Termination. If the Executive voluntarily terminates employment during the Term of this Agreement, excluding a termination for Good Reason on or after the Operative Date, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 8. No Mitigation. The Company agrees that, if the Executive's employment is terminated on or after the Operative Date and during the Term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, the amount of any payment or benefit provided hereunder on or after the Operative Date shall not be reduced by any

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compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 9. Full Settlement and Settlement of Disputes. (a) Subject to full compliance by the Company with all its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason on or after the Operative Date. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(b) All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 calendar days after notification by the Board that the Executive's claim has been denied. Any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid his Annual Base Salary and medical benefits until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. All costs of litigation or arbitration shall be borne by the Company and shall be paid as incurred.

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Any dispute or controversy arising from the circumstances under which the Executive terminates employment shall be settled by litigation or arbitration as the aggrieved party shall select.

SECTION 10. Partial Reduction in Payments. Anything in this Agreement to the contrary notwithstanding, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, being hereinafter called "Total Payments") would be subject (in whole or part), to the excise tax (the "Excise Tax") imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the payments or benefits to be made under Section 6 hereof (the "Severance Payments") shall be reduced (in the manner determined by the Executive or, if no such determination shall be made by the time such payments or benefits are required to be paid or given, by the Company) to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement) if (i) the net amount of such Total Payments, as so reduced (and after deduction of the net amount of federal, state and local income tax and employment taxes to which the Executive would be subject by virtue of his or her receipt of such reduced Total Payments), is greater than (ii) the excess of (A) the net amount of such Total Payments, without reduction (but after deduction of the net amount of federal, state and local income and employment taxes to which the Executive would be subject by virtue of his or her receipt of such Total Payments), over (B) the amount of Excise Tax to which the Executive would be subject in respect of such Total Payments.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the

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Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 12. Nonassignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 11. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section 12, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 13. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive -- at the address included on the signature page.

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If to the Company:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017

Attention: Chairman of the Board and Chief Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company prior to the Operative Date or subsequent to the end of the Term.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

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(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

CORPORATE PROPERTY INVESTORS,

by /s/ [Illegible]

Name:
Title: Chairman/CEO

/s/ J. Michael Maloney

J. MICHAEL MALONEY

48 Remsen Street

(Address)

Brooklyn, NY 11201

(Address)

Amendment to Executive Agreement
with J. Michael Maloney

WHEREAS, J. Michael Maloney and Corporate Property Investors (the "Company") entered into an agreement dated as of August 7, 1997 (the "Agreement"), setting forth the mutual agreement of the parties with respect to the terms and conditions of his employment by the Company following a change in control and his entitlement to various benefits from the Company in the event of his termination of employment on or following a change in control (see Exhibit 1 hereto);

WHEREAS, it is desired to amend such Agreement as provided herein to reflect the provisions contained in a Disclosure Letter referred to in the Agreement and Plan of Merger dated February 18, 1998, by and among Simon DeBartolo Group, the Company and Corporate Realty Consultants, Inc. (the "Merger Agreement");

NOW THEREFORE, the Agreement be, and it hereby is, amended in the following respects:

1. Each and every reference to the Operative Date and/or to the date that is six months prior to the Operative Date shall be deemed to be a reference to February 18, 1998.

2. The fourth sentence of Section 9(b) is amended to read as follows:

"Except as provided in Section 10, any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect."

3. Section 10 is amended to read as follows:

"Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or that

any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (the "Net Gross-Up Payment") in an amount equal to the excess of the Gross-Up Payment (as defined below) he would be entitled to receive based on all Payments over the Excise Tax he would have incurred if his only parachute payments (as defined in Code Section 280G(b)(2)) were the payments contemplated by clause (ii) of Section 6.9.3 of the Merger Agreement. The "Gross-Up Payment" is defined as an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Notwithstanding the provisions of Section 9(b), all determinations required to be made under this Section 10, including whether and when the Net Gross-Up Payment is required and the amount of such Net Gross-Up Payment including any determination of the parachute payments under Code Section 280G(b)(2), and the assumptions to be utilized in arriving at such determinations shall be made by a nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Net Gross-Up Payment shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Net Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to this Section 10 (the "Underpayment"). In the event that the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment and any such Underpayment shall be

promptly paid by the Company to or for the benefit of the Executive."

It is expressly understood that all other terms of the Agreement remain in effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Agreement to be executed as of the 18th day of February, 1998.

CORPORATE PROPERTY INVESTORS

by /S/ [ILLEGIBLE]

Name:
Title:

/s/ J. Michael Maloney

J. Michael Maloney

Exhibit 10.50

EXECUTIVE AGREEMENT dated as of August 7, 1997, between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust ("the Company"), and G. MARTIN FELL (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Accrued Obligations" means the sum of the amounts described in Section 6(a)(i)(A) and Section 6(a)(ii)(A).

(b) "Annual Base Salary" means the Executive's salary at a rate not less than the Executive's annualized salary in effect immediately prior to the Operative Date or the date that is six months prior to the Operative Date (whichever date results in a larger salary).

(c) "Annual Bonus" means the Executive's annual bonus in an amount that is not less than the highest annual bonus paid to the Executive with respect to the three years preceding the Operative Date.

(d) "Board" means the Board of Trustees of the Company.

(e) "Cause" means (i) the wilful and continued failure of the Executive to perform substantially the Executive's duties owed to the Company after a written demand for substantial performance is delivered to the Executive which specifically identifies the nature of such non-performance, (ii) the wilful engaging by the Executive in gross misconduct significantly and demonstrably injurious to the Company, or (iii) conduct by the Executive in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party. No act or omission on the part of the Executive shall be considered "wilful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board

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finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth in clause (i) or (ii) above and specifying the particulars thereof in detail.

(f) A "Change in Control" shall be deemed to occur upon the consummation of any transaction involving the Company, such as a merger, consolidation or similar transaction involving the outstanding voting securities of the Company, the sale of voting securities of the Company (other than through an underwritten public offering), the sale of assets of the Company or the acquisition of assets by the Company, pursuant to which the shareholders of the Company immediately prior to such transaction would, after giving effect to such transaction, cease to beneficially own 70% or more of the outstanding voting securities of the Company or its successor. For purposes of the foregoing definition, the dissolution of the Telephone Real Estate Equity Trust, of which State Street Bank and Trust Company is the Trustee, and the resulting distribution of any of the Company's voting securities to the entities that are the beneficial owners thereof on the date hereof shall not be deemed a transaction involving a Change in Control.

(g) "Common Shares" means Series A Common Shares of Beneficial Interest of the Company.

(h) "Date of Termination" means: (i) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the Incapacity Effective Date, as the case may be.

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(i) "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Operative Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(j) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a), (B) any other action by the Company which results in a significant diminution in such position, authority, duties or responsibilities, or (C) any failure by the Company to comply with any of the provisions of Section 4(b);

(ii) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in Manhattan located in New York City;

(iii) any failure by the Company to comply with and satisfy Section 11(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(k) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Term.

(l) "Incapacity Effective Date" means the date of determination by the Board that the Incapacity of the Executive has occurred during the term of this Agreement; provided, however, that if the Company's policy regarding disability leaves of absence provides that the Executive's employment would cease and terminate on a later date, then the Incapacity Effective Date shall be such later date.

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(m) "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant to a resolution of the Board, and (iv) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving) of such notice.

(n) "Operative Date" means the date on which a Change in Control shall have occurred.

(o) "Other Benefits" means any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including earned but unpaid stock and similar compensation, that is in effect on the date that is six months prior to the Operative Date.

(p) "SEPP" means the Corporate Property Investors Simplified Employee Pension Plan as it now exists or may hereafter be amended prior to the date six months prior to the Operative Date.

(q) "SERP" means the Supplemental Executive Retirement Plan of Corporate Property Investors as it now exists or may hereafter be amended prior to the date that is six months prior to the Operative Date.

(r) "Term" means the term of this Agreement which shall begin as of the date first written above, and shall continue to and remain in effect until the fourth anniversary of such date or, if later, two years following an Operative Date occurring prior to the fourth anniversary of the date first written above and shall include any extensions pursuant to Section 2.

SECTION 2. Extension of This Agreement. If no Operative Date shall have occurred on or before the 60th calendar day preceding the date on which the Term is then scheduled to expire, then the Term shall automatically be extended for one year unless either party shall have given the other party written notice of its intention not to extend the Term.

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SECTION 3. Terms of Employment Prior to Operative Date. Prior to the Operative Date, the terms and conditions of the Executive's employment, including the Executive's rights upon termination of the Executive's employment, shall be the same as they would have been had this Agreement not been entered into by the Executive and the Company.

SECTION 4. Terms of Employment on and After Operative Date. (a) Position and Duties. (i) On and after the Operative Date and during the Term of this Agreement, (A) the Executive's position (including status, offices, titles, authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to the Operative Date and (B) the Executive's work location shall be based in Manhattan in New York City and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required on the date that is six months prior to the Operative Date, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) On and after the Operative Date and during the Term of this Agreement, but excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation. (i) Salary and Bonus. On and after the Operative Date and during the Term of this Agreement, the Executive will receive compensation at an annual rate equal to the sum of (A) his or her Annual Base Salary plus (B) his or her Annual Bonus.

(ii) Stock Option, Savings and Supplemental Retirement Plans. On and after the Operative Date and during the Term of this Agreement, the Executive will be entitled to (A) continue to participate in all stock option, savings and supplemental retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the 1993 Share Option Plan of Corporate Property Investors, Corporate Property Investors Employee 401(k) Savings Plan, the SEPP, the SERP, and the Trustees' and Executives' Deferred Remuneration Plan of Corporate Property Investors, or

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(B) participate in stock option, savings and retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. On and after the Operative Date and during the Term of this Agreement, the Executive and/or persons who from time to time thereafter are Dependents, as the case may be, shall be eligible to (A) participate in and shall receive (or, in the case of life insurance, shall be entitled to have the Executive's beneficiary receive) all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company on a date that is six months prior to the Operative Date, including, without limitation, medical, disability insurance (group and individual), disability leaves of absence, group life, split dollar life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive and the Dependents.

(iv) Business Expenses. On and after the Operative Date and during the Term of this Agreement, the Company shall, in accordance with policies in effect with respect to the payment of such expenses immediately prior to the Operative Date, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled on the date that is six months prior to the Operative Date.

(vi) Other Benefits. On and after the Operative Date and during the Term of this Agreement, the Executive shall be entitled to all Other Benefits not specifically provided for in subsections (i), (ii), (iii), (iv) and (v) of this Section 4(b).

SECTION 5. Termination of Employment. (a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death. On and after the Operative Date, the Executive's employment shall also terminate automatically on his or her Incapacity Effective Date during the Term of this Agreement.

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(b) Cause. Prior to the Operative Date, the Company may terminate the Executive's employment for any reason. On and after the Operative Date, the Company may terminate the Executive's employment only for Cause, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. Prior to the Operative Date, the Executive may terminate his or her employment for any reason. On and after the Operative Date, the Executive may terminate his or her employment for Good Reason.

(d) Notice of Termination. On and after the Operative Date and during the Term of this Agreement, any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

SECTION 6. Obligations of the Company Upon Termination on or After Operative Date. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, on or after the Operative Date and during the Term of this Agreement, (x) the Company shall terminate the Executive's employment other than for Cause, death or Incapacity or (y) the Executive shall terminate his or her employment for Good Reason, then:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 calendar days after the Date of-Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's then Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) an amount equal to his or her then Annual Bonus times (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any accrued vacation pay to the extent not theretofore paid; and

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(B) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Annual Base Salary and (y) his or her then Annual Bonus; and

(ii) the Company will contribute within 30 calendar days after the Date of Termination an amount to the SERP equal to the sum of:

(A) the product of (1) 11% and (2) the sum of (x) the Executive's then Annual Base Salary through the Date of Termination plus (y) a portion of his Annual Bonus determined in accordance with Section 6(a)(i)(A)(2); and

(B) the product of (1) three times (2) 11% of the sum of the Annual Base Salary and the Annual Bonus;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b) (iii) if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect generally at any time thereafter;

(iv) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Operative Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (iv) after the date he ceases to be a Dependent and (B) at all times after the expiration of the three-year period described in clause (iii) above, the Executive shall pay for such

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coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Internal Revenue Code of 1986, as amended;

(v) all outstanding options granted to Executive to purchase Common Shares under the 1993 Share Option Plan of Corporate Property Investors or under any other option plan shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(vi) the Company will continue to pay any premiums due on split-dollar life insurance policies, in effect on the life of the Executive for three years following the Date of Termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premiums paid by the Company;

(vii) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(viii) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(ix) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

(x) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive all Other Benefits to the extent accrued on the Date of Termination and not specifically provided for in subsections (i) through (ix) of this Section 6(a).

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(b) Death or Incapacity. If the Executive's employment is terminated on or after the Operative Date by reason of the Executive's death or Incapacity, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Sections 4(b) (iii) and 6(a) (vi) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause; Other than for Good Reason. If the Executive's employment shall be terminated on or after the Operative Date for Cause, this Agreement shall terminate without further obligations to the Executive other than timely payment to the Executive of (x) the Executive's then Annual Base Salary through the Date of Termination and (y) Other Benefits, but in each case only to the extent theretofore unpaid as of the Date of Termination. If the Executive voluntarily terminates employment during the Term of this Agreement, excluding a termination for Good Reason on or after the Operative Date, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 8. No Mitigation. The Company agrees that, if the Executive's employment is terminated on or after the Operative Date and during the Term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, the amount of any payment or benefit provided hereunder on or after the Operative Date shall not be reduced by any

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compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 9. Full Settlement and Settlement of Disputes. (a) Subject to full compliance by the Company with all its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason on or after the Operative Date. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(b) All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 calendar days after notification by the Board that the Executive's claim has been denied. Any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid his Annual Base Salary and medical benefits until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. All costs of litigation or arbitration shall be borne by the Company and shall be paid as incurred.

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Any dispute or controversy arising from the circumstances under which the Executive terminates employment shall be settled by litigation or arbitration as the aggrieved party shall select.

SECTION 10. Partial Reduction in Payments. Anything in this Agreement to the contrary notwithstanding, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, being hereinafter called "Total Payments") would be subject (in whole or part), to the excise tax (the "Excise Tax") imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the payments or benefits to be made under Section 6 hereof (the "Severance Payments") shall be reduced (in the manner determined by the Executive or, if no such determination shall be made by the time such payments or benefits are required to be paid or given, by the Company) to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement) if (i) the net amount of such Total Payments, as so reduced (and after deduction of the net amount of federal, state and local income tax and employment taxes to which the Executive would be subject by virtue of his or her receipt of such reduced Total Payments), is greater than (ii) the excess of (A) the net amount of such Total Payments, without reduction (but after deduction of the net amount of federal, state and local income and employment taxes to which the Executive would be subject by virtue of his or her receipt of such Total Payments), over (B) the amount of Excise Tax to which the Executive would be subject in respect of such Total Payments.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the

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Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 12. Nonassignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 11. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section 12, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 13. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

- If to the Executive -- at the address included on the signature page.

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If to the Company:

Corporate Property Investors
Three Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017

Attention: Chairman of the Board and Chief Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company prior to the Operative Date or subsequent to the end of the Term.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

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(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

CORPORATE PROPERTY INVESTORS,

by /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Chairman/CEO

/s/ G. MARTIN FELL

G. MARTIN FELL

444 E. 82 Street, 3G

(Address)

New York, NY 10028

(Address)

Amendment to Executive Agreement
with G. Martin Fell

WHEREAS, G. Martin Fell and Corporate Property Investors (the "Company") entered into an agreement dated as of August 7, 1997 (the "Agreement"), setting forth the mutual agreement of the parties with respect to the terms and conditions of his employment by the Company following a change in control and his entitlement to various benefits from the Company in the event of his termination of employment on or following a change in control (see Exhibit 1 hereto);

WHEREAS, it is desired to amend such Agreement as provided herein to reflect the provisions contained in a Disclosure Letter referred to in the Agreement and Plan of Merger dated February 18, 1998, by and among Simon DeBartolo Group, the Company and Corporate Realty Consultants, Inc. (the "Merger Agreement");

NOW THEREFORE, the Agreement be, and it hereby is, amended in the following respects:

1. Each and every reference to the Operative Date and/or to the date that is six months prior to the Operative Date shall be deemed to be a reference to February 18, 1998.

2. The fourth sentence of Section 9(b) is amended to read as follows:

"Except as provided in Section 10, any dispute or controversy arising under or in connection with the interpretation of the provisions of this Agreement shall be settled exclusively by arbitration in New York City, New York in accordance with the rules of the American Arbitration Association then in effect."

3. Section 10 is amended to read as follows:

"Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or that

any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (the "Net Gross-Up Payment") in an amount equal to the excess of the Gross-Up Payment (as defined below) he would be entitled to receive based on all Payments over the Excise Tax he would have incurred if his only parachute payments (as defined in Code Section 280G(b)(2)) were the payments contemplated by clause (ii) of Section 6.9.3 of the Merger Agreement. The "Gross-Up Payment" is defined as an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Notwithstanding the provisions of Section 9(b), all determinations required to be made under this Section 10, including whether and when the Net Gross-Up Payment is required and the amount of such Net Gross-Up Payment including any determination of the parachute payments under Code Section 280G(b)(2), and the assumptions to be utilized in arriving at such determinations shall be made by a nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Net Gross-Up Payment shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Net Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to this Section 10 (the "Underpayment"). In the event that the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment and any such Underpayment shall be

promptly paid by the Company to or for the benefit of the Executive."

It is expressly understood that all other terms of the Agreement remain in effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Agreement to be executed as of the 18th day of February, 1998.

CORPORATE PROPERTY INVESTORS,

by
/s/ [ILLEGIBLE]

Name:
Title:

/s/ G. Martin Fell

G. Martin Fell

Exhibit 10.51

MERRILL LYNCH

SPECIAL

PROTOTYPE

DEFINED CONTRIBUTION PLAN

Base Plan Document #03 used in conjunction with:

Non-standardized Profit Sharing Plan with CODA
Letter Serial Number: D359287b
National Office Letter Date: 6/29/93

Non-standardized Money Purchase Pension Plan
Letter Serial Number: D359288b
National Office Letter Date: 6/29/93

Non-standardized Profit Sharing Plan
Letter Serial Number: D359289b
National Office Letter Date: 6/29/93

Non-standardized Target Benefit Plan
Letter Serial Number: D361009a
National Office Letter Date: 6/29/93

This Prototype Plan and Adoption Agreement are important legal instruments with legal and tax implications for which the Sponsor, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, does not assume responsibility. The Employer is urged to consult with its own attorney with regard to the adoption of this Plan and its suitability to its circumstances.

Internal Revenue Service Department of the Treasury

Plan Description: Prototype Non-standardized Profit Sharing Plan with CODA
FFN: 50339816103-004 Case: 9201920 EIN: 13-5674085
BPD: 03 Plan: 004 Letter Serial No: D359287b Washington, DC: 20224

Person to Contact: Mr. Wolf
MERRILL LYNCH PIERCE FENNER & SMITH INC Telephone Number: (202) 622-8380
P0 BOX 9038 Refer Reply to: E:EP:Q:1
PRINCETON, NJ 08543

Date: 06/29/93

Dear Applicant:

In our opinion, the amendment to the form of the plan identified above does not in and of itself adversely affect the plan's acceptability under section 401 of the Internal Revenue Code. This opinion relates only to the amendment to the form of the plan. It is not an opinion as to the acceptability of any other amendment or of the form of the plan as a whole, or as to the effect of other Federal or local statutes.

You must furnish a copy of this letter to each employer who adopts this plan: You are also required to send a copy of the approved form of the plan, any approved amendments and related documents to each Key District Director of Internal Revenue Service in whose jurisdiction there are adopting employers.

An employer who adopts the amended form of the plan after the date of the amendment should apply for a determination letter by filing an application with the Key District Director of Internal Revenue on Form 5307, Short Form Application for Determination for Employee Benefit Plan.

This letter with respect to the amendment to the form of the plan does not affect the applicability to the plan of the continued, interim and extended reliance provisions of sections 13 and 17.03 of Rev. Proc. 89-9, 1989-1 C.B. 780. The applicability of such provisions may be determined by reference to the initial opinion letter issued with respect to the plan.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The plan's adoption agreement must include the sponsoring organization's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely yours,

/s/ [ILLEGIBLE]
Chief, Employee Plans Qualifications Branch

61

Internal Revenue Service Department of the Treasury

Plan Description: Prototype Non-standardized Money Purchase Pension Plan
FFN: 50339816103-003 Case: 9201919 EIN: 13-5674085
BPD: 03 Plan: 003 Letter Serial No: D359288b Washington, DC: 20224

Person to Contact: Mr. Wolf

MERRILL LYNCH PIERCE FENNER & SMITH INC
P0 BOX 9038
PRINCETON, NJ 08543

Telephone Number: (202) 622-8380
Refer Reply to: E:EP:Q:1
Date: 06/29/93

Dear Applicant:

In our opinion, the amendment to the form of the plan identified above does not in and of itself adversely affect the plan's acceptability under section 401 of the Internal Revenue Code. This opinion relates only to the amendment to the form of the plan. It is not an opinion as to the acceptability of any other amendment or of the form of the plan as a whole, or as to the effect of other Federal or local statutes.

You must furnish a copy of this letter to each employer who adopts this plan: You are also required to send a copy of the approved form of the plan, any approved amendments and related documents to each Key District Director of Internal Revenue Service in whose jurisdiction there are adopting employers.

An employer who adopts the amended form of the plan after the date of the amendment should apply for a determination letter by filing an application with the Key District Director of Internal Revenue on Form 5307, Short Form Application for Determination for Employee Benefit Plan.

This letter with respect to the amendment to the form of the plan does not affect the applicability to the plan of the continued, interim and extended reliance provisions of sections 13 and 17.03 of Rev. Proc. 89-9, 1989-1 C.B. 780. The applicability of such provisions may be determined by reference to the initial opinion letter issued with respect to the plan.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The plan's adoption agreement must include the sponsoring organization's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely yours,

/s/ [ILLEGIBLE]
Chief, Employee Plans Qualifications Branch

4

61

Internal Revenue Service Department of the Treasury

Plan Description: Prototype Non-standardized Profit Sharing Plan
FFN: 50339816103-002 Case: 9201918 EIN: 13-5674085
BPD: 03 Plan: 002 Letter Serial No: D359289b Washington, DC: 20224

Person to Contact: Mr. Wolf

MERRILL LYNCH PIERCE FENNER & SMITH INC Telephone Number: (202) 622-8380

P0 BOX 9038 Refer Reply to: E:EP:Q:1

PRINCETON, NJ 08543 Date: 06/29/93

Dear Applicant:

In our opinion, the amendment to the form of the plan identified above does not in and of itself adversely affect the plan's acceptability under section 401 of the Internal Revenue Code. This opinion relates only to the amendment to the form of the plan. It is not an opinion as to the acceptability of any other amendment or of the form of the plan as a whole, or as to the effect of other Federal or local statutes.

You must furnish a copy of this letter to each employer who adopts this plan. You are also required to send a copy of the approved form of the plan, any approved amendments and related documents to each Key District Director of Internal Revenue Service in whose jurisdiction there are adopting employers.

An employer who adopts the amended form of the plan after the date of the amendment should apply for a determination letter by filing an application with the Key District Director of Internal Revenue on Form 5307, Short Form Application for Determination for Employee Benefit Plan.

This letter with respect to the amendment to the form of the plan does not affect the applicability to the plan of the continued, interim and extended reliance provisions of sections 13 and 17.03 of Rev. Proc. 89-9, 1989-1 C.B. 780. The applicability of such provisions may be determined by reference to the initial opinion letter issued with respect to the plan.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The plan's adoption agreement must include the sponsoring organization's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely yours,

/s/ [ILLEGIBLE]
Chief, Employee Plans Qualifications Branch

5

61

Internal Revenue Service Department of the Treasury

Plan Description: Prototype Non-standardized Target Benefit Plan
FFN: 50339816103-001 Case: 8904027 EIN: 13-5674085
BPD: 03 Plan: 001 Letter Serial No: D361009a Washington, DC: 20224

Person to Contact: Mr. Wolf

MERRILL LYNCH PIERCE FENNER & SMITH INC Telephone Number: (202) 622-8380

P 0 BOX 9038 Refer Reply to: E:EP:Q:1

PRINCETON, NJ 08543 Date: 06/29/93

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable under section 401 of the Internal Revenue Code for use by employers for the benefit of their employees. This opinion relates only to the acceptability of the form of the plan under the Internal Revenue Code. It is not an opinion of the effect of other Federal or local statutes.

You must furnish a copy of this letter to each employer who adopts this plan. You are also required to send a copy of the approved form of the plan, any approved amendments and related documents to each Key District Director of Internal Revenue Service in whose jurisdiction there are adopting employers.

Our opinion on the acceptability of the form of the plan is not a ruling or determination as to whether an employer's plan qualifies under Code section 401(a). Therefore, an employer adopting the form of the plan should apply for a determination letter by filing an application with the Key District Director of Internal Revenue Service on Form 5307, Short Form Application for Determination for Employee Benefit Plan.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The plan's adoption agreement must include the sponsoring organization's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely yours,

/s/ [ILLEGIBLE]
Chief, Employee Plans Qualifications Branch

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ARTICLE I
DEFINITIONS

As used in this Prototype Plan and in each Adoption Agreement, each of the following terms shall have the meaning for that term set forth in this Article I:

1.1 Account: A separate Elective Deferrals Account, Employee Thrift Contributions Account, Employer Contributions Account, Matching 401(k) Contributions Account, Matching Thrift Contributions Account, Participant Voluntary Nondeductible Contributions Account, Qualified Matching Contributions Account, Qualified Nonelective Contributions Account, Rollover Contribution Account, and Transferred Account, as the case may be.

1.2 Account Balance: The value of an Account determined as of the applicable Valuation Date.

1.3 ACP Test: The Contribution Percentage test that is set forth in Section 3.5.2 of the Plan.

1.4 Actual Deferral Percentage: The ratio (expressed as a percentage), of (A) Elective Deferrals made on behalf of an Eligible Participant for the Plan Year (including Excess Elective Deferrals of Highly Compensated Employees and, at the election of the Employer, Qualified Nonelective Contributions and/or Qualified Matching Contributions), but excluding (1) Excess Elective Deferrals of Nonhighly Compensated Employees that arise solely from Elective Deferrals made under the Plan or plans of the Employer or an Affiliate and (2) Elective Deferrals that are taken into account in the ACP Test (provided the ADP Test is satisfied with or without the exclusion of such Elective Deferrals) to (B) the Participant's CODA Compensation for the Plan Year (whether or not the Eligible Employee was a Participant for the entire Plan Year). The Actual Deferral Percentage of an Eligible Participant who would be a Participant but for the failure to make an Elective Deferral is zero.

1.5 Adjustment Factor: The cost of living adjustment factor prescribed by the Secretary of the Treasury under Code Section 415(d) for years beginning after December 31, 1987, as applied to such items and in such manner as the Secretary shall provide.

1.6 Administrator: The Employer, unless otherwise specified by duly authorized action by the Employer.

1.7 Adoption Agreement: The document so designated with respect to this Prototype Plan that is executed by the Employer, as amended from time to time.

1.8 ADP Test: The Average Actual Deferral Percentage test set forth in Section 3.4.2(B) of the Plan.

1.9 Affiliate: Any corporation or unincorporated trade or business (other than the Employer) while it is:

(A) a member of a "controlled group of corporations" (within the meaning of Code Section 414(b)) of which the Employer is a member;

(B) a member of any trade or business under "common control" (within the meaning of Code Section 414(c)) with the Employer;

(C) a member of an "affiliated service group" (as that term is defined in Code Section 414(m)) which includes the Employer; or

(D) any other entity required to be aggregated with the Employer pursuant to Code Section 414(o). With respect to Section 3.9, "Affiliate" status shall be determined in accordance with Code Section 415(h).

1.10 Annuity Contract: An individual or group annuity contract issued by an insurance company providing periodic benefits, whether fixed, variable or both, the benefits or value of which a Participant or Beneficiary cannot transfer, sell, assign, discount, or pledge as collateral for a loan or as security for the performance of an obligation, or for any other purpose, to any person other than the issuer thereof. The terms of any annuity contract purchased and distributed by the Plan to a Participant or Spouse shall comply with the requirements of this Plan.

1.11 Average Actual Deferral Percentage: For any group of Eligible Participants, the average (expressed as a percentage) of the Actual Deferral Percentages for each of the Eligible Participants in that group, including those not making Elective Deferrals.

1.12 Average Contribution Percentage: For any group of Eligible Participants, the average (expressed as a percentage) of the Contribution Percentages for each of the Participants in that group, including those on whose behalf Matching 401(k) Contributions and/or Matching Thrift Contributions, if applicable, are not being made.

1.13 Beneficiary: A person or persons entitled to receive any payment of benefits pursuant to Article VII.

1.14 Benefit Commencement Date: The first day, determined pursuant to Article V, for which a Participant or Beneficiary receives or begins to receive payment in any form of distribution as a result of death, Disability, termination of Employment, Early Retirement, Plan termination or upon or after Normal Retirement Age or age 70-1/2.

1.15 CODA: A cash or deferred arrangement pursuant to Code Section 401(k) which is part of a profit sharing plan and under which an Eligible Participant may elect to make Elective Deferrals in accordance with Section 3.4.1.

1.16 CODA Compensation: Solely for purposes of determining the Actual Deferral Percentage and the Contribution Percentage, CODA Compensation shall be Compensation excluding or including "elective contributions" as specified in the Adoption Agreement. The preceding sentence shall be effective for Plan Years beginning on or after January 1, 1989.

1.17 Code: The Internal Revenue Code of 1986, as now in effect or as amended from time to time. A reference to a specific provision of the Code shall include such provision and any applicable regulation pertaining thereto.

1.18 Compensation: For purposes of contributions, Compensation shall be defined in the Adoption Agreement and Section 3.9.1(H), subject to any exclusions elected under Section IAA(d) of the Adoption Agreement, Section 3.1.4 and the following modifications:

(A) For a Self-Employed Individual, Compensation means his or her Earned Income, provided that if the Self-Employed Individual is not a Participant for an entire Plan Year, his or her Compensation for that Plan Year shall be his or her Earned Income for that Plan Year multiplied by a fraction the numerator of which is the number of days he or she is a Participant during the Plan Year and the denominator of which is the number of days in the Plan Year.

(B) Compensation of each Participant taken into account under this Plan for any Plan Year beginning after December 21, 1988 shall be limited to the first $200,000 as adjusted by the Adjustment Factor. In determining the Compensation of a Participant for purposes of this limitation, the rule of Code Section 414(q)(6) shall apply, except in applying such rules, the term "family" shall include only the Spouse of the Participant and any lineal descendants of the Participant who have not attained the age of 19 before the close of the year. If, as a result of the application of such rules, the adjusted $200,000 limitation is exceeded, (except for purposes of determining the portion of Compensation up to the Integration Level if this Plan is integrated with Social Security), the limitation shall be prorated among the affected Participants in proportion to each such Participant Compensation as determined under this Section 1.18 prior to the application of this limitation. In a manner applied uniformly to all Eligible Employees, only Compensation during the period in which the Employee is an Eligible Employee may be taken into account for purposes of the nondiscrimination tests described in Code Section 401(k) and 401(m).

(C) If Compensation for any prior Plan Year is taken into account in determining an Employee's contributions or benefits for the current year, the Compensation for such prior year is subject to the applicable annual compensation limit in effect for that prior year. For this purpose, for years beginning before January 1, 1990, the applicable annual compensation limit is $200,000.

(D) In addition to other applicable limitations set forth in the Plan, and not withstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1,, 1994, the annual compensation of each employee taken into account under the Plan shall not exceed the OBRA'93 annual compensation limit. The OBRA'93 annual compensation limit is $150,000 as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code.

The cost of living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA'93 annual compensation limit will be multiplied by a fraction the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For Plan years beginning on or after January 1, 1994, any reference in this Plan to the limitations under Section 401(a)(17) of the Code shall mean the OBRA'93 annual compensation limit set forth in this provision.

If Compensation for any prior determination period is taken into account in determining an Employee's benefits accruing, in the current Plan year, the Compensation for that prior determination period is subject to the OBRA'93 annual compensation limit in effect for that prior determination period. For this purpose, for prior determination periods beginning before the first day of the first Plan year beginning on or after January 1, 1994, the OBRA'93 Compensation limit is $150,000.

1.19 Contribution Percentage: The ratio (expressed as a percentage) of the Participant's Contribution Percentage Amounts to the Participant's CODA Compensation for the Plan Year, whether or not the Eligible Employee was a Participant for the entire Plan Year.

1.20 Contribution Percentage Amounts shall mean the sum of the: (A) Matching 401(k) Contributions; (B) Matching Thrift Contributions; (C) Qualified Matching Contributions (to the extent not taken into account for purposes of the ADP Test); (D) Employee Thrift Contributions; and (E) Participant Voluntary Nondeductible Contributions, as applicable, made on behalf of the Participant for the Plan Year. Such Contribution Percentage Amounts shall not include Matching 401(k) Contributions that are forfeited either to correct Excess Aggregate Contributions or because the contributions to which they relate are Excess Elective Deferrals, Excess Contributions or Excess Aggregate Contributions. The Employer may include Qualified Nonelective Contributions in the Contribution Percentage Amounts, as specified in the Adoption Agreement. Elective Deferrals may also be used in the Contribution Percentage Amounts so long as the ADP Test is met before the Elective Deferrals are used in the ACP Test and continues to be met following the exclusion of those Elective Deferrals that are used to meet the ACP Test, as specified in the Adoption Agreement. An Eligible Participant who does not direct an Elective Deferral or an Employee Thrift Contribution shall be treated as an Eligible Participant on behalf of whom no such contributions are made.

1.21 Defined Benefit Plan: A plan of the type defined in Code Section 414(j) maintained by the Employer or Affiliate, as applicable.

1.22 Defined Contribution Plan: A plan of the type defined in Code Section 414(i) maintained by the Employer or Affiliate, as applicable.

1.23 Disability: Disability as defined in the Adoption Agreement. The permanence and degree of such impairment shall be supported by medical evidence.

1.24 Early Retirement: An actively employed Participant is eligible for Early Retirement upon satisfying the requirements set forth in the Adoption Agreement.

1.25 Early Retirement Date: The Participant's Benefit Commencement Date following his or her termination of Employment on or after satisfying the requirements for Early Retirement and prior to Normal Retirement Age.

1.26 Earned Income: The "net earnings from self-employment" within the meaning of Code Section 401(c)(2) of a Self-Employed Individual from the trade or business with respect to which the Plan is established, but only if the personal services of the Self-Employed Individual are a material income-producing factor in that trade or business. Net earnings will be determined without regard to items not included in gross income and the deductions properly allocable to or chargeable against such items and are to be reduced by contributions by the Employer or Affiliate to a Qualified Plan to the extent deductible under Code Section 404. Where this Plan refers to Earned Income in the context of a trade or business other than that with respect to which the Plan is adopted, the term Earned Income means such net earnings as would be Earned Income as defined above if that trade or business was the trade or business with respect to which the Plan is adopted.

Net earnings shall be determined with regard to the deduction allowed to the Employer by Code Section 164(f) for taxable years beginning after December 31, 1989.

1.27 Elective Deferrals: Contributions made to the Plan during the Plan Year by the Employer, at the election of the Participant, in lieu of cash compensation and shall include contributions that are made pursuant to a 401(k) Election. A Participant's Elective Deferral in any taxable year is the sum of all Employer and Affiliate contributions pursuant to an election to defer under any qualified cash or deferred arrangement, any simplified employee pension plan or deferred arrangement as described in Code Section 402(h)(l)(B), any eligible deferred compensation plan under Code Section 457, any plan as described under Code Section 501(c)(18), and any Employer contributions made on behalf of a Participant for the purchase of an annuity under Code Section 403(b) pursuant to a salary reduction agreement. Such contributions are nonforfeitable when made and are not distributable under the terms of the Plan to Participants or their Beneficiaries earlier than the earlier of:

(A) termination from Employment, death or Disability of the Participant;

(B) termination of the Plan without establishment of another Defined Contribution Plan by the Employer or an Affiliate;

(C) disposition by the Employer or Affiliate to an unrelated corporation of substantially all of its assets used in a trade or business if such unrelated corporation continues to maintain this Plan after the disposition but only with respect to Employees who continue employment with the acquiring unrelated entity. The sale of 85% of the assets used in a trade or

business will be deemed a sale of "substantially all" the assets used in a trade or business;

(D) sale by the Employer or Affiliate to an unrelated entity of its interest in an Affiliate if such unrelated entity continues to maintain the Plan but only with respect to Employees who continue employment with such unrelated entity; or

(E) the events specified in Part B, Article VIII of the Adoption Agreement.

Elective Deferrals shall not include any deferrals properly distributed as an "Excess Amount" pursuant to Section 3.9.2.

1.28 Elective Deferrals Account: The Account established for a Participant pursuant to Section 3.8.1.

1.29 Eligible Employee: Those Employees specified in the Adoption Agreement.

1.30 Eligible Participant: An Eligible Employee who has met the eligibility requirements set forth in the Adoption Agreement whether or not he or she makes Elective Deferrals and/or Employee Thrift Contributions.

1.31 Employee: A Self-Employed Individual, or any individual who is employed by the Employer in the trade or business with respect to which the Plan is adopted and any individual who is employed by an Affiliate. Each Leased Employee shall also be treated as an Employee of the recipient Employer. The preceding sentence shall not apply, however, to any Leased Employee who is (A) covered by a money purchase pension plan maintained by the "leasing organization" referred to in Section 1.54 which provides, with respect to such Leased Employee, a nonintegrated Employer contribution rate of at least 10% of Limitation Compensation, but including amounts contributed pursuant to a salary reduction agreement which are excluded from the Employee's gross income under Code Section 402(a)(8), Code Section 402(h) or Code Section 403(b), immediate participation, and full and immediate vesting and (B) such Leased Employees do not constitute more than 20% of the Employer's and Affiliates' nonhighly compensated workforce. For purposes of the Plan, all Employees will be treated as employed by a single employer.

1.32 Employee Thrift Contributions: Employee nondeductible contributions which are required to be eligible for a Matching Thrift Contribution. Employee Thrift Contributions do not include Participant Voluntary Nondeductible Contributions.

1.33 Employee Thrift Contributions Account: The Account established for a Participant pursuant to Section 3.8.3.

1.34 Employer: The sole proprietorship, partnership or corporation that adopts the Plan by executing the Adoption Agreement. For all purposes relating to eligibility, participation, contributions, vesting and allocations, Employer includes all Participating Affiliates.

1.35 Employer Account: The Participant's Matching 401(k) Contributions Account, Matching Thrift Contributions Account, Employer Contributions Account, Qualified Matching Contributions Account and Qualified Nonelective Contributions Account, as the case may be.

1.36 Employer Contributions: Any contributions made by the Employer for the Plan Year on behalf of a Participant in accordance with Section 3.1 of the Plan.

1.37 Employer Contributions Account: The Account established for a Participant pursuant to Section 3.8.2.

1.38 Employment: An Employee's employment or self-employment with the Employer, Affiliate or a "leasing organization" referred to in Section 1.54 or, to the extent required under Code Section 414(a)(2) or as otherwise specified by the Administrator on a uniform and nondiscriminatory basis, any predecessor of any of them. If any of them maintains a plan of a "predecessor employer" (within the meaning of Code Section 414(a)(1)) employment or self-employment with the "predecessor employer" will be treated as Employment. Additionally, if the trade or business conducted by a Self-Employed Individual becomes incorporated, all employment with that trade or business or with any Affiliate shall be treated as Employment with the Employer.

1.39 Entry Date: The date on which an Eligible Employee becomes a Participant, as specified in the Adoption Agreement.

1.40 ERISA: The Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to a specific provision of ERISA shall include such provision and any applicable regulation pertaining thereto.

1.41 Excess Aggregate Contributions: With respect to any Plan Year, the excess of:

(A) The aggregate Contribution Percentage Amounts, taken into account in computing the numerator of the Contribution Percentage actually made on behalf of Highly Compensated Employees for such Plan Year, over

(B) The maximum Contribution Percentage Amounts permitted by the ACP Test (determined by reducing contributions made on behalf of Highly Compensated Employees in the order of their Contribution Percentages beginning with the highest of such percentages) Such determination shall be made after first determining Excess Elective Deferrals and then determining Excess Contributions.

1.42 Excess Contributions: With respect to any Plan Year, the aggregate amount of Elective Deferrals, Qualified Nonelective Contributions and Qualified Matching Contributions, if applicable, actually paid over to the Trust Fund on behalf of Highly Compensated Employees for such Plan Year, over the maximum amount of such contributions permitted by the ADP Test (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Deferral Percentages, beginning with the highest of such percentages).

1.43 Excess Elective Deferrals: The amount of Elective Deferrals for a Participant's taxable year that are includible in the gross income of the Participant to the extent that such Elective Deferrals exceed the Code Section 402(g) dollar limitation and which the Participant allocates to this Plan pursuant to the procedure set forth in Section 3.4.2. Excess Elective Deferrals shall be treated as an Annual Addition pursuant to Section 3.9, unless such amounts are distributed no later than the first April 15th following the close of the Participant's taxable year.

1.44 Family Member: An individual described in Code Section 414(q)(6)(B).

1.45 401(k) Contributions Accounts: The Participant's Elective Deferral Account, Qualified Nonelective Contributions Account, and/or Qualified Matching Contributions Account, as the case may be.

1.46 401(k) Election: The election by a Participant to make Elective Deferrals in accordance with Section 3.4.1.

1.47 Fully Vested Separation: Termination of Employment, by reason other than death, of a Participant whose vested percentage in each Employer Account is 100%.

1.48 Group Trust: A Trust Fund consisting of assets of any Plan maintained and established by the Employer or an Affiliate pursuant to Section 10.14.

1.49 Highly Compensated Employee: The term Highly Compensated Employee includes highly compensated active Employees and highly compensated former employees.

(A) A highly compensated active Employee includes any Employee who performs service for the Employer or Affiliate during the Plan Year and who, during the look-back year (the twelve-month period immediately preceding the Plan Year):

(i) received Compensation from the Employer or Affiliate in excess of $75,000 (as adjusted by the Adjustment Factor);

(ii) received Compensation from the Employer or Affiliate in excess of $50,000 (as adjusted by the Adjustment Factor) and was a member of the top-paid group for such year; or

(iii) was an officer of the Employer or Affiliate and received Compensation during such year that is greater than 50% of the Defined Benefit Dollar Limitation.

(B) The term Highly Compensated Employee also includes:

(i) Employees who are both described in the preceding sentence if the term "Plan Year" is substituted for the term "look-back year" and the Employee is one of the 100 Employees who received the most Compensation from the Employer or Affiliate during the Plan Year; and

(ii) Employees who are 5% owners at any time during the look-back year or Plan Year.

(C) If no officer has received Compensation that is greater than 50% of the Defined Benefit Dollar Limitation in effect during either the Plan Year or look-back year, the highest paid officer of such year shall be treated as a Highly Compensated Employee.

(D) A highly compensated former employee includes any Employee who terminated Employment (or was deemed to have terminated) prior to the Plan Year, performs no service for the Employer or Affiliate during the Plan Year, and was a highly compensated active employee for either the separation year or any Plan Year ending on or after the Employee's 55th birthday.

(E) If an Employee is, during a Plan Year or look-back year, a Family Member of either (i) a 5% owner who is an active or former Employee or (ii) a Highly Compensated Employee who is one of the ten most highly compensated employees ranked on the basis of Compensation paid by the Employer or Affiliate during such year, then the Family Member and the 5% owner or top-ten Highly Compensated Employee shall be aggregated. In such case, the Family Member and 5% owner or top-ten Highly Compensated Employee shall be treated as a single Employee receiving Compensation and plan contributions or benefits equal to the sum of such Compensation and contributions or benefits of the Family Member and 5% owner or top-ten Highly Compensated Employee. For purposes of this section, Family Member includes the Spouse, lineal ascendants and descendants of the Employee or former employee and the spouses of such lineal ascendants and descendants.

(F) The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of Employees in the top-paid group; the top 100 Employees; the number of Employees treated as officers; and the Compensation that is considered will be made in accordance with Code Section 414(q).

1.50 Hour of Service: If the Employer elects in the Adoption Agreement the hourly record method, an Hour of Service shall include:

(A) Each hour for which an Employee is paid, or entitled to payment, by the Employer or an Affiliate for the performance of duties for the Employer or an Affiliate. These hours will be credited to the Employee for each Plan Year in which the duties are performed, or with respect to eligibility under Article II, the applicable computation period under the definition of Year of Service in which the duties are performed;

(B) Each hour for which an Employee is paid, or entitled to payment, by the Employer or an Affiliate due to a period of time during which no duties are performed (irrespective of whether Employment has terminated) due to vacation, holiday, illness, incapacity (including Disability), layoff, jury duty, military duty, or leave of absence. No more than 501 Hours of Service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours under this paragraph will be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and

(C) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer or an Affiliate. The same Hours of Service will not be credited both under subparagraph (A) or subparagraph (B), as the case may be, and under this subparagraph (C). These hours will be credited to the Employee for the Year of Service or other computation period to which the award or agreement pertains rather than the Year of Service or other computation period in which the award, agreement or payment is made.

If the Employer elects in the Adoption Agreement the elapsed time method, an Hour of Service is an hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer or an Affiliate.

With respect to both the hourly record method and the elapsed time method, in addition to service with an Affiliate, Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Code Section 414(n).

1.51 Immediately Distributable: A Participant's Account is Immediately Distributable if any part of such Account could be distributed to the Participant or Participant's Surviving Spouse before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or age 62.

1.52 Investment Manager: Any person appointed by the Trustee or, with respect to Participant-Directed Assets, by the Participant or Beneficiary having the power to direct the investment of such assets, to serve as such in accordance with Section 10.8.

1.53 Key Employee: Any Employee or former Employee (and the beneficiaries of such Employee) who at any time during the "determination period" was (A) an officer of the Employer or Affiliate, having an annual Compensation greater than 50% of the Defined Benefit Dollar Limitation for any Plan Year within the "determination period"; (B) an owner (or considered an owner under Code Section 318) of one of the ten largest interests in the Employer or Affiliate if such individual's Compensation exceeds 100% of the dollar limitation under Code Section 415(c)(1)(A); (C) a "5% owner" (as defined in Code Section 416(i)) of the Employer or Affiliate; or (D) a "1% owner" (as defined in Code Section 416(i)) of the Employer or Affiliate who has an annual Compensation of more than $150,000. Annual Compensation means compensation as defined in Code Section 415(c)(3), but including amounts contributed by the Employer pursuant to a salary reduction agreement which are excludible from the Employee's gross income under Code Section 125, Code Section 402(a)(8), Code Section 402(h) or Code Section 403(b). The "determination period" is the Plan Year containing the "determination date" and the four preceding Plan Years. The "determination date" for the

first Plan Year is the last day of that Plan Year, and for any subsequent Plan Year is the last day of the preceding Plan Year. The determination of who is a Key Employee will be made in accordance with Code Section 416(i).

1.54 Leased Employee: Any individual (other than an Employee of the recipient Employer or Affiliate) who, pursuant to an agreement between the Employer or Affiliate and any other person (the "leasing organization") has performed services for the Employer (or for the Employer or Affiliate and "related persons" determined in accordance with Code Section 414(n)(6)) on a substantially full-time basis for a period of at least one year, which services are of a type historically performed, in the business field of the recipient Employer or Affiliate, by employees. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for the recipient Employer or Affiliate shall be treated as provided by the recipient Employer.

1.55 Limitation Year: The Limitation Year as specified in the Adoption Agreement. All Qualified Plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

1.56 Master or Prototype Plan: A plan the form of which is the subject of a favorable opinion letter from the Internal Revenue Service.

1.57 Matching 401(k) Contribution: Any contribution made by the Employer to this and/or any other Defined Contribution Plan for the Plan Year, by reason of the Participant's 401(k) Election, and allocated to a Participant's Matching 401(k) Contributions Account or to a comparable account in another Defined Contribution Plan. Matching 401(k) Contributions are subject to the distribution provisions applicable to Employer Accounts in the Plan.

1.58 Matching 401(k) Contributions Account: The Account established for a Participant pursuant to Section 3.8.4.

1.59 Matching Thrift Contributions: Any contribution made by the Employer for the Plan Year by reason of Employee Thrift Contributions. Matching Thrift Contributions shall be subject to the distribution provisions applicable to Employer Accounts in the Plan.

1.60 Matching Thrift Contributions Account. The Account established for a Participant pursuant to Section 3.8.5.

1.61 Net Profits: The current and accumulated profits of the Employer from the trade or business of the Employer with respect to which the Plan is established, as determined by the Employer before deductions for federal, state and local taxes on income and before contributions under the Plan or any other Qualified Plan.

1.62 Nonhighly Compensated Employee: An Employee of the Employer who is neither a Highly Compensated Employee nor a Family Member.

1.63 Nonvested Separation: Termination of Employment of a Participant whose vested percentage in each Employer Account is 0%.

1.64 Normal Retirement Age: The age specified in the Adoption Agreement. Notwithstanding the Employer's election in the Adoption Agreement, if, for Plan Years beginning before January 1, 1988, Normal Retirement Age was determined with reference to the anniversary of the participation commencement date (more than 5 but not to exceed 10 years), the anniversary date for Participants who first commenced participation under the Plan before the first Plan Year beginning on or after January 1, 1988, shall be the earlier of (A) the tenth anniversary of the date the Participant commenced participation in the Plan (or such anniversary as had been elected by the Employer, if less than 10) or (B) the fifth anniversary of the first day of the first Plan Year beginning on or after January 1, 1988.

1.65 Owner-Employee: An individual who is a sole proprietor, if the Employer is a sole proprietorship, or if the Employer is a partnership, a partner owning more than 10% of either the capital interest or the profits interest in the Employer; provided that where this Plan refers to an Owner-Employee in the context of a trade or business other than the trade or business with respect to which the Plan is adopted, the term Owner-Employee means a person who would be an Owner-Employer as defined above if that other trade or business was the Employer.

1.66 Partially Vested Separation: Termination of Employment of a Participant whose vested percentage in any Employer Account is less than 100% but greater than 0%.

1.67 Participant: An Employee who has commenced, but not terminated, participation in the Plan as provided in Article II.

1.68 Participant Contributions Account: The Participant's Participant Voluntary Nondeductible Contributions Account and/or Employee Thrift Contributions Account, as the case may be.

1.69 Participant-Directed Assets: The assets of an Account which are invested, as described in Section 10.5.1, according to the direction of the Participant or the Participant's Beneficiary, as the case may be, in either individually selected investments or in commingled funds or in shares of regulated investment companies.

1.70 Participant Voluntary Nondeductible Contributions: Any voluntary nondeductible contributions made in cash by a Participant to this Plan other than Employee Thrift Contributions.

1.71 Participant Voluntary Nondeductible Contributions Account: The Account established for a Participant pursuant to Section 3.8.6.

1.72 Participating Affiliate: Any Affiliate or any other employer designated as such by the Employer, and, by duly authorized action, that has adopted the Plan with the consent of the Employer and has not withdrawn therefrom.

1.73 Period of Severance: For purposes of the hourly records method, a Period of Severance is a period equal to the number of consecutive Plan Years or, with respect to eligibility, the applicable computation period under the definition of Year of Service, in which an Employee has 500 Hours of Service or less. The Period of Severance shall be determined on the basis of Hours of Service and shall commence with the first Plan Year in which the Employee has 500 Hours of Service or less. With respect to any period of absence during which a Period of Severance does not commence, the Participant shall be credited with the Hours of Service (up to a maximum of 501 Hours of Service in a Plan Year) which would otherwise have been credited to him or her but for such absence, or if such Hours of Service cannot be determined, 8 Hours of Service for each day of absence.

For purposes of the elapsed time method, a Period of Severance is a continuous period of at least 12-consecutive months during which an individual's Employment is not continuing, beginning on the date an Employee retires, quits or is discharged or, if earlier, the first 12-month anniversary of the date that the individual is otherwise first absent from service (with or without pay) for any other reason, and ending on the date the individual again performs an Hour of Service.

Anything in the definition thereof to the contrary notwithstanding, a Period of Severance shall not commence if the Participant is:

(A) On an authorized leave of absence in accordance with standard personnel policies applied in a nondiscriminatory manner to all Employees similarly situated and returns to active Employment by the Employer or Affiliate immediately upon the expiration of such leave of absence;

(B) On a military leave while such Employee's reemployment rights are protected by law and returns to active Employment within ninety days after his or her discharge or release (or such longer period as may be prescribed by law); or

(C) Absent from work by reason of (i) the pregnancy of the Employee, (ii) the birth of a child of the Employee, or (iii) the placement of a child with the Employment in connection with the adoption of such child by such Employee, or (iv) the care of such child for a period beginning immediately following such birth or placement. In determining when such a Participant's Period of Severance begins, the Participant will be credited with (i) for purposes of the elapsed time method, the 12-consecutive month period beginning on the first anniversary of the first date of such absence; or (ii) for purposes of the hourly records method, the Hours of Service he or she would normally have had but for such absence, or if such Hours cannot be determined, eight Hours of Service for each day of such absence; provided, however, that such Hours of Service shall not exceed 50l and shall be credited only in the year in which such absence began if such crediting would prevent the Participant from incurring a Period of Severance in that year, or in any other case, shall be credited in the immediately following year.

1.74 Plan: The plan established by the Employer in the form of this Prototype Plan and the applicable Adoption Agreement executed by the Employer. The Plan shall have the name specified in the Adoption Agreement.

1.75 Plan Year: Each 12-consecutive month period ending on the date specified in the Adoption Agreement, during any part of which the Plan is in effect.

1.76 Prototype Plan: The Merrill Lynch Special Prototype Defined Contribution Plan set forth in this document, as amended or restated from time to time.

1.77 Qualified Joint and Survivor Annuity: An immediate annuity for the life of Participant with a survivor annuity continuing after the Participant's death to the Participant's Surviving Spouse for the Surviving Spouse's life in an amount equal to 50% of the amount of the annuity payable during the joint lives of the Participant and such Surviving Spouse and which is the actuarial equivalent of a single life annuity which could be provided for the Participant under an Annuity Contract purchased with the aggregate vested Account Balances of the Participant's Accounts at the Benefit Commencement Date.

1.78 Qualified Matching Contributions: Matching Contributions which, pursuant to the election made by the Employer, and in accordance with Code Section 401(m), are nonforfeitable when made and subject to the limitation on distribution set forth in the definition of Qualified Nonelective Contributions.

1.79 Qualified Matching Contributions Account: The Account established for a Participant pursuant to Section 3.8.7.

1.80 Qualified Nonelective Contributions: Contributions (other than Matching 401(k) Contributions, Qualified Matching 401(k) Contributions or Elective Deferrals), if any, made by the Employer which the Participant may not elect to receive in cash until distributed from the Plan, which are nonforfeitable when made, and which are not distributable under the terms of the Plan to Participants or their Beneficiaries earlier than the earlier of:

(A) termination of Employment, death, or Disability of the Participant;

(B) attainment of the age 59-1/2 by the Participant;

(C) termination of the Plan without establishment of another Defined Contribution Plan by the Employer or an Affiliate;

(D) disposition by the Employer or Participating Affiliate to an unrelated corporation of substantially all of its assets used in a trade or business if such unrelated corporation continues to maintain this Plan after the disposition but only with respect to Employees who continue employment with the acquiring unrelated entity. The sale of 85% of the assets used in a trade or business will be deemed a sale of "substantially all" the assets used in a trade or business;

(E) sale by the Employer to an unrelated entity of its interest in an Affiliate if such unrelated entity continues to maintain the Plan but only with respect to Employees who continue employment with such unrelated entity; and

(F) effective for Plan Years beginning before January 1, 1989, upon the hardship of the Participant.

1.81 Qualified Nonelective Contributions Account: The Account established for a Participant pursuant to Section 3.8.7.

1.82 Qualified Plan: A Defined Benefit Plan or Defined Contribution Plan.

1.83 Qualifying Employer Securities: Employer securities, as that term is defined in ERISA Section 407(d)(5).

1.84 Rollover Contribution: A contribution described in Section 3.4.

1.85 Rollover Contributions Account: The Account established for a Participant pursuant to Section 3.8.9.

1.86 Self-Employed Individual: An individual who has Earned Income for the Plan Year involved from the trade or business for which the Plan is established, or who would have had such Earned Income but for the fact that the trade or business with respect to which the Plan is established had no Net Profits for that Plan Year.

1.87 Social Security Retirement Age: Age 65 in the case of a Participant attaining age 62 before January 1, 2000 (i.e., born before January 1, 1938), age 66 for a Participant attaining age 62 after December 31, 1999, and before January 1, 2017 (i.e., born after December 31, 1937, but before January 1, 1955), and age 67 for a Participant attaining age 62 after December 31, 2016 (i.e., born after December 31, 1954).

1.88 Sponsor: The mass submitter, Merrill Lynch, Pierce, Fenner & Smith Incorporated and any successor thereto, and any other qualifying sponsoring organization who sponsors with the consent of the mass submitter, the Prototype Plan and makes the Prototype Plan available for adoption by Employers.

1.89 Spouse: The person married to a Participant, provided that a former spouse will be treated as the Spouse to the extent provided under a "qualified domestic relations order" (or a "domestic relations order" treated as such) as referred to in Section 12.6.

1.90 Surviving Spouse: The person married to a Participant on the earliest of:

(A) the date of the Participant's death;

(B) the Participant's Benefit Commencement Date; or

(C) the date on which an Annuity Contract is purchased for the Participant providing benefits under the Plan;

Anything contained herein to the contrary notwithstanding, a former spouse will be treated as the Surviving Spouse to the extent provided under a "qualified domestic relations order" (or a "domestic relations order" treated as such) as referred to in Section 12.6.

1.91 Taxable Wage Base: The maximum amount of earnings which may be considered "wages" for the Plan Year involved under Code Section 3121(a)(1).

1.92 Transferred Account: The Account established for a Participant pursuant to Section 3.8.10.

1.93 Trust: The trust established under the Plan to which Plan contributions are made and in which Plan assets are held.

1.94 Trust Fund: The assets of the Trust held by or in the name of the Trustee.

1.95 Trustee: The person appointed as Trustee pursuant to Article X and any successor Trustee.

1.96 Valuation Date: The last business day of each Plan Year, the date specified in the Adoption Agreement or determined pursuant to Section 10.6, if applicable, and each other date as may be determined by the Administrator.

1.97 Vesting Service: The Years of Service credited to a Participant under Article IV for purposes of determining the Participant's vested percentage in any Employer Account established for the Participant.

1.98 Years of Service: If the Employer elects the hourly records method in the Adoption Agreement, an Employee shall be credited with one Year of Service for each Plan Year in which he or she has 1,000 Hours of Service. Solely for purposes of eligibility to participate, an Employee shall be credited with a Year of Service on the last day of the 12-consecutive month period which begins on the first day on which he or she has an Hour of Service, if he or she has at least 1,000 Hours of Service in that period. If an Employee fails to be credited with a Year of Service on such date, he or she shall be credited with a Year of Service on the last day of each succeeding 12-consecutive month period.

If the Employer elects the elapsed time method in the Adoption Agreement, the Employee's Years of Service shall be a span of service equal to the sum of:

(A) the period commencing on the date the Employee first performs an Hour of Service and ending on the date he or she quits, retires, is discharged, dies, or if earlier, the 12-month anniversary of the date on which the Employee was otherwise first absent from service (with or without pay) for any other reason; and

(B) (i) if the Employee quits, retires, or is discharged, the period commencing on the date the Employee terminated his or her Employment and ending on the first date on which he or she again performs an Hour of Service, if such date is within 12 months of the date on which he or she last performed an Hour of Service; or

(ii) if the Employee is absent from work for any other reason and, within 12 months of the first day of such absence, the Employee quits, retires or is discharged, the period commencing on the first day of such absence and ending on the first day he or she again performs an Hour of Service if such day is within 12 months of the date his or her absence began.

With respect to both the elapsed time method and the hourly record method, service with a predecessor employer, determined in the manner in which the rules of this Plan would have credited such service had the Participant earned such service under the terms of this Plan, may be included in Years of Service, as specified in the Adoption Agreement.

ARTICLE II PARTICIPATION

2.1 Admission as a Participant

2.1.1 An Eligible Employee shall become a Participant on the Entry Date coincident with or next following the date on which he or she meets the eligibility requirements specified in the Adoption Agreement; provided, however that

(A) an Eligible Employee who has met the eligibility requirements as of the first day of the Plan Year in which the Plan is adopted as a new Plan shall become a Participant as of such date;

(B) an Eligible Employee who had met the eligibility requirements of a plan that is restated and/or amended to become this Plan shall become a Participant as of the date this Plan is adopted; and

(C) if selected in the Adoption Agreement, an Eligible Employee shall become a Participant on the effective date of the Plan providing he or she is an Eligible Employee on such date.

2.1.2 An Employee who did not become a Participant on the Entry Date coincident with or next following the day on which he or she met the eligibility requirements because he or she was not then an Eligible Employee shall become a Participant on the first day on which he or she again becomes an Eligible Employee unless determined otherwise in accordance with Section 2.3.1 of the Plan.

2.1.3 If the Plan includes a CODA or thrift feature, in addition to the participation requirements set forth in Section 2.1.1, an Eligible Employee shall become a Participant upon filing his or her 401(k) Election or election to make Employee Thrift Contributions with the Administrator. An election shall not be required if the Employer has elected to make contributions to an Employer Account and/or Qualified Nonelective Contributions with respect to all Eligible Participants.

2.1.4 An individual who has ceased to be a Participant and who again becomes an Eligible Employee shall become a Participant immediately upon reemployment as an Eligible Employee unless determined otherwise in accordance with Section 2.3.1 of the Plan.

2.2 Rollover Membership and Trust to Trust Transfer

An Eligible Employee who makes a Rollover Contribution or a trust to trust transfer shall become a Participant as of the date of such contribution or transfer even if he or she had not previously become a Participant. Such an Eligible Employee shall be a Participant only for the purposes of such Rollover Contribution or transfer and shall not be eligible to share in contributions made by the Employer until he or she has become a Participant in accordance with Section 2.1.

2.3 Crediting of Service for Eligibility Purposes

2.3.1 For purposes of eligibility to participate, an Eligible Employee or Participant without any vested interest in any Employer Account and without an Elective Deferrals Account who terminates Employment shall lose credit for his or her Years of Service prior to such termination of Employment if his or her Period of Severance equals or exceeds five years or, if greater, the aggregate number of Years of Service.

2.3.2 For purposes of eligibility to participate, a Participant who has a vested interest in any Employer Account and who terminates Employment shall retain credit for his or her Years of Service prior to such termination of Employment without regard to the length of his or her Period of Severance. In the event such Participant returns to Employment, he or she shall participate immediately.

2.3.3 A former Eligible Employee who was not a Participant who again becomes an Eligible Employee with no Years of Service to his or her credit shall be treated as a new Employee.

2.4 Termination of Participation

A Participant shall cease to be a Participant:

(A) upon his or her death;

(B) upon the payment to him or her of all nonforfeitable benefits due to him or her under the Plan, whether directly or by the purchase of an Annuity Contract; or

(C) upon his or her Nonvested Separation.

2.5 Limitation for Owner-Employee

2.5.1 If the Plan provides contributions or benefits for one or more Owner-Employees who control the trade or business for which this Plan is established and who also control as an Owner-Employee or as Owner-Employees one or more other trades or businesses, this Plan and the plan established for each such other trade or business must, when looked at as a single plan, satisfy the requirements of Code Sections 401(a) and (d) with respect to the employees of this and all of such other trades or businesses.

2.5.2 If the Plan provides contributions or benefits for one or more Owner-Employees who control as an Owner-Employee or as Owner-Employees one or more other trades or businesses, the employees of the other trades or businesses must be included in a plan which satisfies the requirements of Code Sections 401(a) and (d) and which provides contributions and benefits for the employees of such other trades or businesses not less favorable than the contributions and benefits provided for Owner-Employees under this Plan.

2.5.3 If an individual is covered as an Owner-Employee under the plans of two or more trades or businesses which are not controlled and the individual controls a trade or business, then the contributions or benefits of the employees under the plan of the trades or businesses which are controlled must be as favorable as those provided for such individual under the most favorable plan of the trade or business which is not controlled.

2.5.4 For purposes of the preceding three subsections, an Owner-Employee, or two or more Owner-Employees, will be considered to control a trade or business if the Owner-Employee, or two or more Owner-Employees together:

(A) own the entire interest in an unincorporated trade or business, or

(B) in the case of a partnership, own more than 50% of either the capital interest or the profits interest in the partnership.

For purposes of the preceding sentence, an Owner-Employee, or two or more Owner-Employees, shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such Owner-Employee, or such two or more Owner-Employees, are considered to control within the meaning of the preceding sentence.

2.6 Corrections with Regard to Participation

2.6.1 If in any Plan Year an Eligible Employee who should be included as a Participant in the Plan is erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made, the Employer shall make a subsequent contribution with respect to the omitted Eligible Employee in the amount which would have contributed with respect to such Eligible Employee had he or she not been omitted. Such contribution shall be made whether or not it is deductible in whole or in part in any taxable year under applicable provisions of the Code. It shall be the responsibility of the Employer and Administrator to take any and all actions as required by this Section 2.6.1.

2.6.2 If in any Plan Year any person who should not have been included as a Participant in the Plan is erroneously included and discovery of such incorrect inclusion is not made until after a contribution for the year has been made the amount contributed on behalf of such ineligible person shall constitute a forfeiture for the Plan Year in which the discovery is made. It shall be the responsibility of the Employer and Administrator to take any and all actions as required by this Section 2.6.2.

2.7 Provision of Information

Each Employee shall execute such forms as may reasonably be required by the Administrator, and shall make available to the Administrator any information the Administrator may reasonably request in this regard. By virtue of his or her participation in this Plan, an Employee agrees, on his or her own behalf and on behalf of all persons who may have or claim any right by reason of the Employee's participation in the Plan, to be bound by all provisions of the Plan.

ARTICLE III

CONTRIBUTIONS AND ACCOUNT ALLOCATIONS

3.1 Employer Contributions and Allocations

3.1.1 If the Plan is a profit-sharing plan, the Employer will contribute cash and/or Qualifying Employer Securities to the Trust Fund, in such amount, if any, as specified in the Adoption Agreement and with respect to Qualifying Employer Securities as is consistent with Sections 10.4.2 and 10.4.3. If the Plan is a profit-sharing plan, Net Profits may be necessary for an Employer to make contributions, as specified in the Adoption Agreement. Employer Contributions for a Plan Year will be allocated no later than the last day of the Plan Year to the Employer Contributions Account of Participants eligible for an allocation in the manner specified in the Adoption Agreement. A not-for-profit corporation may adopt a profit-sharing plan as an incentive plan; provided, however, that such a plan may not contain a CODA feature unless otherwise permitted by law.

3.1.2 If the Plan is a money purchase pension plan, the Employer will contribute cash to the Trust Fund in an amount equal to that percentage of the Compensation of each Participant eligible for an allocation of Employer contributions for that Plan Year as specified in the Adoption Agreement. Employer Contributions for the Plan Year will be allocated as of the last day of the Plan Year to the Employer Contributions Accounts of Participants eligible for an allocation and entitled to share in such contributions in the manner specified in the Adoption Agreement.

3.1.3 If the Plan is a target benefit plan, the Employer will contribute cash to the Trust Fund in an amount specified in the Adoption Agreement. The amount contributed with respect to the targeted benefit of each Participant eligible for an allocation for that Plan Year will be allocated as of the last day of the Plan Year to the Participant's Employer Contributions Account in the manner specified in the Adoption Agreement.

3.1.4 If the Employer elects in the Adoption Agreement to make contributions on behalf of a Participant whose Employment terminated due to Disability, "Compensation" shall mean, with respect to

such Participant, the Compensation he or she would have received for the entire calendar year in which the Disability occurred if he or she had been paid for such year at the rate at which he or she was being paid immediately prior to such Disability. Employer Contributions may be taken into account only if the Participant is a Nonhighly Compensated Employee and contributions made on his or her behalf are nonforfeitable.

3.1.5 If an Employer has adopted more than one Adoption Agreement, or has adopted a plan pursuant to the Merrill Lynch Special Prototype Defined Benefit Plan and Trust, only one Adoption Agreement may be integrated with Social Security.

3.1.6 For purposes of the Plan, contributions provided by the "leasing organization" referred to in Section 1.37 of a Leased Employee which are attributable to services performed for the Employer shall be treated as provided by the Employer.

3.2 Participant Voluntary Nondeductible Contributions

3.2.1 If elected by the Employer in the Adoption Agreement, each Participant while actively employed may make Participant Voluntary Nondeductible Contributions in cash in a dollar amount or a percentage of Compensation which does not, when included in the Contribution Percentage Amount, exceed the limitations set forth in Code Section 401(m).

3.2.2 Participant Voluntary Nondeductible Contributions shall be made in accordance with rules and procedures adopted by the Administrator.

3.3 Rollover Contributions and Trust to Trust Transfers

3.3.1 Any Eligible Employee or Participant may make a Rollover Contribution under the Plan. A Rollover Contribution shall be in cash or in other property acceptable to the Trustee and shall be a contribution attributable to (a) a "qualified total distribution" (as defined in Code Section 402(a)(5)), distributed to the contributing Employee under Code Section 402(a)(5) from a Qualified Plan or distributed to the Employee under Code Section 403(a)(4) from an "employee annuity" or referred to in that section, or (b) a payout or distribution to the Employee referred to in Code Section 408(d)(3) from an "individual retirement account" or an "individual retirement annuity" described, respectively, in Code Section 408(a) or Section 408(b) consisting exclusively of amounts attributable to "qualified total distributions" (as defined in Code Section 402(a)(5)) from a Qualified Plan. The Plan shall not accept a Rollover Contribution attributable to any accumulated deductible employee contributions as defined by Code Section 72(o)(5)(B). The Trustee may condition acceptance of a Rollover Contribution upon receipt of such documents as it may require. In the event that an Employee makes a contribution pursuant to this Section 3.3 intended to be a Rollover Contribution but which did not qualify as a Rollover Contribution, the Trustee shall distribute to the Employee as soon as practicable after that conclusion is reached the entire Account balance in his or her Rollover Contributions Account deriving from such contributions determined as of the valuation date coincident with or immediately preceding such discovery.

3.3.2 Any Eligible Employee or Participant may direct the Administrator to direct the Trustee to accept a transfer to the Trust Fund from another trust established pursuant to another Qualified Plan of all or any part of the assets held in such other trust. The Plan shall not accept a direct transfer attributable to accumulated deductible employee contributions as defined by Code Section 72(o)(5)(B). The Trustee may condition acceptance of such a trust to trust transfer upon receipt of such documents as it may require.

3.4 Section 401(k) Contributions and Account Allocations

3.4.1 Elective Deferrals

(A) Amount of Elective Deferrals

Subject to the limitations contained in Section 3.4.2, the Employer will contribute cash to the Trust Fund in an amount equal to:

(i) as specified on the Participant's 401(k) Election form, the specific dollar amount, or the deferral percentage multiplied by each such Participant's Compensation; or

(ii) a bonus contribution made pursuant to Section 3.4.1(C).

(B) The amount elected by a Participant pursuant to a 401(k) Election shall be determined within the limits specified in the Adoption Agreement. The 401(k) Election shall be made on a form provided by the Administrator but no election shall be effective prior to approval by the Administrator. The Administrator may reduce the amount of any 401(k) Election, or make such other modifications as necessary, so that the Plan complies with the provisions of the Code. A Participant's 401(k) Election shall remain in effect until modified or terminated. Modification or termination of a 401(k) Election shall be made at such time as specified in the Adoption Agreement.

(C) If elected by the Employer in the Adoption Agreement, an Eligible Employee may make a 401(k) Election to have an amount withheld up to the amount of any bonus payable for such Plan Year and direct the Employer to contribute the amount so withheld to his or her Elective Deferrals Account.

3.4.2 Limitation on Elective Deferrals

(A) Maximum Amount of Elective Deferrals and Distribution of Excess Elective Deferrals

(i) No Participant shall be permitted to have Elective Deferrals made under this Plan, or any other Qualified Plan maintained by the Employer, during any Plan Year in excess of the dollar limitation contained in Code Section 402(g) in effect at the beginning of the Participant's taxable year.

(ii) Notwithstanding any other provision of the Plan, Excess Elective Deferrals made to this Plan or assigned to this Plan, plus any income and minus any loss allocable thereto, shall be distributed no later than April 15, 1988, and each April 15 thereafter, to Participants to whose accounts Excess Elective Deferrals were designated for the preceding Plan Year and who claim Excess Elective Deferrals for such taxable year. Excess Elective Deferrals shall be treated as Annual Additions.

(iii) Claims. A Participant may designate to this Plan any amount of his or her Elective Deferrals as Excess Elective Deferrals during his or her taxable year. A Participant's claim shall be in writing, shall be submitted to the Administrator no later than March 1, shall specify the Participant's Excess Elective Deferral for the preceding Plan Year, and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such Excess Elective Deferral, when added to amounts deferred under other plans or arrangements described in Code Section 401(k), Code Section 408(k), Code Section 403(b) or Code Section 457, exceeds the limit imposed on the Participant by Code Section 402(g) for the year in which the deferral occurred. A Participant is deemed to notify the Administrator of any Excess Elective Deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of the Employer or an Affiliate.

(iv) Determination of Income or Loss. Excess Elective Deferrals shall be adjusted for income or loss up to the date of distribution. The income or loss allocable to Participant's Excess Elective Deferrals is the sum of: (1) the income or loss allocable to the Participant's Elective Deferrals Account for the Participant's taxable year multiplied by a fraction, the numerator of which is the Participant's Excess Elective Deferrals for the Participant's taxable year and the denominator of which is the Account Balance of the Participant's Elective Deferrals Account without regard to any income or loss occurring during such taxable year; and (2) ten percent of the amount determined under (1) multiplied by the number of whole calendar months between the end of the Participant's taxable year and the date of distribution, counting the month of distribution if distribution occurs after the 15th of such month.

Anything in the preceding paragraph of this Section 3.4.2(A)(iv) to the contrary notwithstanding, any reasonable method for computing the income or loss allocable to Excess Elective Deferrals may be used, provided that such method is used consistently for all Participants and for all corrective distributions under the Plan, and is used by the Plan for allocating income or loss to Participants' Accounts. Income or loss allocable to the period between the end of the taxable year and the date of distribution may be disregarded in determining income or loss.

(B) ADP Test

The Average Actual Deferral Percentage for Highly Compensated Employees for each Plan Year and the Average Actual Deferral Percentage for Nonhighly Compensated Employees for the same Plan Year must satisfy one of the following tests:

(i) The Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Eligible Participants who are Nonhighly Compensated Employees for the Plan Year multiplied by 1.25; or

(ii) The Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Eligible Participants who are Nonhighly Compensated Employees for the Plan Year multiplied by 2.0; provided that the Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees does not exceed the Average Actual Deferral Percentage for Participants who are Nonhighly Compensated Employees by more than two percentage points.

(C) Special Actual Deferral Percentage Rules

(i) The Actual Deferral Percentage for any Eligible Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to have Elective Deferrals and Qualified Matching Contributions or Qualified Nonelective Contributions, or both, if treated as Elective Deferrals for purposes of the ADP Test, allocated to his or her accounts under two or more plans or arrangements described in Code Section 401(k) that are maintained by the Employer shall be determined as if all such Elective Deferrals, Qualified Matching Contributions and Qualified Nonelective Contributions were made under a single arrangement. If a Highly Compensated Employee participates in two or more cash or deferred arrangements that have different plan years, all cash or deferred arrangements ending with or within the same calendar year shall be treated as a single arrangement.

(ii) In the event that this Plan satisfies the requirements of Code Section 401(k), Code Section 401(a)(4) or Code Section 410(b) only if aggregated with one or more other qualified plans, or if one or more other qualified plans satisfy the requirements of such Code Sections only if aggregated with this Plan, then this Section shall be applied by determining the Actual Deferral Percentage of Employees as if all such qualified plans were a single qualified plan. For Plan Years beginning after December 31, 1989, plans may be aggregated in order to satisfy Code Section 401(k) only if they have the same plan year.

(iii) For purposes of determining the Actual Deferral Percentage of an Eligible Participant who is a 5% owner or one of the ten most highly paid Highly Compensated Employees, the Elective Deferrals (and Qualified Matching Contributions or Qualified Nonelective Contributions, or both, if treated as Elective Deferrals for purposes of one of the tests referred to in Section 3.4.2(B)) and CODA Compensation of such Participant shall include the Elective Deferrals (and, if applicable, Qualified Matching Contributions, Qualified Nonelective Contributions) and CODA Compensation for the Plan Year of Family Members. Family Members with respect to such Highly Compensated Employees shall be disregarded as separate employees in determining the Actual Deferral Percentage both for Eligible Participants who are Nonhighly Compensated Employees and for Eligible Participants who are Highly Compensated Employees.

(iv) For purposes of determining the ADP Test, Elective Deferrals, Qualified Matching Contributions, and Qualified Nonelective must be made before the last day of the 12-month period immediately following the Plan Year to which such contributions relate.

(v) The Employer shall maintain records sufficient to demonstrate satisfaction of the ADP Test and the amount of Qualified Nonelective Contributions and/or Qualified Matching Contribution used in such test.

(vi) The determination and treatment of the Elective Deferrals, Qualified Matching Contributions, and Qualified Nonelective Contributions, used in the ADP Test shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

(D) Distribution of Excess Contributions

(i) In General. Notwithstanding any other provision of the Plan except Section 3.4.2(E), Excess Contributions, plus any income and minus any loss allocable thereto, shall be distributed no later than the last day of each Plan Year beginning after December 31, 1987, to Participants to whose Accounts Elective Deferrals, Qualified Matching Contributions, and Qualified Nonelective Contributions were allocated for the preceding Plan Year.(1) Excess Contributions of Participants who are subject to the Family Member aggregation rules shall be allocated among the Family Members in proportion to the Elective Deferrals (and amounts treated as Elective Deferrals) of each Family Member that is combined to determine the combined Actual Deferral Percentage. Excess Contributions shall be treated as Annual Additions.

(ii) Determination of Income or Loss. Excess Contributions shall be adjusted for any income or loss up to the date of distribution. The income or loss allocable to Excess Contributions is the sum of: (1) the income or loss allocable to the Participant's Elective Deferrals Account (and, if applicable, the Qualified Nonelective Contributions Account or the Qualified Matching Contributions Account or both) for the Plan Year multiplied by a fraction, the numerator of which is such Participant's Excess Contributions for the year and the denominator of which is the Account Balances of Participant's Elective Deferrals Account, Qualified Nonelective Contributions Account and Qualified Matching Contributions Account if any of such contributions are included in the ADP Test, without regard to any income or loss occurring during such Plan Year; and

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(1) Distribution of Excess Contributions on or before the last day of the Plan Year after the Plan Year in which such excess amounts arose is required under Code Section 401(k)(8) if the Plan is to maintain its tax-qualified status. However, if such excess amounts, plus any income and minus any loss allocable thereto, are distributed more than 2-1/2 months after the last day of the Plan Year in which such excess amounts arose, then Code Section 4979 imposes a 10% excise tax on the employer maintaining the plan with respect to such amounts.

(2) 10% of the amount determined under (1) multiplied by the number of whole calendar months between the end of the Plan Year and the date of distribution, counting the month of distribution if distribution occurs after the 15th of such month.

Anything in the preceding paragraph of this Section 3.4.2(D)(ii) to the contrary notwithstanding any reasonable method for computing the income or loss allocable to Excess Contributions may be used, provided that such method is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan for allocating income or loss to Participant's Accounts. Income or loss allocable to the period between the end of the Plan Year and the date of distribution may be disregarded in determining income or loss.

(iii) Accounting for Excess Contributions. Amounts distributed under this Section 3.4.2(D) shall first be distributed from the Participant's Elective Deferrals Account and Qualified Matching Contributions Account in proportion to the Participant's Elective Deferrals and Qualified Matching Contributions (to the extent used in the ADP Test) for the Plan Year. Excess Contributions shall be distributed from the Participant's Qualified Nonelective Contributions Account only to the extent that such Excess Contributions exceed the balance in the Participant's Elective Deferrals Account and Qualified Matching Contributions Account.

(E) In lieu of distributing Excess Contributions pursuant to the preceding Section 3.4.2(D), and as specified in the Adoption Agreement, the Employer may make special Qualified Nonelective Contributions on behalf of Nonhighly Compensated Employees that are sufficient to satisfy the ADP Test.

(F) In lieu of distributing Excess Contributions, the Participant may treat his or her Excess Contributions as an amount distributed and then re-contributed by such Participant. Recharacterized amounts are 100% nonforfeitable and subject to the same distribution requirements as Elective Deferrals. Amounts may not be recharacterized by a Highly Compensated Employee to the extent that such amount in combination with other amounts made to the Participant's Participant Contributions Account would exceed any stated limit on such contributions, as specified in the Adoption Agreement. If Excess Contributions are recharacterized, they must be so no later than two and one half months after the last day of the Plan Year in which such Excess Contributions arose and they are deemed to occur no earlier than the date the last Highly Compensated Employee is informed in writing of the amount recharacterized and the consequences thereof. Recharacterized amounts are taxable to the Participant for the tax year in which he or she would have received such contributions in cash.

(G) Under no circumstances may Elective Deferrals, Qualified Matching Contributions and Qualified Nonelective Contributions be contributed and allocated to the Trust later than the last day of the 12-month period immediately following the Plan Year to which such contributions relate.

3.5 Matching 401(k) Contributions

3.5.1 Amount of Matching Contributions Subject to the limitations contained in Sections 3.9 and 3.5.2, for each Plan Year the Employer will contribute in cash and/or Qualifying Employer Securities, Matching 401(k) Contributions to the Trust Fund in an amount, if any, calculated by reference to the Participants' Elective Deferrals as specified in the Adoption Agreement.

3.5.2 Limitation on Contribution Percentage

(A) ACP Test

The Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year and the Average Contributions Percentage for Eligible Participants who are Nonhighly Compensated Employees for the same Plan Year must satisfy one of the following tests:

(i) the Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Eligible Participants who are Nonhighly Compensated Employees for the same Plan Year multiplied by 1.25; or

(ii) the Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees shall not exceed the Average Contribution Percentage for Eligible Participants who are Nonhighly Compensated Employees by more than two percentage points or such lesser amount as the Secretary of the Treasury shall prescribe to prevent the multiple use of this alternative limitation with respect to any Highly Compensated Employee.

(B) Special Average Contribution Percentage Rules

(i) For purposes of this Section 3.5.2, the Contribution Percentage for any Eligible Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to have Matching 401(k) Contributions

or Matching Thrift Contributions, as the case may be (other than Qualified Matching Contributions), allocated to his or her account under two or more qualified plans described in Code Section 401(a), or arrangements described in Code Section 401(k) shall be determined as if the total of such Contribution Percentage Amounts was made under each plan. If a Highly Compensated Employee participates in 2 or more cash or deferred arrangements that have different plan years, all cash or deferred arrangements ending with or within the same calendar year shall be treated as a single arrangement.

(ii) In the event that this Plan satisfies the requirements of Code Section 410(b) only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of Code Section 410(b) only if aggregated with this Plan, then this Section 3.5.2 shall be applied by determining the Contribution Percentages of Employees as if all such plans were a single plan. For Plan Years beginning after December 31, 1989, plans may be aggregated in order to satisfy Code Section 401(m) only if they have the same plan year.

(iii) For purposes of determining the Contribution Percentage of an Eligible Participant who is a 5% owner or one of the 10 most highly-paid Highly Compensated Employees, the Contribution Percentage Amounts and the CODA Compensation of such Participant shall include the Contribution Percentage Amounts and CODA Compensation for the Plan Year of Family Members. Family Members with respect to Highly Compensated Employees shall be disregarded as separate employees in determining the Contribution Percentage both for Participants who are Nonhighly Compensated Employees and for Participants who are Highly Compensated Employees.

(iv) For purposes of determining the ACP Test, Matching 401(k) Contributions, Matching Thrift Contributions and Qualified Nonelective Contributions will be considered made for a Plan Year if made no later than the end of the 12-month period beginning on the day after the close of the Plan Year.

(v) The Employer shall maintain records sufficient to demonstrate satisfaction of the ACP Test and the amount of Qualified Nonelective Contributions or Qualified Matching Contributions, or both, used in such test.

(C) Multiple Use

If one or more Highly Compensated Employees participate in both a cash or deferred arrangement and a plan subject to the ACP Test and the sum of the Actual Deferral Percentage and the Actual Contribution Percentage of those Highly Compensated Employees exceeds the "aggregate limit", then the Actual Contribution Percentage of those Highly Compensated Employees will be reduced, beginning with such Highly Compensated Employee whose Actual Contribution Percentage is the highest, so that the limit is not exceeded. The amount by which each Highly Compensated Employee's Contribution Percentage is reduced shall be treated as an Excess Aggregate Contribution. The Actual Deferral Percentage and Actual Contribution Percentage of the Highly Compensated Employees are determined after any corrections required to meet the ADP Test and the ACP Test. Multiple use does not occur if either the Average Deferral Percentage or Actual Contribution Percentage of the Highly Compensated Employees does not exceed 1.25 multiplied by the Actual Deferral Percentage and the Actual Contribution Percentage of the Nonhighly Compensated Employees.

(i) The "aggregate limit" is the sum of (1) 125% of the greater of the Actual Deferral Percentage for Participants who are Nonhighly Compensated Employees for the Plan Year or the Actual Deferral Percentage for Participants who are Nonhighly Compensated Employees for the Plan Year beginning with or within the Plan Year and (2) the lesser of 200% or two plus the lesser of such Actual Deferral Percentage or Actual Contribution Percentage. "Lesser" is substituted for "greater" in "(1)," above, and "greater" is substituted for "lesser" after "two plus the" in "(2)" if it would result in a larger aggregate limit.

(D) Forfeiture of Excess Aggregate Contributions

(i) In General. Notwithstanding any other provision of this Plan, Excess Aggregate Contributions, plus any income and minus any loss allocable thereto, shall be forfeited and applied to reduce subsequent Matching 401(k) Contributions or Matching Thrift Contributions, as the case may be. No forfeitures arising under this Section 3.6.2(D) shall be allocated to the account of any Highly Compensated Employee. If not forfeitable, Excess Aggregate Contributions shall be distributed no later than the last day of each Plan Year beginning after December 31, 1987, to Participants to whose Accounts such Excess Aggregate Contributions were allocated for the preceding Plan Year. Excess Aggregate Contributions of Participants who are subject to the Family Member

aggregation rules shall be allocated among the Family Members in proportion to the amounts constituting Contribution Percentage Amounts of each Family Member that is combined to determine the combined Actual Contribution Percentage. Excess Aggregate Contributions shall be treated as Annual Additions. Anything above to the contrary notwithstanding, any forfeiture or distribution under this Section 3.5.2(D)(i) shall occur only if sufficient Employee Thrift Contributions and/or Participant Voluntary Nondeductible Contributions, as the case may be, are not distributed from the qualified plan holding such Employee Thrift Contributions and/or Participant Voluntary Nondeductible Contributions, as the case may be.(2)

(ii) Determination of Income or Loss. Excess Aggregate Contributions shall be adjusted for any income or loss up to the date of distribution. The income or loss allocable to Excess Aggregate Contributions is the sum of: (1) the income or loss allocable to the Participant's Matching 401(k) Contribution Account or Matching Thrift Contribution Account (if any, and if all amounts therein are not used in the ADP Test) and, if applicable, Qualified Nonelective Contribution Account and Elective Deferrals Account for the Plan Year multiplied by a fraction, the numerator of which is such Participant's Excess Aggregate Contributions for the year and the denominator of which is the Participant's Account Balance(s) attributable to Contribution Percentage Amounts without regard to any income or loss occurring during such Plan Year; and (2) 10% of the amount determined under (1) multiplied by the number of whole calendar months between the end of the Plan Year and the date of distribution, counting the month of distribution if distribution occurs after the 15th of such month.

Anything in the preceding paragraph of this Section 3.5.2(D)(ii) to the contrary notwithstanding, any reasonable method for computing the income or loss allocable to Excess Aggregate Contributions may be used, provided that such method is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan for allocating income or loss to Participants' Accounts. Income or loss allocable to the period between the end of the Plan Year and the date of distribution may be disregarded in determining income or loss.

(iii) The determination of the Excess Aggregate Contributions shall be made after first determining the Excess Elective Deferrals, and then determining the Excess Contributions.

3.5.3 For purposes of determining the ACP Test, Qualified Nonelective Contributions, Matching 401(k) Contributions and Matching Thrift Contributions will be considered made for a Plan Year if paid to the Trustee no later than the end of the 12-month period beginning on the day after the close of the Plan Year.

3.6 Thrift Contributions

3.6.1 Employee Thrift Contributions. If elected by the Employer in the Adoption Agreement to provide for Employee Thrift Contributions, the Employer will contribute cash to the Trust Fund in an amount equal to (A) the Employee Thrift Contribution percentage of each Participant on his or her Employee Thrift Contribution election form multiplied by each such Participant's Compensation or (B) the specific dollar amount set forth on the Participants election form.

The amount elected by a Participant pursuant to a Participant's Employee Thrift Contribution election shall be determined within the limits specified in the Adoption Agreement. Such election shall be made on a form provided by the Administrator but no election shall be effective prior to approval by the Administrator. The Administrator may reduce the amount of any Employee Thrift Contribution, or make such other modifications as necessary, so that the Plan complies with the provisions of the Code. A Participant's election shall remain in effect until modified or terminated at such times as specified in the Adoption Agreement.

3.6.2 Matching Thrift Contributions. Subject to the limitations contained in Sections 3.9 and 3.5.2, for each Plan Year the Employer will contribute in cash and/or Qualifying Employer Securities, Matching Thrift Contributions to the Trust Fund in an amount, if any, calculated by reference to the Participants' Employee Thrift Contributions, as specified in the Adoption Agreement.

Matching Thrift Contributions made by the Employer will be allocated to the Matching Thrift Contributions Account of those Participants who have contributed Employee Thrift Contributions to the Plan, as specified in the Adoption Agreement.

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(2) Distribution or forfeiture of Excess Aggregate Contributions on or before the last day of the Plan Year after the Plan Year in which such excess amounts arose is required under Code Section 401(m)(6) if the Plan is to maintain its tax-qualified status. However, if such excess amounts, plus any income and minus any loss allocable thereto, are distributed more than 2-1/2 months after the last day of the Plan Year in which such excess amounts arose, then Code Section 4979 imposes a 10% excise tax on the employer maintaining the plan with respect to such amounts.

3.7 Treatment of Forfeitures

3.7.1 If the Employer has elected in the Adoption Agreement to reallocate forfeitures for a Plan Year among Participants, then such forfeitures, if any, shall be allocated as of the last day of the Plan Year specified in the Adoption Agreement to the Employer Accounts of those Participants who are eligible to share in the allocation of contributions to that particular Employer Account (whether or not a contribution was made for that Plan Year) for that Plan Year in that particular Employer Account category with respect to which such forfeitures are attributable. If the Plan is a Target Benefit Plan, forfeitures may only be used to reduce Employer Contributions, in accordance with Section 3.7.2.

3.7.2 If the Employer has elected in the Adoption Agreement to use forfeiture to reduce contributions, then forfeitures shall be applied in the Plan Year specified in the Adoption Agreement to reduce Employer Contributions in that particular Employer Account category to which such forfeitures were attributable.

3.8 Establishing of Accounts

3.8.1 An Elective Deferrals Account shall be established for each Eligible Participant who makes a 401(k) Election to which the Administrator shall credit, or cause to be credited, Elective Deferrals allocable to each such Participant, plus earnings or losses thereon.

3.8.2 An Employer Contributions Account shall be established for each Participant to which the Administrator shall credit or cause to be credited Employer contributions pursuant to Section 3.1, and forfeitures attributable to such contributions, if any, plus earnings or losses thereon.

3.8.3 An Employee Thrift Contributions Account shall be established for each Participant who makes Employee Thrift Contributions to the Plan, to which the Administrator shall credit, or cause to be credited, all amounts allocable to each such Participant, plus earnings or losses thereon.

3.8.4 A Matching 401(k) Contributions Account shall be established for each Participant for whom Matching 401(k) Contributions are made, to which the Administrator shall credit, or cause to be credited, all such amounts allocable to each such Participant, plus earnings or losses thereon.

3.8.5 A Matching Thrift Contributions Account shall be established for each Participant for whom Matching Thrift Contributions are made, to which the Administrator shall credit, or cause to be credited, all amounts allocable to each such Participant, plus earnings or losses thereon.

3.8.6 A Participant Voluntary Nondeductible Contributions Account shall be established for each Participant who makes Participant Voluntary Nondeductible Contributions to the Plant, plus earnings or losses thereon.

3.8.7 A Qualified Matching Contributions Account shall be established for each Eligible Participant for whom Qualified Matching Contributions are made, to which the Administrator shall credit, or cause to be credited, all amounts allocable to each such Participant, plus earnings or losses thereon.

3.8.8 A Qualified Nonelective Contributions Account shall be established for each Participant for whom Qualified Nonelective Contributions are made, to which the Administrator shall credit, or cause to be credited, all amounts allocable to each such Participant, plus earnings or losses thereon.

3.8.9 A Rollover Contributions Account shall be established for each Participant who contributes to the Plan pursuant to Section 3.3 to which the Administrator shall credit, or cause to be credited, Rollover Contributions made by the Participant, plus earnings or losses thereon.

3.8.10 A Transferred Contributions Account shall be established for each Participant for whom assets are transferred from another Qualified Plan, to which the Administrator shall credit, or cause to be credited, transferred assets, plus earnings or losses thereon.

3.9 Limitation on Amount of Allocations

3.9.1 As used in this Section 3.9, each of the following terms shall have the meaning for that term set forth in this Section 3.9.1:

(A) Annual Additions means, for each Participant, the sum of the following amounts credited to the Participant's Accounts for the Limitation Year:

(i) Employer Contributions within the meaning of IRS regulation 1.415-6(b);

(ii) Employee Contributions;

(iii) forfeitures;

(iv) allocation under a simplified employee pension; and

(v) any Excess Amount applied under a Defined Contribution Plan in the Limitation Year to reduce

Employer Contributions will also be considered as part of the Annual Additions for such Limitation Year.

Amounts allocated after March 31, 1984, to an "individual medical benefit account" as defined in Code Section 415(1)(2) ("Individual Medical Benefit Account") which is part of a pension or annuity plan maintained by the Employer or Affiliate are treated as Annual Additions to a Defined Contribution Plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after that date, which are attributable to post-retirement medical benefits allocated to the separate account of a "key employee" as defined in Code Section 419A(d)(3) under a "welfare benefit fund" as defined in Code Section 419(e) ("Welfare Benefit Fund") maintained by the Employer or Affiliate, are treated as Annual Additions to a Defined Contribution Plan.

(B) Defined Benefit Dollar Limitation means $90,000 multiplied by the Adjustment Factor or such other limitation set forth in Code Section 415(b)(1) as in effect for the Limitation Year.

(C) Defined Benefit Fraction means a fraction, the numerator of which is the sum of the Projected Annual Benefits of the Participant involved under all Defined Benefit Plans (whether or not terminated) maintained by the Employer or Affiliate, and the denominator of which is the lesser of 125% of the Defined Benefit Dollar Limitation determined for the Limitation Year or 140% of the Participant's Highest Average Limitation Compensation, including any adjustments under Code Section 415(b).

Notwithstanding the above, if the Participant was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more Defined Benefit Plans maintained by the Employer or Affiliate which were in existence on May 5, 1986, the denominator of this fraction will not be less than 125% of the sum of the annual benefits under such Plans which the Participant had accrued as of the close of the last Limitation Year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the plans after May 5, 1986. The preceding sentence applies only if the Defined Benefit Plans individually and in the aggregate satisfied the requirements of Code Section 415 for all Limitation Years beginning before January 1, 1987.

(D) Defined Contribution Dollar Limitation means $30,000 or if greater, one-fourth of the Defined Benefit Dollar Limitation as in effect for the Limitation Year.

(E) Defined Contribution Fraction means a fraction, the numerator of which is the sum of the Annual Additions to the Participant's Account or Accounts under all the Defined Contribution Plans (whether or not terminated) maintained by the Employer or Affiliate for the current and all prior Limitation Years (including the Annual Additions attributable to the Participant's nondeductible contributions to all Defined Benefit Plans, whether or not terminated, maintained by the Employer or Affiliate and the Annual Additions attributable to all Welfare Benefit Funds, Individual Medical Benefit Accounts, and simplified employee pensions maintained by the Employer or Affiliate), and the denominator of which is the sum of the "maximum aggregate amounts" (as defined in the following sentence) for the current and all prior Limitation Years of service with the Employer or Affiliate (regardless of whether a Defined Contribution Plan was maintained by the Employer or Affiliate). The "maximum aggregate amount" in any Limitation Year is the lesser of (i) 125% of the Defined Benefit Dollar Limitation in effect under Code Section 415(c)(1)(A) or (ii) 35% of the Participant's Compensation for such year.

If the Employee was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more Defined Contribution Plans maintained by the Employer or Affiliate in existence on May 5, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the Defined Benefit Fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (A) the excess of the sum of the fractions over 1.0 times (B) the denominator of this fraction will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the later of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the Plans made after May 6, 1986, but using the Code Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987. The Annual Addition for any Limitation Year beginning before January 1,1987, shall not be recomputed to treat all Participant contributions as Annual Additions.

(F) Excess Amounts means the excess of the Participant's Annual Additions for the Limitation Year involved over the Maximum Permissible Amount for that Limitation Year.

(G) Highest Average Limitation Compensation means the average Compensation as defined in Code Section 415(e)(3) of the Participant involved for that period of three consecutive Years of Service with the Employer or Affiliate (or if the Participant has less than three such Years of Service, the actual number thereof) that produces the highest average.

(H) Limitation Compensation means Compensation, as defined in either (i), (ii) or (iii) below, as specified in the Adoption Agreement:

(i) Code Section 415 Safe-Harbor Compensation

For an Employee other than a Self-Employed Individual, the Employee's earned income, wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of Employment (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Reg. 1.62-2(c)) and excluding the following:

(1) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or contributions under a "simplified employee pension" plan (within the meaning of Code Section 408(k)) to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;

(2) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or other property) held by the Employee either becomes freely "transferable" or is no longer subject to a "substantial risk of forfeiture" (both quoted terms within the meaning of Code Section 83(a));

(3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(4) other amounts which received special tax benefits, or contributions made (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Code Section 403(b) (whether or not the amounts are actually excludable from the gross income of the Employee); or For Limitation Years beginning after December 31, 1991, Limitation Compensation shall include only that compensation which is actually paid or made available during the Limitation Year.

(ii) Information required to be reported under Sections 6041 and 6051. ("Wages, Tips and other Compensation Box" Form W-2) Limitation Compensation is defined as wages as defined in Code Section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d) and 6051(a)(3) of the Code. Compensation must be determined without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2)).

(iii) Code Section 3401(a) wages

Limitation Compensation is defined as wages within the meaning of Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

Without regard to the definition of Limitation Compensation elected by the Employer, for a Self-Employed Individual, Limitation Compensation means his or her Earned Income, provided that if the Self-Employed Individual is not a Participant for an entire Plan Year, his or her Limitation Compensation for that Plan Year shall be his or her Earned Income for that Plan Year multiplied by a fraction the numerator of which is the number of days he or she is a Participant during the Plan Year and the denominator of which is the number of days in the Plan Year. Additionally, Limitation Compensation for a Participant in a Defined Contribution Plan who is permanently and totally disabled (as defined in Code Section 22(e)) is the compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming disabled; such imputed compensation may be taken into account only if the Participant is not a Highly Compensated Employee and contributions made on behalf of such Participant are nonforfeitable when made.

(I) Maximum Permissible Amount means the maximum Annual Addition which may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year. The maximum Annual Addition shall not exceed the lesser of: (a) the Defined Contribution Dollar Limitation, or (b) 25% of the Participant's Compensation for the Limitation Year. The Compensation limitation referred to in (b) shall not apply to any contribution for medical benefits (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition under Code Section 415(l)(1) or 419A(d)(2). If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the Maximum Permissible Amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

(J) Projected Annual Benefit means the annual retirement benefit (adjusted to an actuarially equivalent straight life annuity if such benefit is expressed in a form other than a straight life annuity or Qualified Joint and Survivor Annuity) to which the Participant would be entitled under the terms of a Defined Benefit Plan assuming:

(i) the Participant continues in employment with the Employer or Affiliate until the Participant's "normal retirement age" under the Plan within the meaning of Code Section 411(a)(8) (or the Participant's current age, if later); and

(ii) the Participant's Limitation Compensation for the current Limitation Year and all other relevant factors used to determine benefits under the Plan will remain constant for all future Limitation Years.

3.9.2 The provisions of this subsection 3.9.2 apply with respect to a Participant who does not participate in, and has never participated in, another Qualified Plan, a Welfare Benefit Fund or an Individual Medical Benefit Account or a simplified employee pension, as defined in Code Section 401(k), maintained by the Employer or an Affiliate, which provides an Annual Addition as defined in Section 3.9.1(A) of the Plan, other than this Plan:

(A) The amount of Annual Additions which may be credited to the Participant's Account for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer Contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions on behalf of the Participant for the Limitation Year to exceed the Maximum Permissible Amount with respect to that Participant for the Limitation Year, the amount contributed or allocated will be reduced so that the Annual Additions on behalf of the Participant for the Limitation Year will equal such Maximum Permissible Amount.

(B) Prior to determining the Participant's actual Limitation Compensation for a Limitation Year, the Employer may determine the Maximum Permissible Amount for the Participant for the Limitation Year on the basis of a reasonable estimation of the Participant's Compensation for that Limitation Year. Such estimated Compensation shall be uniformly determined for all Participants similarly situated.

(C) As soon as is administratively feasible after the end of a Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual compensation for the Limitation Year.

(D) If pursuant to Section 3.9.2(C) or as a result of the allocation of forfeitures, there is an Excess Amount with respect to the Participant for a Limitation Year, the Excess Amount shall be disposed of as follows:

(i) First, any contribution to the Participant's Elective Deferrals Account, Participant Voluntary Nondeductible Contributions Account or Employee Thrift Contributions Account, if applicable, and any earnings allocable thereto will be distributed to the Participant to the extent that the return thereof would reduce the Excess Amount in such Participant's Accounts;

(ii) If after the application of Section 3.9.2(D)(i) an Excess Amount still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the remaining Excess Amount in the Participant's Account will be used to reduce Employer contributions (including allocation of any forfeitures) under this Plan for such Participant in the next Limitation Year, and in each succeeding Limitation Year, if necessary.

(iii) If after the application of Section 3.9.2(D)(i) an Excess Amount still exists, and the Participant is not covered by the Plan at the end of the Limitation Year, the Excess Amount will be held unallocated in a suspense account. The suspense account will be applied to reduce future Employer contributions under this Plan for all remaining Participants in the next Limitation Year, and in each succeeding Limitation Year, if necessary; provided, however, that if all or any part of the Excess Amount held in a suspense account is attributable to a Participant's Elective Deferrals, such Excess Amount shall be held unallocated in a suspense account to be used for such Participant in the next Limitation Year and each succeeding Limitation Year as an elective Deferral if such Participant is covered by

the Plan in the next and each succeeding Limitation Year, if necessary.

(iv) If a suspense account is in existence at any time during a Limitation Year pursuant to Section 3.9.2(D)(iii), the suspense account will not participate in the allocation of the Trust Fund's investment gains or losses to or from any other Account. If a suspense account is in existence at any time during a particular Limitation Year, all amounts in the suspense account must be allocated and reallocated to Participants' Accounts before any Employer or Participant contributions may be made to the Plan for the Limitation Year. Excess Amounts, other than those Excess Amounts referred to in Section 3.9.2(D)(i), may not be distributed to Participants or Former Participants.

3.9.3 The provisions of this subsection 3.9.3 apply with respect to a Participant who, in addition to this Plan, is covered or has been covered under one or more Defined Contribution Plans which are Master or Prototype Plans, Welfare Benefit Funds an Individual Medical Benefit Account or a simplified employee pension maintained by the Employer or an Affiliate, which provides an Annual Addition as described in Section 3.9.1(A) of the Plan during any Limitation Year:

(A) The Annual Additions which may be credited to a Participant's Accounts under this Plan for any such Limitation Year will not exceed the Maximum Permissible Amount reduced by the Annual Additions credited to the Participant's account or accounts under any other plans and Welfare Benefit Fund, Individual Medical Benefit Account or simplified employee pension for the same Limitation Year. If the Annual Additions with respect to the Participant under any one or more other such Defined Contribution Plans or Welfare Benefit Funds, Individual Medical Benefit Account or simplified employee pension maintained by the Employer are less than the Maximum Permissible Amount and the Employer Contribution that would otherwise be contributed or allocated to a Participant's Account under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated shall be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Permissible Amount.

If the Annual Additions with respect to the Participant under such other Defined Contribution Plans and Welfare Benefit Funds, Individual Medical Benefit Account or simplified employee pension in the aggregate are equal to or greater than the Maximum Permissible Amount, no amount will be contributed or allocated to any of the Participant's Account under this Plan for the Limitation Year.

(B) Prior to determining the Participant's actual compensation for a Limitation Year, the Maximum Permissible Amount for a Participant may be determined in the manner described in Section 3.9.2(B).

(C) As soon as is administratively feasible after the end of a Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Limitation Compensation for the Limitation Year.

(D) If, pursuant to subsection 3.9.3(C) above, or as a result of the allocation of forfeitures, a Participant's Annual Additions under this Plan and the Participant's Annual Additions under such other plans would result in an Excess Amount for a Limitation Year, the Excess Amount will be deemed to consist of the Annual Additions last allocated, except that Annual Additions attributable to simplified employee pension will be deemed to have been allocated first, followed by Annual Additions to a Welfare Benefit Fund or Individual Medical Benefit Account regardless of the actual allocation date.

(E) If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another such plan, the Excess Amount attributed to this Plan will be the product of:

(i) the total Excess Amount allocated as of such date, times

(ii) the ratio of (A) the Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan to (B) the total Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan and all of the other plans referred to in the first sentence of this Section 3.9.3.

(F) Any Excess Amount attributed to this Plan will be disposed in the manner described in Section 3.9.2(D).

3.9.4 If a Participant is covered under one or more Defined Contribution Plans, other than this Plan, maintained by the Employer or an Affiliate which are not Master or Prototype Plans, or Welfare Benefit Funds or an Individual Medical Benefit Account maintained by the Employer, Annual Additions which may be credited to the Participant's Account under this Plan for any Limitation Year shall be limited in accordance with the provisions of subsections 3.9.3(A)-(F) above as though each such other plan was a Master or Prototype Plan.

3.9.5 If the Employer maintains, or at any time maintained, a Defined Benefit Plan covering any Participant in this Plan, the sum of the Participant's Defined Benefit Fraction and Defined Contribution Fraction will not exceed 1.0 in any Limitation Year. If such sum would otherwise exceed 1.0 and if such Defined Benefit Plan does not provide for a reduction in benefits thereunder, Annual Additions which may be credited to a Participant's Account under this Plan for any Limitation Year shall be limited in accordance with the provisions of Section 3.9.2.

3.9.6 If required pursuant to Section 4.4.4, "100%" shall be substituted for 125% wherever the latter percentage appears in this Section 3.9.

3.10 Return of Employer Contributions Under Special Circumstances

Notwithstanding any provision of this Plan to the contrary, upon timely written demand by the Employer or the Administrator to the Trustee:

(A) Any contribution by the Employer to the Plan under a mistake of fact shall be returned to the Employer by the Trustee within one year after the payment of the contribution.

(B) Any contribution made by the Employer incident to the determination by the Commissioner of Internal Revenue that the Plan is initially a Qualified Plan shall be returned to the Employer by the Trustee within one year after notification from the Internal Revenue Service that the Plan is not initially a Qualified Plan but only if the application for the qualification is made by the time prescribed by law for filing the Employers return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

(C) In the event the deduction of a contribution made by the Employer is disallowed under Code Section 404, such contribution (to the extent disallowed) must be returned to the Employer within one year of the disallowance of the deduction.

ARTICLE IV VESTING

4.1 Determination of Vesting

4.1.1 A Participant shall at all times have a vested percentage of 100% in the Account Balance of each of his or her Participant Contributions Accounts, 401(k) Contributions Accounts, Rollover Contributions Account and Transferred Account.

4.1.2 A Participant shall have a vested percentage of 100% in his or her Account Balance of each of his or her Employer Accounts if he or she terminates Employment due to the attainment of Normal Retirement Age, Early Retirement specified in the Adoption Agreement, if elected by the Employer in the Adoption Agreement, or upon Disability or death.

4.1.3 The vested percentage of a Participant in the Account Balance of each of his or her Employer Accounts not vested pursuant to Section 4.1.1 or 4.1.2 shall be determined in accordance with the vesting rule or schedule specified in the Adoption Agreement.

4.2 Rules for Crediting Vesting Service

4.2.1 Subject to Section 4.2.2, Years of Service shall be credited for purposes of determining a Participant's Vesting Service as specified in the Adoption Agreement. If the Employer maintains the plan of a predecessor employer, service with such predecessor employer shall be treated as service with the Employer for purposes of Vesting Service.

4.2.2 An Employee who terminates Employment with no vested percentage in an Employer Account shall, if he or she returns to Employment, have no credit for Vesting Service prior to such termination of Employment if his or her Period of Severance equals or exceeds five years.

4.2.3 Vesting Service of an Employee following a Period of Severance of five years or more shall not be counted for the purpose of computing his or her vested percentage in his or her Employer Accounts derived from contributions accrued prior to the Period of Severance. If applicable, separate records shall be maintained reflecting the Participant's vested rights in his or her Account Balance attributable to service prior to the Period of Severance and reflecting the Participant's vested percentage in his or her Account Balance attributable to service after the Period of Severance. Vesting Service prior to and following an Employee's Period of Severance shall be counted for purposes of computing his or her vested percentage in an Employer Account derived from contributions made after the Period of Severance.

4.3 Employer Accounts Forfeitures

4.3.1 Subject to Section 5.6, upon the Nonvested Separation of a Participant, the nonvested portion of each Employer Account of such Participant will be forfeited as of the date of termination of Employment.

Upon the Partially Vested Separation of a Participant, the nonvested portion of each Employer Account of such Participant will be forfeited as of the date of termination of Employment; provided, however, that such Participant receives a distribution in accordance with Section 5.6. If a Participant does not receive a distribution following his or her termination of Employment, the nonvested portion of each Employer Account of the Participant shall be forfeited following a Period of Severance of five years.

4.3.2 If the Employer elects in the Adoption Agreement to reallocate forfeitures, forfeitures for a Plan Year shall be allocated in accordance with Section 3.7.1. If the Employer elects in the Adoption Agreement to use forfeitures to reduce Employer contributions, forfeitures shall be applied in accordance with Section 3.7.2.

4.4 Top-Heavy Provisions

4.4.1 As used in this Section 4.4, each of the following terms shall have the meanings for that term set forth in this Section 4.4.1:

(A) Determination Date means, for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan year. For the first Plan Year of the Plan, the last day of that year.

(B) Permissive Aggregation Group means the Required Aggregation Group of plans plus any other plan or plans of the Employer or Affiliate which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(C) Required Aggregation Group means (i) each Qualified Plan of the Employer or Affiliate in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer or Affiliate which enables a plan described in (i) to meet the requirements of Code Sections 401(a)(4) or 410.

(D) Super Top-Heavy means, for any Plan Year beginning after December 31, 1963, the Plan if any Top-Heavy Ratio as determined under the definition of Top-Heavy Plan exceeds 90%.

(E) Top-Heavy Plan means, for any Plan Year beginning after December 31, 1983, the Plan if any of the following conditions exists:

(i) If the Top-Heavy Ratio for the Plan exceeds 60% and the Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of Plans.

(ii) If the Plan is a part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the group of plans exceeds 60%.

(iii) If the Plan is a part of a Required Aggregation Group and part of a Permissive Aggregation Group of plans and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60%.

(F) Top-Heavy Ratio means

(i) If the Employer or Affiliate maintains one or more Defined Contribution Plans (including any Simplified Employee Pension Plan) and the Employer or Affiliate has never maintained any Defined Benefit Plan which during the five-year period ending on the Determination Date has or has had accrued benefits, the Top-Heavy Ratio for this Plan alone or for the Required or Permissive Aggregation Group as appropriate is a fraction, the numerator of which is the sum of the Account Balances of all Key Employees as of the Determination Date (including any part of any Account Balance distributed in the five-year period ending on the Determination Date), and the denominator of which is the sum of all Account Balances (including any part of any Account Balance distributed in the five-year period ending on the Determination Date), both computed in accordance with Code Section 416. Both the numerator and denominator of the Top-Heavy Ratio are increased to reflect any contribution not actually made as of the Determination Date, but which is required to be taken into account on that date under Code Section 416.

(ii) If the Employer or an Affiliate maintains one or more Defined Contribution Plans (including any Simplified Employee Pension Plan) and the Employer or an Affiliate maintains or has maintained one or more Defined Benefit Plans which during the five-year period ending on the Determination Date has or has had any accrued benefits, the Top-Heavy Ratio for any Required or Permissive Aggregation Group as appropriate is a fraction. the numerator of which is the sum of Account Balances under the aggregated Defined Contribution Plans for all Key Employees, determined in accordance with (i) above, and the present value of accrued benefits under the aggregated Defined Benefit Plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of the Account Balances under the aggregated Defined Contribution Plans for all Participants, determined in accordance with (i) above, and the present value of accrued benefits under the Defined Benefit Plans for all Participants as of the Determination Date, all determined in accordance with Code Section 416. The accrued benefit under a Defined Benefit Plan in both the numerator and denominator of the Top-Heavy Ratio are increased for any distribution of an accrued benefit made in the five-year period ending on the Determination Date.

(iii) For purposes of (i) and (ii) above, the value of Account Balances and the present value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Code Section 416 for the first and second Plan Years of a Defined Benefit Plan. The Account Balances and accrued benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not been credited with at least one Hour of Service with the Employer or an Affiliate at any time during the five-year period ending on the Determination Date, will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416.

Deductible Employee Contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of Account Balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

The accrued benefit of a Participant who is not a Key Employee shall be determined under (A) the method, if any, that uniformly applies for accrual purposes under all Defined Benefit Plans or (B) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code Section 411(b)(1)(C).

4.4.2 If the Plan is determined to be a Top-Heavy Plan or a Super Top-Heavy Plan as of any Determination Date after December 31, 1983, then the Top-Heavy vesting schedule specified in the Adoption Agreement, beginning with the first Plan Year commencing after such Determination Date, shall apply only for those Plan Years in which the Plan continues to be a Top-Heavy Plan or Super Top-Heavy Plan, as the case may be.

4.4.3 (A) Except as provided in Sections 4.4.3(C) and (D), for any Plan Year in which the Plan is a Top-Heavy Plan, contributions and forfeitures allocated to the Employer Contributions Account of any Participant who is not a Key Employee in respect of that Plan Year shall not be less than the lesser of:

(i) 3% of such Participant's Limitation Compensation, or

(ii) if the Employer has no Defined Benefit Plan which designates this Plan to satisfy Code Section 401, the largest percentage of contributions and forfeitures, as a percentage of the Key Employees Limitation Compensation, allocated to the Employer Contributions Account of any Key Employee for that year. The minimum allocation is determined without regard to any Social Security contribution. This minimum allocation shall be made even though, under other Plan provisions, the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the Plan Year because of (a) the Participant's failure to complete a Year of Service, (b) the Participants failure to make mandatory Participant contributions to the Plan or (c) compensation less than a stated amount.

(B) For purposes of computing the minimum allocation, a Participant's Limitation Compensation will be applied.

(C) The provision in (A) above shall not apply to any Participant who was not employed by the Employer or an Affiliate on the last day of the Plan Year.

(D) If the Employer or an Affiliate has executed Adoption Agreements covering Participants by a plan which is a profit-sharing plan and by another plan which is a money purchase pension plan or a target benefit plan, the minimum allocation specified in the preceding Section 4.4.3(A) shall be provided by the money purchase pension plan or by the target benefit plan, as the case may be. If a Participant is covered under this Plan and a Defined Benefit Plan maintained pursuant to Adoption Agreements offered by the Sponsor, the minimum allocation specified in the preceding Section 4.4.3(A) shall not be applicable and the Participant shall receive the minimum benefit specified in the Defined Benefit Plan.

(E) With respect to any profit-sharing or money purchase pension plan which becomes Top-Heavy and is integrated with Social Security, prior to making the allocations specified in the Adoption Agreement, anything contained therein to the contrary notwithstanding, there shall be an allocation of the Employer Contribution to each eligible Participant's Employer Contribution Account in the ratio that each such Participant's Limitation Compensation for the Plan Year bears to the Limitation Compensation of all such Participants for the Plan Year, but not in excess of 3% of such Limitation Compensation.

4.4.4 If the Plan becomes a Top-Heavy Plan, then the maximum benefit which can be provided under Section 3.9 shall continue to be determined by applying "125%" wherever it appears in that Section and by substituting "4%" for "3%" wherever that appears in Section 4.4.3. However, if the Plan becomes a Super Top-Heavy Plan, the maximum benefit which can be provided under Section 3.9 shall be determined by substituting "100%" for "125%" wherever the latter percentage appears and the 3% minimum contribution provided for in Section 4.4.4 shall remain unchanged.

4.4.5 Beginning with the Plan Year in which this Plan is Top-Heavy, one of the minimum Top-Heavy vesting schedules as specified in the Adoption Agreement will apply. The minimum vesting schedule applies to all benefits within the meaning of Code Section 411(a)(7) except those attributable to Employee contributions, including benefits accrued before the effective date of Code Section 416 and benefits accrued before the Plan became Top-Heavy. However, this Section 4.4 does not apply to the Account Balances of any Employee who does not have an Hour of Service after the Plan has initially become Top-Heavy and such Employee's vesting in his or her Employer Contributions Account will be determined without regard to this Section 4.4. The minimum allocation pursuant to Section 4.4.3 (to the extent required to be nonforfeitable under Code Section 416(b)) may not be forfeited under Code Section 411(a)(3)(B) or Code Section 411(a)(3)(D).

ARTICLE V
AMOUNT AND DISTRIBUTION OF BENEFITS, WITHDRAWALS AND LOANS

5.1 Distribution Upon Termination of Employment

5.1.1 Subject to Section 5.1.2. a Participant's Benefit Commencement Date shall be as soon as practicable following his or her Fully Vested Separation, Partially Vested Separation or Nonvested Separation, if applicable, and in accordance with Section 5.6. If the Plan includes a CODA feature, each 401(k) Contributions Account of a Participant shall be payable in accordance with the events specified in Section 1.27 of the Plan.

5.1.2 If specified in the Adoption Agreement, a Participant's Benefit Commencement Date shall be deferred until the earliest of his or her Normal Retirement Age, Disability, or if elected by the Employer in the Adoption Agreement, Early Retirement. If a Participant terminates Employment after satisfying any service requirement for Early Retirement specified in the Adoption Agreement, he or she shall be entitled to elect to receive a distribution of his or her vested Employer Accounts upon satisfaction of any age requirement for Early Retirement.

5.2 Amount of Benefits Upon a Fully Vested Separation

A Participant's benefits upon his or her Fully Vested Separation for any reason other than Disability shall be the Account Balance of all of his or her Accounts determined in accordance with Section 10.6.2.

5.3 Amount of Benefits Upon a Partially Vested Separation

A Participant's benefits upon his or her Partially Vested Separation for any reason other than Disability shall be (A) the Account Balance of his or her Employer Accounts determined in accordance with Section 10.6.2 multiplied by his or her vested percentage determined pursuant to Section 4.1.3, or, if applicable, Section 4.4.2, plus (B) the Account Balance of his or her other Accounts determined in accordance with Section 10.6.2.

5.4 Amount of Benefits Upon a Nonvested Separation

A Participant's benefits upon his or her Nonvested Separation shall be the Account Balance of his or her Accounts other than Employer Accounts, if any, determined in accordance with Section 10.6.2.

5.5 Amount of Benefits Upon a Separation Due to Disability

If a Participant terminates Employment due to a Disability, his or her benefit shall be the Account Balance of all of his or her Accounts determined as a Fully Vested Separation in accordance with Section 5.2 and Section 10.6.2. The Benefit Commencement Date of any such Participant on whose behalf contributions are being made pursuant to Section 3.1.4 shall be as soon as practicable after the date such contributions cease.

5.6 Distribution and Restoration

5.6.1 If, upon a Participant's termination of Employment, the vested Account Balance of his or her Accounts as of the applicable Valuation Date is equal to or less than $3,500, such Participant will receive a distribution of his or her entire vested benefit and the nonvested portion will be treated as forfeiture. If the value of a Participant's vested Account is zero, the Participant shall be deemed to have received a distribution of such vested Account.

5.6.2 If, upon a Participant's termination of Employment, the vested Account Balance of his or her Accounts as of the applicable Valuation Date exceeds $3,500, the Participant may elect, in accordance with Article VI, to receive a distribution of the entire vested portion of such Accounts and the nonvested portion, if any, will be treated as a forfeiture.

5.6.3 If the vested Account Balance of a Participant's Accounts as of the applicable Valuation Date has an

aggregate value exceeding (or at the time of any prior distribution exceeded) $3,500, and the Participant's benefit is Immediately Distributable, the Participant and the Participant's Spouse (or where either the Participant or the Spouse has died, the survivor) must consent to any distribution of such benefit. The consent of the Participant and the Participant's Spouse shall be obtained in writing within the 90-day period ending on the Participant's Benefit Commencement Date; provided, however, that if the Plan is a profit-sharing plan and Section 6.1.2 applies, the consent of the Participant's Spouse will not be required. The Administrator shall notify the Participant and the Participant's Spouse of the right to defer any distribution until the Participant's benefit is no longer Immediately Distributable. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Code Section 417(a)(3), and shall be provided no less than 30 days and no more than 90 days prior to the Benefit Commencement Date.

5.6.4 Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Participant's benefit is Immediately Distributable. Neither the consent of the Participant nor the Participant's Spouse shall be required to the extent that a distribution is required to satisfy Code Section 401(a)(9) or Code Section 415.

5.6.5 For purposes of determining the applicability of the foregoing consent requirements to distributions made before the first day of the first Plan Year beginning after December 31, 1988, the Participant's vested benefit shall not include amounts attributable to accumulated deductible Participant contributions within the meaning of Code Section 72(o)(5)(B).

5.6.6 If a Participant, who after termination of Employment received a distribution and forfeited any portion of an Employer Account or is deemed to have received a distribution in accordance with Section 3.6.1, resumes Employment, he or she shall have the right, while an Employee, to repay the full amount previously distributed from such Employer Account. Such repayment must occur before the earlier of (i) the date on which he or she would have incurred a Period of Severance of five years commencing after the distribution or (ii) five years after the first date on which the Participant is subsequently reemployed. If the Participant makes a repayment, the Account Balance of his or her relevant Employer Account shall be restored to its value as of the date of distribution. The restored amount shall be derived from forfeitures during the Plan Year and, if such forfeitures are not sufficient, from a contribution by the Employer made as of that date (determined without reference to Net Profits). If an Employee who had a Nonvested Separation and was deemed to receive a distribution resumes Employment before a Period of Severance of five years, his or her Employer Account will be restored, upon reemployment, to the amount on the date of such deemed distribution.

5.7 Withdrawals During Employment

5.7.1 If the Plan is a profit-sharing plan, and if the Employer has elected in the Adoption Agreement to permit withdrawals during Employment, prior to termination of Employment, each Participant upon attainment of age 59-1/2 may elect to withdraw, as of the Valuation Date next following the receipt of an election by the Administrator, and upon such notice as the Administrator may require, all or any part of the vested Account Balance of all of his or her Accounts, as of such Valuation Date.

5.7.2 Notwithstanding Section 5.7.1, prior to termination of Employment, each Participant with a Rollover Contributions Account and/or a Participant Voluntary Nondeductible Contributions Account may elect to withdraw, as of the Valuation Date next following the receipt of an election by the Administrator, and upon such notice as the Administrator may require, all or any of such Account, as of such Valuation Date.

5.7.3 The Administrator may establish from time to time rules and procedures with respect to any withdrawals including the order of Accounts from which such withdrawals shall be made.

5.7.4 No forfeitures shall occur as a result of a withdrawal pursuant to this Section 5.7.

5.7.5 If a Participant is married at the time of such election, the Participant's Spouse must consent to such a withdrawal in the same manner as provided in Section 6.2.4; provided, however, that if the Plan is a profit-sharing plan and Section 6.1.2 applies, the consent of the Participant's Spouse will not be required.

5.8 Loans

5.8.1 If the Employer has elected in the Adoption Agreement to make loans available, a Participant may submit an application to the Administrator to borrow from any Account maintained for the Participant (on such terms and conditions as the Administrator shall prescribe) an amount which when added to the outstanding balance of all other loans to the Participant would not exceed the lesser of (a) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day

before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) 50% of the vested portion of his or her Account from which the borrowing is to be made as of the Valuation Date next following the receipt of his or her loan application by the Administrator and the expiration of such notice period as the Administrator may require. For this purpose, all loans from Qualified Plans of the Employer or an Affiliate shall be aggregated, and an assignment or pledge of any portion of the Participant's interest in the Plan, and a loan, pledge or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this Section 5.8.1.

5.8.2 If approved, each such loan shall comply with the following conditions:

(A) it shall be evidenced by a negotiable promissory note;

(B) the rate of interest payable on the unpaid balance of such loan shall be a reasonable rate determined by the Administrator;

(C) the Participant must obtain the consent of his or her Spouse, if any, within the 90-day period before the time an Account is used as security for the loan; provided, however, that if the Plan is a profit-sharing plan that meets the requirements in Section 6.1.2 of the Plan, the consent of the Participant's Spouse will not be required. A new consent is required if an Account is used for any increase in the amount of security. The consent shall comply with the requirements of Section 6.2.4, but shall be deemed to meet any requirements contained in section 6.2.4 relating to the consent of any subsequent Spouse. A new consent shall be required if an Account is used for renegotiation, extension, renewal, or other revision of the loan;

(D) the loan, by its terms, must require repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan; provided, however, that if the proceeds of the loan are used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant, the repayment schedule may be for a term in excess of five years; and

(E) the loan shall be adequately secured and may be secured by no more than 50% of the Participant's vested interest in the Account Balance of his or her Accounts.

5.8.3 If a Participant or Beneficiary requests and is granted a loan, and the loan is made from Participant-Directed Assets, principal and interest payments with respect to the loan shall be credited solely to the Account of the borrowing Participant from which the loan was made. Any loss caused by nonpayment or other default on a Participant's loan obligations shall be charged solely to that Account. Any other loan shall be treated as an investment of the Trust Fund and interest and principal payments on account thereof shall be credited to the Trust Fund. The Administrator shall determine the order of Accounts from which a loan may be made.

5.8.4 Anything herein to the contrary notwithstanding:

(A) in the event of a default, foreclosure on the promissory note will not occur until a distributable event occurs under this Article V;

(B) no loan will be made to any Owner-Employee or to any "shareholder-employee" of the Employer or a Participating Affiliate or with respect to any amounts attributable to a Rollover Contribution or a trust to trust transfer and relating to prior participation by such an individual in a Qualified Plan. For this purpose, a "shareholder-employee" means an employee or officer of an electing small business, i.e., an "S corporation" as defined in Code Section 1361, who owns (or is considered as owning within the meaning of Code Section 318(a)(1)) on any day during the taxable year of such corporation, more than 5% of the outstanding stock of the corporation; and

(C) loans shall not be made available to Highly Compensated Employees in an amount greater than the amount made available to other Employees.

5.8.5 If a valid spousal consent has been obtained in accordance with Section 5.8.2(C), then, notwithstanding any other provision of this Plan, the portion of the Participant's vested Account used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Participant's benefit payable at the time of death or distribution; but only if the reduction is used as repayment of the loan. If less than 100% of the Participant's vested benefit (determined without regard to the preceding sentence) is payable to the Surviving Spouse, then the Participant's benefit shall be adjusted by first reducing the Participant's vested benefit by the amount of the security used as repayment of the loan, and then determining the benefit payable to the Surviving Spouse.

5.9 Hardship Distributions

5.9.1 Effective January 1, 1989, if available and elected by the Employer in the Adoption Agreement, a Participant may request a distribution due to hardship from the vested portion of his or her Accounts, (other than from his or her Qualified Nonelective Contributions Account, Qualified Matching Contributions Account or earnings accrued after December 31, 1988, on the Participant's Elective Deferrals) only if the distribution is made both due to an immediate and heavy financial need of the Participant and is necessary to satisfy such financial need.

5.9.2 A hardship distribution shall be permitted only if the distribution is due to:

(A) expenses incurred or necessary for medical care described in Code Section 213(d) incurred by the Participant, the Participant's Spouse, or any dependents of the Participant (as defined in Code Section 152);

(B) purchase (excluding mortgage payments) of a principal residence for the Participant;

(C) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Participant, his or her Spouse, children or dependents;

(D) the need to prevent the eviction of the Participant from his or her principal residence or foreclosure on the mortgage of the Participant's principal residence; or

(E) any other condition or event which the Commissioner of the Internal Revenue Service determines is a deemed immediate and financial need.

5.9.3 A distribution will be considered necessary to satisfy an immediate and heavy financial need of a Participant if all of the following requirements are satisfied:

(A) the distribution will not be in excess of the amount of the immediate and heavy financial need of the Participant (including amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);

(B) the Participant obtains all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans maintained by the Employer or an Affiliate;

(C) the Participant's Elective Deferrals, Employee Thrift Contributions and Participant Voluntary Nondeductible Contributions will be suspended for at least 12 months after receipt of the hardship distribution in this Plan and in all other plans maintained by the Employer or an Affiliate; and

(D) the Participant may not make Elective Deferrals for the Participant's taxable year immediately following the taxable year of the hardship distribution in excess of the applicable limit under Code Section 402(g) for such next taxable year less the amount of such Participant's Elective Deferrals for the taxable year of the distribution in this Plan and in all other plans maintained by the Employer or an Affiliate.

5.9.4 If the distribution is made from any Account other than a 401(k) Contributions Account, a distribution due to hardship may be made without application of Section 5.9.3(B), 5.9.3(C), or 5.9.3(D).

5.10 Limitation on Commencement of Benefits

5.10.1 Anything in this Article V to the contrary notwithstanding, a Participant's Benefit Commencement Date shall in no event be later than the 60th day after the close of the Plan Year in which the latest of the following events occur:

(A) the attainment by the Participant of his or her Normal Retirement Age;

(B) the tenth anniversary of the year in which the Participant commenced participation in the Plan; or

(C) the Participant's termination of Employment. Notwithstanding the foregoing, the failure of a Participant and Spouse to consent to a distribution while a benefit is Immediately Distributable, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

5.10.2 If it is not possible to distribute a Participant's Accounts because the Administrator has been unable to locate the Participant after making reasonable efforts to do so, then a distribution of the Participant's Accounts shall be made when the Participant can be located.

5.11 Distribution Requirements

5.11.1 Subject to the Joint and Survivor Annuity rules set forth in Article VI, the requirements of this Article shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. Unless otherwise specified, the provisions of this article apply to calendar years beginning after December 31, 1984. As used in this Section 5.11, each of the following terms shall have the meaning for that term set forth in this Section 5.11.1:

(A) Applicable Life Expectancy. The life expectancy (or joint and last survivor expectancy) calculated using the attained age of the Participant (or designated Beneficiary) as of the Participant's (or designated Beneficiary's) birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date Life Expectancy was first calculated. If Life Expectancy is being recalculated, the Applicable Life Expectancy shall be the Life Expectancy as so recalculated, the applicable calendar year shall be the first distribution calendar year, and if Life Expectancy is being recalculated such succeeding calendar year.

(B) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan in accordance with Code Section 401(a)(9). In the event that a Participant names a trust to be a designated Beneficiary, such designation shall provide that, as of the later of the date on which the trust is named as a Beneficiary or the Participant's Required Beginning Dates and as of all subsequent periods during which the trust is named as a Beneficiary, the following requirements are met: (i) the trust is a valid trust under state law, or would be but for the fact that there is no corpus; (ii) the trust is irrevocable; (iii) the Beneficiaries of the trust who are Beneficiaries with respect to the trust's interest in the Participant's benefits are identifiable from the trust instrument within the meaning of Code Section 401(a)(9); and (iv) a copy of the trust is provided to the Plan.

(C) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 7.2.

(D) Life Expectancy. Life Expectancy and joint and last survivor expectancy are computed by use of the expected return multiples in Tables V and VI of section 1.72-9 of the regulations issued under the Code.

Unless otherwise elected by the Participant (or Spouse, in the case of distributions described in Section 7.2) by the time distributions are required to begin, Life Expectancies shall not be recalculated annually. Such election shall be irrevocable as to the Participant or Spouse and shall apply to all subsequent years. The Life Expectancy of a nonspouse Beneficiary may not be recalculated.

(E) Required Beginning Date.

(I) General rule. The Required Beginning Date of a Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 70-1/2.

(II) Transitional rule. The Required Beginning Date of a Participant who attains age 70-1/2 before January 1, 1988, shall be determined in accordance with (1) or (2) below:

(1) Non-5% owners. The Required Beginning Date of a Participant who is not a "5% owner" as defined in (iii) below is the first day of April of the calendar year following the calendar year in which the later of retirement or attainment of age 70-1/2 occurs.

(2) 5% owners. The Required Beginning Date of a Participant who is a 5% owner during any year beginning after December 31, 1979, is the first day of April following the later of:

(a) the calendar year in which the Participant attains age 70-1/2; or

(b) the earlier of the calendar year with or within which ends the Plan Year in which the Participant becomes a 5% owner, or the calendar year in which the Participant retires.

The Required Beginning Date of a Participant who is not a 5% owner who attains age 70-1/2 during 1988 and who has not retired as of January 1, 1989, is April 1, 1990.

(iii) 5% owner. A Participant is treated as a 5% owner for purposes of this Section 5.11 if such Participant is a 5% owner as defined in Code Section 416(i) (determined in accordance with section 416 but without regard to whether the plan is top-heavy) at any time during the Plan Year ending with or within the calendar year in which such owner attains age 66-1/2 or any subsequent Plan Year.

(iv) Once distributions have begun to a 5% owner under this Section 5.11, they must continue to be distributed, even if the Participant ceases to be a 5% owner in a subsequent year.

5.11.2 All distributions required under this Section 5.11 shall be determined and made in accordance with the Income Tax Regulations under Code Section 401(a)(9), including the minimum distribution incidental benefit requirement of section 1.401(a)(9)-2 of the regulations issued under the Code. The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date.

5.11.3 Limits on Distribution Periods. As of the first Distribution Calendar Year, distributions, if not made in a lump sum, may only be made over one of the following periods (or a combination thereof):

(A) the life of the Participant;

(B) the life of the Participant and a Designated Beneficiary;

(C) a period certain not extending beyond the Life Expectancy of the Participant; or

(D) a period certain not extending beyond the joint and last survivor expectancy of the Participant and a Designated Beneficiary.

For calendar years beginning before January 1, 1989, if the Participant's Spouse is not the Designated Beneficiary, the method of distribution selected must assure that at least 50% of the present value of the amount available for distribution is paid within the Life Expectancy of the Participant.

5.11.4 Determination of Amount to be Distributed Each Year. (A) If the Participant's interest is to be paid in the form of annuity distributions under the Plan (whether directly or in the form of an annuity purchased from an insurance company), payments under the annuity shall satisfy the following requirements:

(I) the annuity distributions must be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period must be over a life (or lives) or over a period certain not longer than a Life Expectancy (or joint life and last survivor expectancy) described in Code Section 401(a)(9)(A)(ii) or Code Section 401(a)(9)(B)(iii), whichever is applicable;

(iii) the Life Expectancy (or joint life and last survivor expectancy) for purposes of determining the period certain shall be determined without recalculation of Life Expectancy;

(iv) once payments have begun over a period certain, the period certain may not be lengthened even if the period certain is shorter than the maximum permitted;

(v) payments must either be nonincreasing or increase only as follows:

(1) with any percentage increase in a specified and generally recognized cost-of-living index;

(2) to the extent of the reduction to the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section 5.11.4(A)(iii) dies and the payments continue otherwise in accordance with that section over the life of the Participant;

(3) to provide cash refunds of Employee contributions upon the Participant's death; or

(4) because of an increase in benefits under the Plan.

(vi) If the annuity is a life annuity (or a life annuity with a period certain not exceeding 20 years), the amount which must be distributed on or before the Participant's Required Beginning Date (or, in the case of distributions after the death of the Participant, the date distributions are required to begin pursuant to Section 7.2) shall be the payment which is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bimonthly, monthly, semi-annually, or annually.

If the annuity is a period certain annuity without a life contingency (or is a life annuity with a period certain exceeding 20 years) periodic payments for each distribution calendar year shall be combined and treated as an annual amount The amount which must be distributed by the Participant's Required Beginning Date (or, in the case of distributions after the death of the Participant, the date distributions are required to begin pursuant to Section 7.2) is the annual amount for the first Distribution Calendar Year. The annual amount for other Distribution Calendar Years, including the annual amount for the calendar year in which the Participant's Required Beginning Date (or the date distributions are required to begin pursuant to Section 7.2) occurs, must be distributed on or before December 31 of the calendar year for which the distribution is required.

(B) Annuities purchased after December 31, 1988, are subject to the following additional conditions:

(i) Unless the Participant's Spouse is the Designated Beneficiary, if the Participant's interest is being distributed in the form of a period certain annuity without a life contingency, the period certain as of the beginning of the first Distribution Calendar Year may not exceed the applicable period determined using the table set forth in Q&A A-5 of section 1.401(a)(9)-2 of the regulations issued under the Code.

(ii) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death

must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A A-6 of section 1.401(a)(9)-2 of the regulations under the Code.

(C) Transitional Rule. If payments under an annuity which complies with Section 5.11.4(A) begin prior to January 1, 1989, the minimum distribution requirements in effect as of July 27, 1987, shall apply to distributions from this Plan, regardless of whether the annuity form of payment is irrevocable. This transitional rule also applies to deferred annuity contracts distributed to or owned by the Participant prior to January 1, 1989, unless additional contributions are made under the Plan by the Employer or Affiliate with respect to such contract.

(D) If the form of distribution is an annuity made in accordance with Section 5.11.4, any additional benefits accruing to the Participant after his or her Required Beginning Date shall be distributed as a separate and identifiable component of the annuity beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(E) Any part of the Participant's interest which is in the form of an individual account shall be distributed in a manner satisfying the requirements of Code Section 401(a)(9).

5.11.5 Transitional Rule; Section 242 Election. Notwithstanding the other requirements of this Article and subject to the Joint and Survivor Annuity rules set forth in Article V1, distribution on behalf of any Employee, including a 5% owner, may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(A) the distribution by the trust is one which would not have disqualified such trust under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984;

(B) the distribution is in accordance with a method of distribution designated by the Employee whose interest in the trust is being distributed or, if the Employee is deceased, by a Beneficiary of such Employee;

(C) such designation was in writing, was signed by the Employee or the Beneficiary, and was made before January 1, 1984;

(D) the Employee had accrued a benefit under the Plan as of December 31, 1983; and

(E) the method of distribution designated by the Employee or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Employee's death, the Beneficiaries of the Employee listed in order of priority.

A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee.

For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in subsections 5.11.5(A) and (E).

If a designation is revoked any subsequent distribution must satisfy the requirements of Code Section 401(a)(9). If a designation is revoked subsequent to the date distributions are required to begin, the trust must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed to satisfy Code Section 401(a)(9) but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements in section 1.401(a)(9)-2 of the regulations issued under the Code. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life). In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Q&A J-2 and Q&A J-3 of section 1.401(a)(9)-1 of the regulations issued under the Code.

ARTICLE VI
FORMS OF PAYMENT OF RETIREMENT BENEFITS

6.1 Methods of Distribution

6.1.1 If the Plan is a money purchase pension plan or a target benefit plan, a Participant's benefit shall be payable in the normal form of a Qualified Joint and Survivor Annuity if the Participant is married on his or her Benefit Commencement Date and in the normal form of an immediate annuity for the life of the Participant if the Participant is not married on that date. A Participant who terminated Employment on or after satisfying the requirements for Early Retirement may elect to have his or her Qualified Joint and Survivor Annuity distributed upon attainment of such Early Retirement. If the Plan is a profit-sharing plan that satisfies the requirements set forth in Section 6.1.2, a Participant's Accounts shall only be payable in the normal form of a lump-sum distribution in accordance with Section 6.1.1(B) below. A Participant in a money purchase pension plan, a target benefit plan, or a profit-sharing plan that does not satisfy the requirements set forth in Section 6.1.2. may at any time after attaining age 35 and prior to his or her Benefit Commencement Date elect, in accordance with Section 6.2, any of the following optional forms of payment instead of the normal form:

(A) An Annuity Contract payable as:

(i) a single life annuity;

(ii) a joint and 50% survivor annuity with a contingent annuitant;

(iii) a joint and 100% survivor annuity with a contingent annuitant;

(iv) an annuity for the life of the Participant with 120 monthly payments certain;

(B) A lump-sum distribution in cash or in kind, or part in cash and part in kind; or

(C) In installments payable in cash or in kind, or part in cash and part in kind over a period not in excess of that required to comply with Section 5.11.4.

Anything in this Section 6.1.1 to the contrary notwithstanding, if the value of a Participant's vested Account as of the applicable Valuation Date is $3,500 or less, his or her benefit shall be paid in the form of a lump-sum distribution and no optional form of benefit payment shall be available.

6.1.2 If the Plan is a profit-sharing plan then: (A) the Participant cannot elect payments in the form of a Life annuity (this Section 6.1.2 shall not apply if a life annuity form is an optional form preserved under Code Section 411(d)(6)); (B) on the death of the Participant, the Participant's benefits will be paid to his or her Surviving Spouse, if any, or, if his or her Surviving Spouse has already consented in a manner conforming to an election under Section 6.2.4, then to the Participant's Beneficiary and (C) the normal form of benefit shall be a lump-sum and Sections 6.2.1, 6.2.2 and 6.2.4 shall not be applied by the Administrator. A Participant in such a profit-sharing plan may also elect to receive his or her benefit in the form of installments in accordance with Section 6.1.1(C) of the Plan. This Section 6.1.2 shall not apply, however, with respect to the Participant if it is determined that the Plan is a direct or indirect transferee of a defined benefit plan, a money purchase pension plan (including a target benefit plan) or a stock bonus or profit-sharing plan which is subject to the survivor annuity requirements of Code Sections 401(a)(11) and 417. In addition, this Section 6.1.2 shall not apply unless the Participant's Surviving Spouse, if any, is the Beneficiary of (i) the proceeds of any insurance on the Participant's life purchased by Employer contributions or (ii) forfeitures allocated to the Participant's Employer Account or unless the Participant's Surviving Spouse has consented to the Participant's designation of another Beneficiary as referred to in subsection (C) of this Section 6.1.2.

6.1.3 The following transitional rules shall apply for those Participants entitled to but not receiving benefits as of August 23, 1984:

(A) Any living Participant not receiving benefits on August 23, 1984, who would otherwise not receive the benefits prescribed by Section 6.1 must be given the opportunity to elect to have Section 6.1 apply if such Participant is credited with at least one Hour of Service under this Plan or a predecessor plan in a Plan Year beginning on or after January 1, 1976, and such Participant had at least 10 Years of Service when he or she terminated from Employment.

(B) Any living Participant not receiving benefits on August 23, 1984, who was credited with at least one Hour of Service under this Plan or a predecessor plan on or after September 2, 1974, and who is not otherwise credited with an Hour of Service in a Plan Year beginning on or after January 1, 1976, must be given the opportunity to have his or her benefits paid in accordance with this Section 6.1.3(D).

(C) The respective opportunities to elect (as described in these Sections 6.1.3(A) and (B)) must be afforded to the appropriate Participants during the period commencing on August 23, 1984, and ending on such Participant's Benefit Commencement Date.

(D) Any Participant who has elected pursuant to this Section 6.1.3(B) and any Participant who does not elect under this Section 6.1.3(A) or who meets the requirements of this Section 6.1.3(A) except that such Participant does not have at least ten Years of Service when he or she terminates from Employment, shall have his or her benefits distributed in accordance with all of the following requirements if benefits would have been payable in the form of a single life annuity:

(1) Automatic Qualified Joint and Survivor Annuity

If benefits in the form of a single life annuity become payable to a married Participant who:

(a) begins to receive payments on or after Normal Retirement Age; or

(b) dies on or after Normal Retirement Age while in active Employment; or

(c) begins to receive payments on or after the "Qualified Early Retirement Age", as that term is defined in Section 6.1.3(D)(3)(a); or

(d) terminates from Employment on or after attaining Normal Retirement Age (or Qualified Early Retirement Age) and after satisfying the eligibility requirement for the payment of benefits under the Plan and thereafter dies before his or her Benefit Commencement Date; then such benefits will be received in the form of a Qualified Joint and Survivor Annuity, unless the Participant has elected otherwise during the election period which begins at least six months before the Participant attains Qualified Early Retirement Age and ends no earlier than 90 days before his or her Benefit Commencement Date. Any election hereunder will be in writing and may be changed by the Participant at any time.

(2) Election of early survivor annuity

A Participant who is employed after attaining the Qualified Early Retirement Age will be given the opportunity to elect, beginning on the later of (1) the 90th day before he or she attains his or her Qualified Early Retirement Age, or (2) the date on which participation begins, and ending on the date he or she terminates Employment, to have a survivor annuity payable on death. If the Participant elects the survivor annuity, payments under such annuity must not be less than the payments which would have been made to the Spouse under the Qualified Joint and Survivor Annuity if the Participant had retired on the day before his or her death. Any election under this provision will be in writing and may be changed by the Participant at any time.

(3) Qualified Early Retirement Age

(a) For purposes of this section 6.1.3, Qualified Early Retirement Age is the latest of:

(i) the earliest date, under the Plan, on which the Participant may elect to receive retirement benefits,

(ii) the first day of the 120th month beginning before the Participant reaches Normal Retirement Age, or

(iii) the date the Participant begins participation.

(b) Qualified Joint and Survivor Annuity is an annuity for the life of the Participant with a survivor annuity for the life of the Spouse as described in Section 1.77.

6.2 Election of Optional Forms

6.2.1 By notice to the Administrator at any time prior to a Participant's date of death and beginning on the first day of the Plan Year in which the Participant attains age 35, the Participant may elect, in writing, not to receive the normal form of benefit payment otherwise applicable and to receive instead an optional form of benefit payment provided for in Section 6.1.1. If the Participant separates from Employment prior to the first day of the Plan Year in which the Participant attains age 35, the Participant may make such election beginning on the date he or she separates from Employment. This Section 6.2.1 shall not be applicable if Section 6.1.2 applies to a Participant.

6.2.2 Within a reasonable period, but in any event no less than 30 and no more than 90 days prior to each Participant's Benefit Commencement Date, the Administrator shall provide to each Participant a written explanation of the terms and conditions of a Qualified Joint and Survivor Annuity. Such written explanation shall consist of:

(A) the terms and conditions of the Qualified Joint and Survivor Annuity;

(B) the Participant's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity;

(C) the rights of the Participant's Spouse under Section 6.2.4;

(D) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity; and

(E) the relative values of the various optional forms of benefit under the Plan.

The Administrator may, on a uniform and nondiscriminatory basis, provide for such other notices, information or election periods or take such other action as the Administrator considers necessary or appropriate to implement the provisions of this Section 6.2.2.

6.2.3 A Participant may revoke his or her election to take an optional form of benefit, and elect a different form of benefit, at any time prior to the Participant's Benefit Commencement Date.

6.2.4 The election of an optional benefit by a Participant after December 31, 1984, must also be a waiver of a Qualified Joint and Survivor Annuity by the Participant. Any waiver of a Qualified Joint and Survivor Annuity shall not be effective unless (A) the Participant's Spouse consents in writing; (B) the election designates a specific alternate Beneficiary, including any class of Beneficiaries or any contingent Beneficiaries which may not be changed without spousal consent (or the Spouse expressly permits designations by the Participant without any further spousal consent); (C) the Spouse's consent to the waiver is witnessed by a Plan representative or notary public; and (D) the Spouse's consent acknowledges the effect of the election. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity will not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent or the Spouse expressly permits designations without any further spousal consent. Notwithstanding this consent requirement, if the Participant establishes to the satisfaction of a Plan representative that such written consent may not be obtained because there is no Spouse or the Spouse cannot be located, the election will be deemed effective. Any consent necessary under this provision will not be valid with respect to any other Spouse. A consent that permits designations by the Participant without any requirement of further consent by such Spouse must acknowledge that the Spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit, where applicable, and that the Spouse voluntarily elects to relinquish either or both of such rights. Additionally, a revocation of a prior waiver may be made by a Participant without the consent of the Spouse at any time before his or her Benefit Commencement Date. The number of revocations shall not be limited. Any new waiver will require a new consent by the electing Participant's Spouse. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in this Section.

6.2.5 The election of an optional form of benefit which contemplates the payment of an annuity shall not be given effect if any person who would receive benefits under the annuity dies before the Benefit Commencement Date.

6.3 Change in Form of Benefit Payments

Any former Employee whose payments are being deferred or who is receiving installment payments may request acceleration or other modification of the form of benefit distribution, subject to Code Section 401(a)(9), provided that any necessary consent to such change required pursuant to Section 6.2.4 is obtained from the Employee's Spouse. This Section 6.3 shall not apply to any Employee who becomes a Participant on or after January 1, 1989 or to Plans adopted after that date.

6.4 Direct Rollovers

6.4.1 The provisions of this Section 6.4 apply only to distributions made on or after January 1, 1993.

6.4.2 Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section 6.4, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

6.4.3 Definitions - All terms used in this Section 6.4 shall have the meaning set forth below:

(A) Eligible Rollover Distribution: An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except, that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) Eligible Retirement Plan: An Eligible Retirement Plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a) that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the Surviving Spouse, an Eligible Retirement Plan is an

individual retirement account or individual retirement annuity.

(C) Distributee: A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's Surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the Spouse or former Spouse.

(D) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE VII
Death Benefits

7.1 Payment of Account Balances

7.1.1 The benefits payable to the Beneficiary of a Participant who dies while an Employee shall be the Account Balance of all of his or her Accounts including, if applicable, the proceeds of any life insurance contract in effect on the Participant's life in accordance with Section 7.3. The benefits payable to the Beneficiary of a Participant who dies after terminating Employment shall be the vested Account Balance of all of his or her Accounts. Except as otherwise provided in this Article VII, a Beneficiary may request that he or she be paid his or her benefits as soon as practicable after the Participant's death.

7.1.2 If a Participant dies before distribution of his or her entire interest in the Plan has been completed, the remaining interest shall, subject to Section 7.2.5, be distributed to the Participant's Beneficiary in the form, at the time and from among the methods specified in Section 6.1.1 as elected by the Beneficiary in writing filed with the Administrator. If an election is not received by the Administrator within 90 days following the date the Administrator is notified of the Participant's death, the distribution shall be made, if to a Surviving Spouse, in accordance with Section 7.2.5(B), and, if to some other Beneficiary, to the Beneficiary in a lump-sum.

7.1.3 The value of the benefits payable to a Beneficiary shall be determined in accordance with Section 10.6.2. If the value of such death benefit is $3,500 or less, distribution of such benefit shall be made in a lump-sum as soon as practicable following the death of the Participant.

7.2 Beneficiaries

7.2.1 The Administrator shall provide each Participant, within the period described in Section 7.2.1(A) for such Participant. a written explanation of the death benefit in such terms and in such a manner as would be comparable to the explanation provided for meeting the requirements applicable to a Qualified Joint and Survivor Annuity. This Section 7.2.1 shall not be applicable if Section 6.1.2 applies to a Participant.

(A) The period for providing a written explanation of the death benefit for a Participant ends on the latest of the following to occur:

(i) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35;

(ii) a reasonable period ending after the Employee becomes a Participant; or

(iii) a reasonable period ending after Code Section 417 first applies to the Participant.

Notwithstanding the foregoing, notice must be provided within a reasonable period ending after termination of Employment in case of a Participant who terminates Employment before attaining age 35 and who has a vested interest in his or her Account.

(B) For purposes of the preceding paragraph, a reasonable period ending after the enumerated events described in (ii) and (iii) is the end of the two-year period beginning one year prior to the date the applicable event occurs and ending one year after that date. A Participant who has a vested interest in his or her Account and who terminates Employment before the Plan in which age 35 is attained, shall be provided such notice within the two-year period beginning one year prior to and ending one year after termination. If such a Participant returns to Employment, the applicable period for such Participant shall be redetermined.

7.2.2 A Participant shall designate one or more Beneficiaries to whom amounts due after his or her death, other than under the Qualified Joint and Survivor Annuity, shall be paid. In the event a Participant fails to make a proper designation or in the event that no designated Beneficiary survives the Participant, the Participant's Beneficiary shall be the Participant's Surviving Spouse, or if the Participant has no Surviving Spouse, the legal representative of the Participant's estate, as an asset of that estate. A Participant's Beneficiary shall not have any right to benefits under the Plan unless he or she shall survive the Participant.

7.2.3 Any designation of a Beneficiary incorporated into an Annuity Contract or insurance contract shall be governed by the terms of such Annuity Contract or

insurance contract. Any other designation of a Beneficiary must be filed with the Administrator, in a time and manner designated by such Administrator, in order to be effective. Any such designation of a Beneficiary may be revoked by filing a later designation or an instrument of revocation with the Administrator, in a time and manner designated by the Administrator.

7.2.4 Effective after December 31, 1984, a married Participant whose designation of a Beneficiary is someone other than his or her Spouse, including a Beneficiary referred to in the first sentence of Section 7.2.3, or the change of any such Beneficiary to a new Beneficiary other than the Participant's Spouse, shall not be valid unless made in writing and consented to by the Participant's Spouse in such terms and in such a manner as would be comparable to the consent provided for a waiver of the Qualified Joint and Survivor Annuity. The Spouse's consent to such designation must be made in the manner described in Section 6.2.4.

7.2.5 Notwithstanding any other provision of the Plan to the contrary:

(A) If the Participant dies after his or her Benefit Commencement Date, but before distribution of his or her benefit has been completed, the remaining portion of such benefit may continue in the form and over the period in which the distributions were being made, but in any event must continue to be made at least as rapidly as under the method of distribution being used prior to the Participant's death.

(B) If the Participant dies leaving a Surviving Spouse before his or her Benefit Commencement Date, the Participant's benefit shall be payable to the Participant's Surviving Spouse in the form of an annuity for the life of the Surviving Spouse. The preceding sentence shall not apply if, within 90 days following the date the Administrator is notified of the Participant's death, his or her Surviving Spouse elects, by written notice to the Administrator, any other form of benefit payment specified in Section 6.1.1, or the such Surviving Spouse has already consented in a manner described in Section 6.2.4 to a distribution to an alternate Beneficiary designated by the Participant. If the Plan is a profit-sharing plan which meets the requirements of Section 6.1.2, the Surviving Spouse shall receive his or her distribution in the form of a lump-sum unless she or he elects within 90 days following the date the Administrator is notified of the Participant's death, any other form of benefit payment specified in Section 6.1.1, or the Participant's Surviving Spouse has already consented in a manner described in Section 6.2.4 to a distribution to an alternate Beneficiary designated by the Participant. If the Participant's benefit is $3,500 or less, distribution shall be made in the form of a lump-sum comprised of the assets in the Account immediately prior to the distribution if the Account consists of Participant-Directed Assets. If the Account does not consist of Participant-Directed Assets, the distribution shall be in cash. If the Participant's benefit is distributable in the form of an annuity for the life of the Surviving Spouse, the Surviving Spouse may elect to have such annuity distributed immediately.

(C) If the Participant dies before his or her Benefit Commencement Date, the distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made by the designated Beneficiary involved to receive distributions in accordance with (i) or (ii) of this subsection (C) below:

(i) if any portion of the Participant's interest is payable to a designated Beneficiary who is an individual, distributions may be made in substantially equal installments over the life or Life Expectancy, as defined in Section 5.11.1(D), of the designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year of the Participant's death;

(ii) if the designated Beneficiary is the Participant's Surviving Spouse, the date distributions are required to begin in accordance with (i) of this subsection (C) shall not be earlier than the later of December 31 of the calendar year in which the Participant died and December 31 of the calendar year in which the Participant would have attained age 65; and

(iii) if the Surviving Spouse dies before payments begin subsequent distributions shall be made as if the Surviving Spouse had been the Participant.

(D) For purposes of this Section 7.2.5, distribution of a Participant's interest is considered to begin on the Participant's Required Beginning Date, as defined in Section 5.11.1(E). If distribution in the form of an annuity irrevocably commences to the Participant before such Required Beginning Date, the date distribution is considered to begin is the date distribution actually commences.

(E) For purposes of this Section 7.2.5, any amount paid to a child of the Participant will be treated as if it had been paid to the Participant's Surviving Spouse if the amount becomes payable to such Surviving Spouse when the child reaches the age of majority.

(F) If the Participant has not made an election pursuant to this Section 7.2.5 by the time of his or her death, the Participant's designated Beneficiary must elect the method of distribution no later than the earlier of (i) December 31 of the calendar year in which

distributions would be required to begin under this Section or (ii) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated Beneficiary, or if the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

7.3 Life Insurance

7.3.1 With the consent of the Administrator and upon such notice as the Administrator may require, a Participant may direct that a portion of his or her Account be used to pay premiums on life insurance on the Participant's life; provided, however, that (a) the aggregate premiums paid on ordinary life insurance must be less than 50% of the aggregate contributions allocated to the Participant's Employer Accounts, (b) the aggregate premiums paid on term life insurance contracts, universal life insurance contracts and all other life insurance contracts which are not ordinary life insurance may not exceed 25% of the aggregate contributions allocated to the Participant's Employer Account, and (c) the sum of one-half of the premiums paid on ordinary life insurance and the total of all other life insurance premiums may not exceed 25% of the aggregate contributions allocated to the Employer Account of the Participant. For purposes of these limitations, ordinary life insurance contracts are contracts with both non-decreasing death benefits and non-increasing premiums.

7.3.2 The Trustee shall be the owner of each life insurance contract purchased under this Section 7.3 and the proceeds of each such contract shall be payable to the Trustee, provided that all benefits, rights and privileges under each contract on the life of a Participant which are available while the Participant is living shall be exercised by the Trustee only upon and in accordance with the written instructions of the Participant. The proceeds of all such insurance on the life of a Participant shall be paid over by the Trustee to the Participant's Beneficiary in accordance with this Article VII. Under no circumstances shall the Trustee retain any part of the proceeds.

7.3.3 Any dividends or credits earned on a life insurance contract shall be applied when received in reduction of any premiums thereon, or, if no premiums are due, applied to increase the proceeds of the insurance contract.

7.3.4 If a Participant is found by the Administrator to be insurable only at a substandard premium rate, the policy shall provide a reduced death benefit using the same premium as would be required if the Participant were a standard risk, the amount of the death benefit being determined in accordance with the amount of the rating.

7.3.5 The cash surrender value of an insurance contract to the extent deriving from Employer or Participant contributions, if any, shall be included, respectively, in the Account Balance of the Account from which the premiums were paid. Any death benefits under an insurance contract payable before the Participant's termination of Employment will be paid to the Trustee for addition to the relevant Account of the Participant for distribution in accordance with Section 7.1.

7.3.6 Any other provisions herein to the contrary notwithstanding, the purchase of life insurance for any Participant shall be subject to such minimum premium requirements as the Trustee may determine from time to time.

7.3.7 Premiums on life insurance contracts on a Participant's life shall be paid by the Trustee, unless directed otherwise by the Participant, first from cash in the Participant's Employer Accounts to the extent thereof, and then from cash in the Participant's Participant Contributions Accounts, if any, to the extent thereof. If there is insufficient cash in either Account to pay premiums due, the Trustee shall notify the Participant of this fact. If the Participant does not thereafter instruct the Trustee to sell sufficient assets in an Account of the Participant to pay premiums due on a timely basis, the Trustee shall not be obligated to take any further action with respect to any life insurance contract on the Participant's life, whether as regards continuing insurance on a paid-up basis, effecting a reduction of the insurance in force, or otherwise, except at the direction of the Participant.

7.3.8 Prior to such time as a Participant becomes entitled to receive a distribution of any benefits under this Plan for any reason other than the Participant's death, the Trustee shall, pursuant to the written direction of the Participant delivered to the Administrator within such period of time as is acceptable to the Administrator, either convert all life insurance contracts on the Participant's life into cash or an annuity to provide current or future retirement income to the Participant or distribute the contracts to the Participant as a part of a benefit distribution; provided, however, that:

(A) the contracts shall not be distributed unless, if the Participant is married at the time the distribution of the contracts is to be made, and the Plan is a money purchase pension plan, a target benefit plan or a profit-sharing plan to which Section 6.1.2 does not apply, the Participant's Spouse at that time consents to a distribution in the manner prescribed by Section 6.2.4; and

(B) if the cash value of any contracts at the time they become distributable to a Participant exceeds a Participant's vested interest in his or her Employer Accounts at that time, the Participant shall be entitled to receive a distribution of such contracts only if the Participant promptly pays such excess in cash to the Trust Fund.

Life insurance contracts on a Participant's life shall not continue to be maintained under the Plan following the Participant's termination of Employment or after Employer contributions have ceased.

If a Participant on whose life an insurance contract is held does not make a timely and proper direction regarding the contract under this Section 7.3.8, the Participant shall be deemed to have directed that the contract be converted into cash to be distributed in the manner in which the Participant's benefit is to be distributed.

7.3.9 Anything contained herein to the contrary notwithstanding, in the event of any conflict between the terms of the Plan and the terms of any insurance contract purchased under this Section 7.3, the provisions of the Plan shall control.

ARTICLE VIII
FIDUCIARIES

8.1 Named Fiduciaries

8.1.1 The Administrator shall be a "named fiduciary" of the Plan, as that term is defined in ERISA Section 402(a)(2), with authority to control and manage the operation and administration of the Plan, other than authority to manage and control Plan assets. The Administrator shall also be the "administrator" and "plan administrator" with respect to the Plan, as those terms are defined in ERISA Section 3(16)(A) and in Code Section 414(g), respectively.

8.1.2 The Trustee, or Investment Committee if appointed by the Employer, shall be a "named fiduciary" of the Plan, as that term is defined in ERISA Section 402(a)(2), with authority to manage and control all Trust Fund assets and to select an Investment Manager or Investment Managers. If Merrill Lynch Trust Company is the Trustee, it shall be a nondiscretionary trustee; an Investment Committee shall be appointed and shall be the Employer, who may also remove such Investment Committee; and the Investment Committee shall be the "named fiduciary" with respect to Trust Fund assets. Anything in this Section 8.1.2. to the contrary notwithstanding, with respect to Participant-Directed Assets, the Participant or Beneficiary having the power to direct the investment of such assets shall be the "named fiduciary" with respect thereto.

8.1.3 The Trustee, or Investment Committee if appointed by the Employer, shall have the power to make and deal with any investment of the Trust Fund permitted in Section 10.4, except Participant-Directed Assets or assets for which an Investment Manager has such power, in any manner which it deems advisable and shall also:

(A) establish and carry out a funding policy and method consistent with the objectives of the Plan and the requirements of ERISA;

(B) have the power to select Annuity Contracts, if applicable;

(C) have the power to determine, if applicable, what investments specified in Section 10.4, including, without limitation, Qualified Employer Securities and regulated investment company shares, are available as Participant-Directed Assets; and

(D) have all the rights, powers, duties and obligations granted or imposed upon it elsewhere in the Plan.

8.2 Employment of Advisers

A "named fiduciary", with respect to the Plan (as defined in ERISA Section 402(a)(2)) and any "fiduciary" (as defined in ERISA Section 3(4)) appointed by such a "named fiduciary", may employ one or more persons to render advice with regard to any responsibility of such "named fiduciary" or "fiduciary" under the Plan.

8.3 Multiple Fiduciary Capacities

Any "named fiduciary" with respect to the Plan (as defined in ERISA Section 402(a)(2)) and any other "fiduciary" (as defined in ERISA Section 3(4)) with respect to the Plan may serve in more than one fiduciary capacity.

8.4 Indemnification

To the extent not prohibited by state or federal law, the Employer agrees to, and shall indemnify and save harmless, as the case maybe, each Administrator (if a person other than the Employer), Trustee, Investment Committee and/or any Employee, officer or director of the Employer, or an Affiliate, from all claims for liability, loss, damage or expense (including payment of reasonable expenses in connection with the defense against any such claim) which result from any exercise or failure to exercise any of the indemnified person's responsibilities with respect to the Plan, other than by reason of gross negligence.

8.5 Payment of Expenses

8.5.1 All Plan expenses, including without limitation, expenses and fees (including fees for legal services rendered and fees to the Trustee) of the Sponsor, Administrator, Investment Manager, Trustee, and any insurance company, shall be charged against and withdrawn from the Trust Fund; provided, however, the Employer may pay any of such expenses or reimburse the Trust Fund for any payment.

8.5.2 All transactional costs or charges imposed or incurred (if any) for Participant-Directed Assets shall be charged to the Account of the directing Participant or Beneficiary. Transactional costs and charges shall include, but shall not be limited to, charges for the acquisition or sale or exchange of Participant-Directed Assets, brokerage commissions, service charges and professional fees.

8.5.3 Any taxes which may be imposed upon the Trust Fund or the income therefrom shall be deducted from and charged against the Trust Fund.

ARTICLE IX
PLAN ADMINISTRATION

9.1 The Administrator

9.1.1 The Employer may appoint one or more persons as Administrator, who may also be removed by the Employer. If any individual is appointed as Administrator, and the individual is an Employee, the individual will be considered to have resigned as Administrator if he or she terminates Employment and at least one other person continues to serve as Administrator. Employees shall receive no compensation for their services rendered to or as Administrator.

9.1.2 If more than one person is designated as Administrator, the Administrator shall act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting. However, if less than three members are appointed, the Administrators shall act only upon the unanimous consent of its members. An Administrator who is also a Participant shall not vote or act upon any matter relating to himself or herself, unless such person is the sole Administrator.

9.1.3 The Administrator may authorize in writing any person to execute any document or documents on the Administrator's behalf; and any interested person, upon receipt of notice of such authorization directed to it, may thereafter accept and rely upon any document executed by such authorized person until the Administrator shall deliver to such interested person a written revocation of such authorization.

9.2 Powers and Duties of the Administrator

9.2.1 The Administrator shall have the power to construe the Plan and to determine all questions of fact or interpretation that may arise thereunder, and any such construction or determination shall be conclusively binding upon all persons interested in the Plan.

9.2.2 The Administrator shall have the power to promulgate such rules and procedures, to maintain or cause to be maintained such records and to issue such forms as it shall deem necessary and proper for the administration of the Plan.

9.2.3 Subject to the terms of the Plan, the Administrator shall determine the time and manner in which all elections authorized by the Plan shall be made or revoked.

9.2.4 The Administrator shall have all the rights, powers, duties and obligations granted to or imposed upon it elsewhere in the Plan.

9.2.5 The Administrator shall exercise all of its responsibilities in a uniform and nondiscriminatory manner.

9.3 Delegation of Responsibility

The Administrator may designate persons, including persons other than "named fiduciaries" (as defined in ERISA Section 402(a)(2)) to carry out the specified responsibilities of the Administrator and shall not be liable for any act or omission of a person so designated.

ARTICLE X
TRUSTEE AND INVESTMENT COMMITTEE

10.1 Appointment of Trustee and Investment Committee

10.1.1 The Employer shall appoint one or more persons as a Trustee who shall serve as such for all or a portion of the Trust Fund. By executing the Adoption Agreement: (i) the Employer represents that all necessary action has been taken for the appointment of the Trustee; (ii) the Trustee acknowledges that it accepts such appointment; and (iii) both the Employer and the Trustee agree to act in accordance with the Trust provisions contained in this Article X.

10.1.2 An Employee appointed as Trustee or to the Investment Committee shall receive no compensation for services rendered in such capacity and will be considered to have resigned if he or she terminates Employment and at least one other person continues to

act as Trustee or as the Investment Committee, as the case may be. If Merrill Lynch Trust Company is the Trustee, the Employer shall appoint an Investment Committee and Merrill Lynch Trust Company shall be a nondiscretionary trustee.

10.1.3 If more than one person is acting as the Trustee, or as an Investment Committee, such Trustee, or Investment Committee, shall act by a majority of the persons at the time so acting and such action may be taken either by a vote at a meeting or in writing without a meeting. If less than three members are serving, the Trustee, or Investment Committee, shall act only upon the unanimous consent of those serving. The Trustee, or Investment Committee, may authorize in writing any person to execute any document or documents on its behalf, and any interested person, upon receipt of notice of such authorization directed to it, may thereafter accept and rely upon any document executed by such authorized person until the Trustee, or Investment Committee, shall deliver to such interested person a written revocation of such authorization.

10.2 The Trust Fund

The Trustee shall receive such sums of money or other property acceptable to the Trustee which shall from time to time be paid or delivered to the Trustee under the Plan. The Trustee shall hold in the Trust Fund all such assets, without distinction between principal and income, together with all property purchased therewith and the proceeds thereof and the earnings and income thereon. The Trustee shall not be responsible for, or have any duty to enforce, the collection of any contributions or assets to be paid or transferred to it, or for verifying whether contributions or transfers to it are allowable under the Plan, nor shall the Trustee be responsible for the adequacy of the Trust Fund to meet or discharge liabilities under the Plan.

10.2.1 The Trustee shall receive in cash or other assets acceptable to the Trustee, so long as such assets received do not constitute a prohibited transaction, all contributions paid or delivered to it which are allocable under the Plan and to the Trust Fund and all transfers paid or delivered under the Plan to the Trust Fund from a predecessor trustee or another trust (including a trust forming part of another plan qualified under Code Section 401(a); provided, however, that the Trustee shall not be obligated to receive any such contribution or transfer unless prior thereto or coincident therewith, as the Trustee may specify, the Trustee has received such reconciliation, allocation, investment or other information concerning, or such direction, contribution or representation with respect to, the contribution or transfer or the source thereof as the Trustee may require. The Trustee shall have no duty or authority to (a) require any contributions or transfers to be made under the Plan or to the Trustee, (b) compute any amount to be contributed or transferred under the Plan to the Trustee, or (c) determine whether amounts received by the Trustee comply with the Plan.

10.2.2 The Trust Fund shall consist of all money and other property received by the Trustee pursuant to Section 10.2. increased by any income or gains on or increment in such assets and decreased by any investment loss or expense, benefit or disbursement paid pursuant to the Plan.

10.3 Relationship with Administrator

10.3.1 Neither the Trustee, nor the Investment Committee, if any, shall be responsible in any respect for the administration of the Plan. Payments of money or property from the Trust Fund shall be made by the Trustee upon direction from the Administrator or its designee. Payments by the Trustee shall be transmitted to the Administrator or its designee for delivery to the proper payees or to payee addresses supplied by the Administrator or its designee, and the Trustee's obligation to make such payments shall be satisfied upon such transmittal. The Trustee shall have no obligation to determine the identity of persons entitled to payments under the Plan or their addresses.

10.3.2 Directions from or on behalf of the Administrator or its designee shall be communicated to the Trustee or the Trustee's designee for that purpose only in a manner and in accordance with procedures acceptable to the Trustee. The Trustee's designee shall not, however, be empowered to implement any such directions except in accordance with procedures acceptable to the Trustee. The Trustee shall have no liability for following any such directions or failing to act in the absence of any such directions. The Trustee shall have no liability for the acts or omissions of any person making or failing to make any direction under the Plan or the provisions of this Article X nor any duty or obligation to review any such direction, act or omission.

10.3.3 If a dispute arises over the propriety of the Trustee making any payment from the Trust Fund, the Trustee may withhold the payment until the dispute has been resolved by a court of competent jurisdiction or settled by the parties to the dispute. The Trustee may consult legal counsel and shall be fully protected in acting upon the advice of counsel.

10.4 Investment of Assets

10.4.1 Except as provided in Section 10.4.2, investments of the Trust Fund shall be made in the following, but only if compatible with the Sponsor's administrative and operational requirement and framework:

(A) shares of any regulated investment company managed in whole or in part by the Sponsor or any affiliate of the Sponsor;

(B) any property purchased through the Sponsor or any affiliate of the Sponsor, whether or not productive of income or consisting of wasting assets, including, without limitation specification, governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, convertible stocks and securities, shares of regulated investment companies, certificates of deposit, put and call options and other option contracts of any type, foreign or domestic, whether or not traded on any exchange, futures contracts and options on futures contracts traded on or subject to the rules of an exchange which has been designated as a contract market by the Commodity Futures Trading Commission, an independent U.S. government agency, contracts relating to the lending of property, evidences of indebtedness or ownership in foreign corporations or other enterprises, or indebtedness of foreign governments, group trust participations, limited or general partnership interests, insurance contracts, annuity contracts, any other evidences of indebtedness or ownership including oil, mineral or gas properties, royalty interests or rights (including equipment pertaining thereto); and

(C) Qualifying Employer Securities or "qualifying employer real properties" (as that term is defined in ERISA Section 407(d) to the extent permitted in Section 10.4.3).

10.4.2 (A) Up to 25% or with the written consent of the Sponsor or its representative, an additional percentage of each Plan Year's contributions may be invested in property as specified in Section 10.4.1(B) acquired through a person other than the Sponsor or an affiliate of the Sponsor.

(B) Except as permitted by Section 10.4.2 and except as may result from a Rollover Contribution or a trust to trust transfer, without the written consent of the Sponsor or its representative, property may not be acquired through a person other than the Sponsor or an affiliate of the Sponsor if following such acquisitions the value of the property so acquired would exceed 25% of the value of the Trust Fund.

10.4.3 In its sole discretion, the Investment Committee, or Trustee if there is no Investment Committee:

(A) may permit the investment of up to 10% of the Trust Fund in Qualifying Employer Securities or "qualifying employer real property" (as that term is defined in ERISA Section 407(d)), to the extent such investment is compatible with the Sponsor's administrative and operational requirements and framework; and

(B) may determine, subject to Section 10.4.2, that a percentage of assets in excess of 10% of the Trust Fund may be invested in Qualifying Employer Securities or "qualifying employer real property" by a profit-sharing plan.

10.4.4 This Plan will be recognized as a Prototype Plan by the Sponsor only by complying with the provisions of this Section 10.4.

10.5 Investment Direction, Participant-Directed Assets and Qualifying Employer Investments

10.5.1 The Trustee, or Investment Committee if appointed, shall manage the investment of the Trust Fund except insofar as (a) an Investment Manager has authority to manage Trust assets, or (b) Participant-Directed Assets are permitted as specified in the Adoption Agreement. Except as required by ERISA, if an Investment Committee is acting, the Trustee shall invest the Trust Fund as directed by the Investment Committee, an Investment Manager or a Participant or Beneficiary, as the case may be, and the Trustee shall have no discretionary control over, nor any other discretion regarding, the investment or reinvestment of any asset of the Trust. Participant-Directed Assets shall be invested in accordance with the direction of the Participant or, in the event of the Participant's death before an Account is fully paid out, the Participant's Beneficiary with respect to the assets involved; provided, however, that Participant-Directed Assets may not be invested in "collectibles" (as defined in Code Section 408(m)(2)). If there are Participant-Directed Assets, the investment of these assets shall be made in accordance with such rules and procedures established by the Administrator which must be consistent with the rules and procedures of the Sponsor or its affiliate, as the case may be.

10.5.2 With respect to Participant-Directed Assets, neither the Administrator, the Investment Committee nor the Trustee shall:

(A) make any investments or dispose of any investments without the direction of the Participant or Beneficiary for whom the Participant-Directed Assets are maintained, except as provided in Section 8.5 so as to pay fees or expenses of the Plan;

(B) be responsible for reviewing any investment direction with respect to Participant-Directed Assets or for making recommendations on acquiring, retaining or disposing of any assets or otherwise regarding any assets;

(C) have any duty to determine whether any investment is an authorized or proper one; or

(D) be liable for following any investment direction or for any losses, taxes or other consequences incurred as a consequence of investments selected by any Participant or Beneficiary or for holding assets uninvested until it receives proper instructions.

10.5.3 If Participant-Directed Assets are permitted, a list of the Participants and Beneficiaries and such information concerning them as the Trustee may specify shall be provided by the Employer or the Administrator to the Trustee and/or such person as are necessary for the implementation of the directions in accordance with the procedure acceptable to the Trustee.

10.5.4 It is understood that the Trustee may, from time to time, have on hand funds which are received as contributions or transfers to the Trust Fund which are awaiting investment or funds from the sale of Trust Fund assets which are awaiting reinvestment. Absent receipt by the Trustee of a direction from the proper person for the investment or reinvestment of such funds or otherwise prior to the application of funds in implementation of such a direction, the Trustee shall cause such funds to be invested in shares of such money market fund or other short term investment vehicle as the Trustee, or Investment Committee if appointed, may specify for this purpose from time to time. Any such investment fund may be sponsored, managed or distributed by the Sponsor or an affiliate of the Sponsor.

10.5.5 Directions for the investment or reinvestment of Trust assets of a type referred to in Section 10.4 from the Investment Committee, an Investment Manager or a Participant or Beneficiary, as the case may be, shall, in a manner and in accordance with procedures acceptable to the Trustee, be communicated to and implemented by, as the case may be, the Trustee, the Trustee's designee or, with the Trustees consent and if an Investment Committee is operating, a broker/dealer designated for the purpose by the Investment Committee. Communication of any such direction to such a designee or broker/dealer shall conclusively be deemed an authorization to the designee or broker/dealer to implement the direction even though coming from a person other than the Trustee. The Trustee shall have no liability for its or any other person's following such directions or failing to act in the absence of any such directions. The Trustee shall have no liability for the acts or omissions of any person directing the investment or reinvestment of Trust Fund assets or making or failing to make any direction referred to in Section 10.5.6.

10.5.6 The voting and other rights in securities or other assets held in the Trust shall be exercised by the Trustee provided, however, that if an Investment Committee is appointed, the Trustee shall act as directed by such person who at the time has the right to direct the investment or reinvestment of the security or other asset involved.

10.5.7 With respect to any Qualifying Employer Securities allocated to an Account, each Participant shall be entitled to direct the Trustee in writing as to the manner in which Qualifying Employer Securities are to be voted.

10.5.8 With respect to any Qualifying Employer Securities allocated to an Account, each Participant shall be entitled to direct the Trustee in writing as to the manner in which to respond to a tender or exchange offer or other decisions with respect to the Qualifying Employer Securities. The Administrator shall utilize its best efforts to timely distribute or cause to be distributed to each Participant such information received from the Trustee as will be distributed to shareholders of the Employer in connection with any such tender or exchange offer or other similar matter or any vote referred to in Section 10.5.7.

10.5.9 If an Investment Committee is appointed, notwithstanding any provision hereof to the contrary, in the event the person with the right to direct a voting or other decision with respect to any security. Qualifying Employer Securities, or other asset held in the Trust does not communicate any decision on the matter to the Trustee or the Trustee's designee by the time prescribed by the Trustee or the Trustee's designee for that purpose or if the Trustee notifies the Investment Committee, if applicable, either that it does not have precise information as to the securities, Qualifying Employer Securities, or other assets involved allocated on the applicable record date to the accounts of all Participants and Beneficiaries or that time constraints make it unlikely that Participant, Beneficiary or Investment Manager direction, as the case may be, can be received on a timely basis, the decision shall be the responsibility of the Investment Committee and shall be communicated to the Trustee on a timely basis. In the event an Investment Committee with any right under the Plan to direct a voting or other decision with respect to any security, Qualifying Employer Securities, or other asset held in the Trust, does not communicate any decision on the matter to the Trustee or the Trustee's designee by the time prescribed by the Trustee for that purpose, the

Trustee may, at the cost of the Employer, retain an Investment Manager with full discretion to make the decision. Except as required by ERISA, the Trustee shall (a) follow all directions above referred to in this Section and (b) shall have no duty to exercise voting or other rights relating to any such security, Qualifying Employer Security or other asset.

10.5.10 The Administrator shall establish, or cause to be established, a procedure acceptable to the Trustee for the timely dissemination to each person entitled to direct the Trustee or its designee as to a voting or other decision called for thereby or referred to therein of all proxy and other materials bearing on the decision.

10.5.11 Any person authorized to direct the investment of Trust assets may, if the Trustee and the Investment Committee, if applicable, so permit, direct the Trustee to invest such assets in a common or collective trust maintained by the Trustee for the investment of assets of qualified trusts under section 401(a) of the Code, individual retirement accounts under section 408(a) of the Code and plans or governmental units described in section 818(a)(6) of the Code. The documents governing any such common or collective trust fund maintained by the Trustee, and in which Trust assets have been invested, are hereby incorporated into this Article X by reference.

10.6 Valuation of Accounts

10.6.1 A Participant's Accounts shall be valued at fair market value on each Valuation Date. Subject to Section 10.6.2(A), as of each Valuation Date, the earnings and losses and expenses of the Trust Fund shall be allocated to each Participant Account in the ratio that such Account Balance in that category of Accounts bears to all Account Balances in that category. With respect to Participant-Directed Assets, the earnings and losses and expenses (including transactional expenses pursuant to Section 8.5.2) of such Participant-Directed Assets shall be allocated to the Account of the Participant or Beneficiary having authority to direct the investment of the assets in his or her Account.

10.6.2 The Valuation Date with respect to any distributions (including, without limitation, loan distributions and purchase of annuities) from any Account upon the occurrence of a Benefit Commencement Date or otherwise, shall be:

(A) with respect to Participant-Directed Asset, the date as of which the Account distribution is made; and

(B) with respect to other assets, the Valuation Date immediately preceding the Benefit Commencement Date, if applicable, or immediately preceding the proposed date of any other distribution from an Account.

With respect to any contribution allocable to an Account which has not been made as of a Valuation Date determined pursuant to this Section 10.6.2, the principal amount of such contribution distributable because of the occurrence of a Benefit Commencement Date shall be distributed as soon as practicable after the date paid to the Trust Fund.

10.6.3 The assets of the Trust shall be valued at fair market value as determined by the Trustee based upon such sources of information as it may deem reliable, including, but not limited to, stock market quotations, statistical evaluation services, newspapers of general circulation, financial publications, advice from investment counselors or brokerage firms, or any combination of sources. The reasonable costs incurred in establishing values of the Trust Fund shall be a charge against the Trust Fund, unless paid by the Employer.

When the Trustee is unable to arrive at a value based upon information from independent sources, it may rely upon information from the Employer, Administrator, Investment Committee, appraisers or other sources, and shall not incur any liability for inaccurate valuation based in good faith upon such information.

10.7 Insurance Contracts

The Trustee, if an Investment Committee is not appointed, Investment Committee, or Participant or Beneficiary with respect to Participant-Directed Assets, may appoint one or more insurance companies to hold assets of the Plan, and may direct, subject to Section 7.3, the purchase of insurance contracts or policies from one or more insurance companies with assets of the Plan. Neither the Investment Committee, Trustee nor the Administrator shall be liable for the validity of any such contract or policy, the failure of any insurance company to make any payments or for any act or omission of an insurance company with respect to any duties delegated to any insurance company.

10.8 The Investment Manager

10.8.1 The Trustee, if an Investment Committee is not appointed, Investment Committee, or the Participant or Beneficiary with respect to Participant-Directed Assets, may, by an instrument in writing, appoint one or more Investment Managers, who may be an affiliate of the Merrill Lynch Trust Company, to direct the Trustee in the investment of all or a specified portion of the assets of the Trust in property specified in Section 10.4. Any such Investment Manager shall be

directed by the Trustee, if an Investment Committee is not appointed, Investment Committee, Participant or Beneficiary, as the case may be, to act in accordance with the procedures referred to in Section 10.5.5. If appointed, the Investment Committee shall notify the Trustee in writing before the effectiveness of the appointment or removal of any Investment Manager. If there is more than one Investment Manager whose appointment is effective under the Plan at any one time, the Trustee shall upon written instructions from the Investment Committee, Participant or Beneficiary, establish separate funds for control by each such Investment Manager. The funds shall consist of those Trust Fund assets designated by the investment Committee, Participant or Beneficiary.

10.8.2 Each person appointed as an Investment Manager shall be:

(A) an investment adviser registered under the Investment Advisers Act of 1940,

(B) a bank as defined in that Act, or

(C) an insurance company qualified to manage, acquire or dispose of any asset of the Plan under the laws of more than one state.

10.8.3 Each Investment Manager shall acknowledge in writing that it is a "fiduciary" (as defined in ERISA Section 3(21)) with respect to the Plan. The Trustee, or the Investment Committee if appointed, shall enter into an agreement with each Investment Manager specifying the duties and compensation of such Investment Manager and the other terms and conditions under which such Investment Manager shall be retained. Neither the Trustee nor the Investment Committee, if appointed, shall be liable for any act or omission of any Investment Manager and shall not be liable for following the advice of any Investment Manager with respect to any duties delegated to any Investment Manager.

10.8.4 The Trustee, or investment Committee if appointed, or the Participant or Beneficiary, if applicable with respect to Participant-Directed Assets, shall have the power to determine the amount of Trust Fund assets to be invested pursuant to the direction of a designated Investment Manager and to set investment objectives and guidelines for the Investment Manager.

10.8.5 Second Trust Fund. The Employer may appoint a second trustee under the Plan with respect to assets which the Employer desires to contribute or have transferred to the Trust Fund, but which the other Trustee does not choose to accept; provided, however, that if a Merrill Lynch Trust Company is a Trustee, its consent (which consent may be evidenced by its acceptance of its appointment as Trustee) shall be required. In the event and upon the effectiveness of the acceptance of the second Trustee's appointment, the Employer shall be deemed to have created two trust funds under the Plan, each with its own Trustee, each governed separately by this Article X. Each Trustee under such an arrangement shall, however, discharge its duties and responsibilities solely with respect to those assets of the Trust delivered into its possession and except pursuant to ERISA, shall have no duties, responsibilities or obligations with respect to property of the other Trust nor any liability for the acts or omissions of the other Trustee. As a condition to its consent to the appointment of a second trustee, the Merrill Lynch Trust Company shall assure that recordkeeping, distribution and reporting procedures are established on a coordinated basis between it and the second trustee as considered necessary or appropriate with respect to the Trusts.

10.9 Powers of Trustee

10.9.1 At the direction of the person authorized to direct such action as referred to in Section 10.5.1, but limited to those assets or categories of assets acceptable to the Trustee as referred to in Section 10.4, or at its own discretion if no such person is so authorized, the Trustee, or the Trustee's designee or a broker/dealer as referred to in Section 10.5.5, is authorized and empowered:

(A) To invest and reinvest the Trust Fund, together with the income therefrom, in assets specified in Section 10.4;

(B) To deposit or invest all or any part of the assets of the Trust in savings accounts or certificates of deposit or other deposits in a bank or savings and loan association or other depository institution, including the Trustee or any of its affiliates, provided with respect to such deposits with the Trustee or an affiliate the deposits bear a reasonable interest rate;

(C) To hold, manage, improve, repair and control all property, real or personal, forming part of the Trust Fund; to sell, convey, transfer, exchange, partition, lease for any term, even extending beyond the duration of this Trust, and otherwise dispose of the same from time to time;

(D) To have, respecting securities, all the rights, powers and privileges of an owner, including the power to give proxies, pay assessments and other sums deemed by the Trustee necessary for the protection of the Trust Fund, to vote any corporate stock either in person or by proxy, with or without power of substitution, for any purpose; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and

liquidations, and in connection therewith to deposit securities with or transfer title to any protective or other committee; to exercise or sell stock subscriptions or conversion rights; and, regardless of any limitation elsewhere in this instrument relative to investments by the Trustee, to accept and retain as an investment any securities or other property received through the exercise of any of the foregoing powers;

(E) Subject to Section 10.5.4 hereof, to hold in cash, without liability for interest, such portion of the Trust Fund which it is directed to so hold pending investments, or payment of expenses, or the distribution of benefits;

(F) To take such actions as may be necessary or desirable to protect the Trust from loss due to the default on mortgages held in the Trust including the appointment of agents or trustees in such other jurisdictions as may seem desirable, to transfer property to such agents or trustees, to grant to such agents such powers as are necessary or desirable to protect the Trust Fund. to direct such agent or trustee, or to delegate such power to direct, and to remove such agent or trustee;

(G) To settle, compromise or abandon all claims and demands in favor of or against the Trust Fund;

(H) To invest in any common or collective trust fund of the type referred to in Section 10.5.8 hereof maintained by the Trustee;

(I) To exercise all of the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under the laws of the State of New Jersey, so that the powers conferred upon the Trustee herein shall not be in limitation of any authority conferred by law, but shall be in addition thereto;

(J) To borrow money from any source and to execute promissory notes, mortgages or other obligations and to pledge or mortgage any trust assets as security, subject to applicable requirements of the Code and ERISA; and

(K) To maintain accounts at, execute transactions through, and lend on an adequately secured basis stocks, bonds or other securities to, any brokerage or other firm, including any firm which is an affiliate of the Trustee.

10.9.2 To the extent necessary or which it deems appropriate to implement its powers under Section 10.9.1 or otherwise to fulfill any of its duties and responsibilities as trustee of the Trust Fund, the Trustee shall have the following additional powers and authority:

(A) to register securities, or any other property, in its name or in the name of any nominee, including the name of any affiliate or the nominee name designated by any affiliate, with or without indication of the capacity in which property shall be held, or to hold securities in bearer form and to deposit any securities or other property in a depository or clearing corporation;

(B) to designate and engage the services of, and to delegate powers and responsibilities to, such agents, representatives, advisers, counsel and accountants as the Trustee considers necessary or appropriate, any of whom may be an affiliate of the Trustee or a person who renders services to such an affiliate, and, as a part of its expenses under this Trust Agreement, to pay their reasonable expenses and compensation;

(C) to make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases or other instruments in writing necessary or appropriate for the accomplishment of any of the powers listed in this Trust Agreement; and

(D) generally to do all other acts which the Trustee deems necessary or appropriate for the protection of the Trust Fund.

10.9.3 The Trustee shall have no duties or responsibilities other than those specified in the Plan.

10.10 Accounting and Records

10.10.1 The Trustee shall maintain or cause to be maintained accurate records and accounts of all Trust transactions and assets. The records and accounts shall be available at reasonable times during normal business hours for inspection or audit by the Administrator, Investment Committee, if appointed, or any person designated for the purpose by either of them.

10.10.2 Within 90 days following the close of each fiscal year of the Plan or the effective date of the removal or resignation of the Trustee, the Trustee shall file with the Administrator a written accounting setting forth all transactions since the end of the period covered by the last previous accounting. The accounting shall include a listing of the assets of the Trust showing the value of such assets at the close of the period covered by the accounting. On direction of the Administrator, and if previously agreed to by the Trustee, the Trustee shall submit to the Administrator interim valuations, reports or other information pertaining to the Trust.

The Administrator may approve the accounting by written approval delivered to the Trustee or by failure to deliver written objections to the Trustee within 60

days after receipt of the accounting. Any such approval shall be binding on the Employer, the Administrator, the Investment Committee and, to the extent permitted by ERISA, all other persons.

10.11 Judicial Settlement of Accounts

The Trustee can apply to a court of competent jurisdiction at any time for judicial settlement of any matter involving the Plan including judicial settlement of the Group Trustee's account. If it does so, the Trustee must give the Administrator the opportunity to participate in the court proceedings, but the Trustee can also involve other persons. Any expenses the Trustee incurs in legal proceedings involving the Plan, including attorney's fees, are chargeable to the Trust Fund as an administrative expense. Any judgment or decree which may be entered in such a proceeding, shall, subject to the provision of ERISA, be conclusive upon all persons having or claiming to have any interest in the Trust Fund or under any Plan.

10.12 Resignation and Removal of Trustee

10.12.1 The Trustee may resign at any time upon at least 30 days' written notice to the Employer.

10.12.2 The Employer may remove the Trustee upon at least 30 days' written notice to the Trustee.

10.12.3 Upon resignation or removal of the Trustee, the Employer shall appoint a successor trustee. Upon failure of the Employer to appoint, or the failure of the effectiveness of the appointment by the Employer of, a successor trustee by the effective date of the resignation or removal, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor.

Promptly after receipt by the Trustee of notice of the effectiveness of the appointment of the successor trustee: (a) the Trustee shall deliver to the successor trustee such records as may be reasonably requested to enable the successor trustee to properly administer the Trust Fund and all property of the Trust after deducting therefrom such amounts as the Trustee deems necessary to provide for expenses, taxes, compensation or other amounts due to or by the Trustee not paid by the Employer prior to the delivery; and (b) except if the second Trustee is removed or resigns, the Plan will no longer be considered a prototype plan.

10.12.4 Upon resignation or removal of the Trustee, the Trustee shall have the right to a settlement of its account, which settlement shall be made, at the Trustee's option, either by an agreement of settlement between the Trustee and the Employer or by a judicial settlement in an action instituted by the Trustee. The Employer shall bear the cost of any such judicial settlement including reasonable attorneys fees.

10.12.5 The Trustee shall not be obligated to transfer Trust assets until the Trustee is provided assurance by the Employer satisfactory to the Trustee that all fees and expenses reasonably anticipated will be paid.

10.12.6 Upon settlement of the account and transfer of the Trust Fund to the successor trustee, all rights and privileges under the Trust Agreement shall vest in the successor trustee and all responsibility and liability of the Trustee with respect to the Trust and assets thereof shall, except as otherwise required by ERISA, terminate subject only to the requirement that the Trustee execute all necessary documents to transfer the Trust assets to the successor trustee.

10.13 Group Trust

10.13.1 If elected by the Employer in the Adoption Agreement, the Trustee shall be the Trustee for this Plan and for each other qualified plan specified in the Adoption Agreement; provided, however, that such other qualified plan is in effect pursuant to an Adoption Agreement under this Prototype Plan. Any reference to Trustee and to the Trust Fund in this Plan shall mean the Trustee as the trustee of a Group Trust consisting of the assets of each such plan. The Plan and each other qualified plan specified in the Adoption Agreement shall be deemed to join in and adopt the Trust as the trust for each such plan. By executing the Adoption Agreement the Trustee accepts designation as Trustee of this Group Trust.

10.13.2 The Trustee shall establish and maintain such accounting records for each of the Plans as shall be necessary to reflect the interest in the Group Trust applicable at any time or from time to time to each Plan. No part of the corpus or income of the Group Trust allocable to an individual Plan may be used for or diverted to any purposes other than for the exclusive benefit of Participants and their Beneficiaries entitled to benefits under that Plan. The allocable interest of a Plan in the Group Trust may not be assigned.

ARTICLE XI
PLAN AMENDMENT OR TERMINATION

11.1 Prototype Plan Amendment

11.1.1 The mass submitter, Merrill Lynch, Pierce, Fenner & Smith Incorporated and any successor thereto, may amend any part of the Prototype Plan. For purposes of sponsoring organization amendments, the mass submitter shall be recognized as the agent of the sponsoring organization. If the sponsoring organization does not adopt the amendments made by

the mass submitter, it will no longer be identical to or a minor modifier of the mass submitter plan.

11.1.2 An Employer shall have the right at any time, by an instrument in writing, effective retroactively or otherwise, to (A) change the choice of options in the Adoption Agreement, in whole or in part (B) add overriding language in the Adoption Agreement when such language is needed to satisfy Code Section 415 or Code Section 416 because of the required aggregation of multiple plans; and (C) add certain model amendments published by the Internal Revenue Service which specifically provide that their adoption will not cause the Plan to be treated as individually designed. No such amendment, however, shall have any of the effects specified in Section 11.2.1. If the adopting Employer amends the Plan or nonelective portions of the Adoption Agreement except as previously provided, it will no longer participate in the Prototype Plan, but will be considered to have an individually designed plan for purposes of qualification under Code Section 401(a). In the event the Employer is switching from an individually designed plan or from one prototype plan to another, a list of the Section 411(d)(6) protected benefits' that must be preserved may be attached, and such a list would not be considered an amendment to the plan.

11.1.3 This Plan will be recognized as a Prototype Plan by the Sponsor only by complying with the registration requirements as specified in the Adoption Agreement.

11.2 Plan Amendment

11.2.1 Except as provided in Section 11.2.2, no amendment pursuant to Section 11.1 shall:

(A) authorize any part of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries;

(B) decrease the accrued benefits of any Participant or his or her Beneficiary under the Plan; An amendment which has the effect of (1) eliminating or reducing an Early Retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit payment with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance), or a plant shutdown benefit (that does not continue after retirement age).

(C) reduce the vested percentage of any Participant determined without regard to such amendment as of the later of the date such amendment is adopted or the date it becomes effective;

(D) eliminate an optional form of benefit distribution with respect to benefits attributable to service before the amendment; or

(E) change the vesting schedule, or in any way amend the Plan to either directly or indirectly affect the computation of a Participant's vested percentage, unless each Participant having not less than 3 years of Vesting Service is permitted to elect, within a reasonable period specified by the Administrator after the adoption of such amendment, to have his or her vested percentage computed without regard to such amendment.

For Participants who do not have at least one Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "5 Years of Vesting Service" for "3 Years of Vesting Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted and shall end on the later of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective; or

(iii) 60 days after the Participant is issued written notice by the Administrator.

11.2.2 Anything contained in this Section 11.2 to the contrary notwithstanding, a Participant's benefit may be reduced to the extent permitted under Code Section 412(c)(8).

11.3 Right of the Employer to Terminate Plan

11.3.1 The Employer intends and expects that from year to year it will be able to and will deem it advisable to continue this Plan in effect and to make contributions as herein provided. The Employer reserves the right, however, to terminate the Plan with respect to its Employees at any time by an instrument in writing delivered to the Administrator and the Trustee, or to completely discontinue its contributions thereto at any time.

11.3.2 The Plan will also terminate: (A) if the Employer is a sole proprietorship, upon the death of the sole proprietor; (B) if the Employer is a partnership, upon termination of the partnership; (C) if the Employer is judicially declared bankrupt or insolvent; (D) upon the sale or other disposition of all or substantially all of the assets of the business; or (E) upon any other termination of the business. Any successor to or purchaser of the Employer's trade or

business, after any event specified in the prior sentence, may continue the Plan, in which case the successor or purchaser will thereafter be considered the Employer for purposes of the Plan. Such a successor or purchaser shall execute an appropriate Adoption Agreement if and when requested by the Administrator.

11.3.3 Anything contained herein to the contrary notwithstanding, if the Employer fails to attain or retain qualification of the Plan under Code Section 401(a), the Plan will not participate in this Prototype Plan and will, instead, be considered an individually designed plan for purposes of such qualification.

11.4 Effect of Partial or Complete Termination or Complete Discontinuance of Contributions

11.4.1 Determination of Date of Complete or Partial Termination. The date of complete or partial termination shall be established by the Administrator in accordance with the directions of the Employer (if then in existence) in accordance with applicable law.

11.4.2 Effect of Termination.

(A) As of the date of a partial termination of the Plan:

(i) the accrued benefit of each affected Participant, to the extent funded, shall become nonforfeitable;

(ii) no affected Participant shall be granted credit based on Hours of Service after such date;

(iii) Compensation paid to affected Participants after such date shall not be taken into account; and

(iv) no contributions by affected Participants shall be required or permitted.

(B) As of the date of the complete termination of the Plan or of a complete discontinuance of contributions:

(i) the accrued benefit of each affected Participant to the extent funded, shall become nonforfeitable;

(ii) no affected Participant shall be granted credit based on Hours of Service after such date;

(iii) Compensation paid after such date shall not be taken into account;

(iv) no contributions by affected Participants shall be required or permitted;

(v) no Eligible Employee shall become a Participant after such date; and

(vi) except as may otherwise be required by applicable law, all obligations of the Employer and Participating Affiliates to fund the Plan shall terminate.

(C) All other provisions of the Plan shall remain in effect unless otherwise amended.

11.4.3 Upon the complete discontinuance of profit-sharing contributions under the Plan at the Employer's election, either the Trust Fund shall continue to be held and distributed as if the Plan had not been terminated (in which case such Plan shall continue to be subject to all requirements under Title I of ERISA, and qualification requirements under the Code) or any and all assets remaining in the Trust Fund as of the date of such termination or discontinuance, together with any earnings subsequently accruing thereon, shall be distributed by the Trustee to the Participants at the Administrator's direction. Upon the complete termination of the Plan, the Trust Fund shall be distributed to Participants within one year after the date of termination. If the Plan does not offer an annuity option (purchased from a commercial provider) and if the Employer or any Affiliate does not maintain another Defined Contribution Plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the Participant's benefit may, without the Participant's consent, be distributed to the Participant. However, if any Affiliate maintains another Defined Contribution Plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), then the Participant's Account(s) will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution. Distributions shall be made in compliance with the applicable provisions, including restrictions, of Articles VI and VII. The Trust Fund shall continue in effect until all distributions therefrom are complete. Upon the completion of such distributions, the Trustee shall be relieved from all further liability with respect to all amounts so paid or distributed.

11.5 Bankruptcy

In the event that the Employer shall at any time be judicially declared bankrupt or insolvent without any provisions being made for the continuation of this Plan, the Plan shall be completely terminated in accordance with this Article XI.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 Exclusive Benefit of Participants

Notwithstanding anything in the Plan to the contrary, the Trust Fund shall be held for the benefit of all persons who shall be entitled to receive payments

under the Plan. Subject to Section 3.10, it shall be prohibited at any time for any part of the Trust Fund (other than such part as is required to pay expenses) to be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries.

12.2 Plan Not a Contract of Employment

The Plan is not a contract of Employment, and the terms of Employment of any Employee shall not be affected in any way by the Plan or related instruments except as specifically provided therein.

12.3 Action by Employer

Any action by an Employer which is a corporation shall be taken by the board of directors of the corporation or any person or persons duly empowered to exercise the powers of the corporation with respect to the Plan. In the case of an Employer which is a partnership, action shall be taken by any general partner of the partnership, and in the case of an Employer which is a sole proprietorship, action shall be taken by the sole proprietor.

12.4 Source of Benefits

Benefits under the Plan shall be paid or provided for solely from the Trust Fund, and neither the Employer, any Participating Affiliate, the Trustee, the Administrator, nor any Investment Manager or insurance company shall assume any liability under the Plan therefor.

12.5 Benefits Not Assignable

Benefits provided under the Plan may not be assigned or alienated, either voluntarily or involuntarily. In the event that a Participant or Beneficiary becomes individually liable with respect to any expenses listed in Section 8.5, the provision of Section 401(a)(13) of the Code shall be applicable with respect to any claim the Plan may have against the Participant or Beneficiary individually with respect to such expenses. The preceding sentence shall also apply to the creation, assignment or recognition of a right to any benefit payable with respect to a Participant pursuant to a "domestic relations order" (as defined in Code Section 414(p)) unless such order is determined by the Administrator to be a "qualified domestic relations order" (as defined in Code Section 4l4(p)) or, in the case of a "domestic relations order" entered before January 1, 1985, if either payment of benefits pursuant to the order has commenced as of that date or the Administrator decides to treat such order as a "qualified domestic relations order" within the meaning of Code Section 414(p) even if it does not otherwise qualify as such.

12.6 Domestic Relations Orders

Any other provision of the Plan to the contrary notwithstanding, the Administrator shall have all powers necessary with respect to the Plan for the proper operation of Code Section 414(p) with respect to "qualified domestic relations orders" (or "domestic relations orders" treated as such) referred to in Section 12.5, including, but not limited to, the power to establish all necessary or appropriate procedures, to authorize the establishment of new accounts with such assets and subject to such investment control by the Administrator as the Administrator may deem appropriate, and the Administrator may decide upon and direct appropriate distributions therefrom.

12.7 Claims Procedure

In the event that a claim by a Participant, Beneficiary, or other person for benefits under the Plan is denied, the Administrator will so notify the claimant, giving the reasons for the denial. This notice will also refer to the specific provisions of the Plan on which the denial was based, will specify whether any additional information is needed from the Participant or Beneficiary and will explain the review procedure.

Within 60 days after receiving the denial, the claimant may submit, directly or through a duly authorized representative, a written request for reconsideration of the application to the Administrator. Documents or records relied on by the claimant should be filed with the request. The person making the request may review relevant documents and submit issues and additional comments in writing.

The Administrator will review the claim within 60 days (or 120 days if a hearing is held because special circumstances exist) and provide a written response to the appeal. The response will explain the reasons for the decision and will refer to the Plan provisions on which the decision is based. The decision of the Administrator is the final one under this claims procedure.

12.8 Records and Documents; Errors

Participants and Beneficiaries must supply the Administrator with such personal history data as may be required by the Administrator in the operation of the Plan. Proof of age, when required, must be established by evidence satisfactory to the Administrator, and the records of the Employer and Participating Affiliates concerning length of service and compensation may be accepted by the Administrator as conclusive for the purposes of the Plan. Should any error in the records maintained under the Plan result in any Participant or Beneficiary receiving from the Plan more or less than he or she would have been entitled to receive had the records

been correct, the Administrator, in its discretion, may correct such error and, as far as practicable, may adjust benefits in such manner that the aggregate value of the benefit under the Plan shall be the amount to which such Participant or Beneficiary was properly entitled.

12.9 Benefits Payable to Minors, Incompetents and Others

In the event any benefit is payable to a minor or to a Participant or Beneficiary declared incompetent by a court having jurisdiction over such matters and a guardian, committee, conservator or other legal representative of the estate of such a person is appointed, benefits to which he or she is entitled shall be paid to the legally appointed person. The receipt by any such person to whom any such payment on behalf of any Participant or Beneficiary is made shall be a sufficient discharge therefor.

12.10 Plan Merger or Transfer of Assets

12.10.1 The merger or consolidation of the Employer with any other person, or the transfer of the assets of the Employer to any other person, or the merger of the Plan with any other plan shall not constitute a termination of the Plan if provision is made for the continuation of the Plan.

12.10.2 The Plan may not merge or consolidate with, or transfer any assets or liabilities to, any other plan, unless each Participant would (if the Plan had then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated). Any merger or consolidation shall not constitute a termination of a Plan or require the acceleration of vesting of Participant's Account Balances.

12.11 Participating Affiliates

12.11.1 With the consent of the Employer and by duly authorized action, any Affiliate may adopt the Plan. Such Affiliate shall determine the classes of its Employees who shall be Eligible Employees and the amount of its contribution to the Plan on behalf of such Employees.

12.11.2 With the consent of the Employer and by duly authorized action, a Participating Affiliate may terminate its participation in the Plan or withdraw from the Plan. Any such withdrawal shall be deemed an adoption by such Participating Affiliate of a plan and trust identical to the Plan and the Trust, except that all references to the Employer shall be deemed to refer to such Participating Affiliate. At such time and in such manner as the Employer directs, the assets of the Trust allocable to Employees of such Participating Affiliate shall be transferred to the trust deemed adopted by such Participating Affiliate.

12.11.4 A Participating Affiliate shall have no power with respect to the Plan except as specifically provided herein.

12.12 Controlling Law

The Plan is intended to qualify under Code Section 401(a) and to comply with ERISA. and its terms shall be interpreted accordingly. Otherwise, to the extent not preempted by ERISA, the laws of the State of New York shall control the interpretation and performance of the terms of the Plan.

12.13 Singular and Plural and Article and Section References

As used in the Plan, the singular includes the plural, and the plural includes the singular, unless qualified by the context. Titles of Articles and Sections of the Plan are for convenience of reference only and are to be disregarded in applying the provisions of the Plan. Any reference in this Prototype Plan to an Article or Section is to the Article or Section so specified of the Prototype Plan, unless otherwise indicated.

Exhibit 10.52

MERRILL LYNCH

SPECIAL

PROTOTYPE DEFINED

CONTRIBUTION PLAN

ADOPTION AGREEMENT

401(k) PLAN

EMPLOYEE THRIFT PLAN

PROFIT-SHARING PLAN

Letter Serial Number: D359287b
National Office Letter Date: 6/29/93

This Prototype Plan and Adoption Agreement are important legal instruments with legal and tax implications for which the Sponsor, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, does not assume responsibility. The Employer is urged to consult with its own attorney with regard to the adoption of this Plan and its suitability to its circumstances.

Adoption of Plan

The Employer named below hereby establishes or restates a profit-sharing plan that includes a |X| 401(k), |X| profit-sharing and/or |_| thrift plan feature (The "Plan") by adopting the Merrill Lynch Special Prototype Defined Contribution Plan and Trust as modified by the terms and provisions of this Adoption Agreement.

Employer and Plan Information

Employer Name:* Corporate Property Investors

Business Address: 305 East 47th Street

New York, NY 10017

Telephone Number: (212) 421-8200

Employer Taxpayer ID Number: 04-6268599

Employer Taxable Year ends on: December 31st

Plan Name: Corporate Property Investors Employee 401(k) Savings Plan

Plan Number: 001

	401(k)	Profit Sharing	Thrift
Effective Date of Adoption or Restatement:	01/01/98	01/01/98	__/__/__
Original Effective Date:	01/01/90	01/01/90	__/__/__

If this Plan is a continuation or an amendment of a prior plan, all optional forms of benefits provided in the prior plan must be provided under this Plan to any Participant who had an account balance, whether or not vested, in the prior plan.

- ----------

* If there are any Participating Affiliates in this Plan, list below the proper name of each Participating Affiliate.

_____.

_____.

_____.

ARTICLE I. Definitions

A. "Compensation"

(1) With respect to each Participant, except as provided below, Compensation shall mean the (select all those applicable for each column):

401(k)and/ or Thrift	Profit Sharing	
|_|	|_|	(a) amount reported in The "Wages Tips and Other Compensation" Box on Form W-2 for the applicable period selected in Item 5 below.
|X|	|X|	(b) compensation for Code Section 415 safe-harbor purposes (as defined in Section 3.9.1 (H)(i) of basic plan document #03) for the applicable period selected in Item 5 below.
|_|	|_|	(c) amount reported pursuant to Code Section 3401(a) for the applicable period selected in Item 5 below.
|_|	|_|	(d) all amounts received (under either option (a) or (b) above) for personal services rendered to the Employer but excluding (select one):

\|_\| overtime
\|_\| bonuses
\|_\| commissions
\|_\| amounts in excess of $_____
\|_\| other (specify) _____.

(2) Treatment of Elective Contributions (select one):

\|X\| (a) For purposes of contributions, Compensation shall include Elective Deferrals and amounts excludable from the gross income of the Employee under Code Section 125, Code Section 402(e)(3), Code Section 402(h) or Code Section 403(b) ("elective contributions").

\|_\| (b) For purposes of contributions, Compensation shall not include "elective contributions."

(3) CODA Compensation (select one):

\|X\| (a) For purposes of the ADP and ACP Tests, Compensation shall include "elective contributions."

\|_\| (b) For purposes of the ADP and ACP Tests, Compensation shall not include "elective contributions."

(4) With respect to Contributions to an Employer Contributions Account, Compensation shall include all Compensation (select one):

|X| (a) during the Plan Year in which the Participant enters the Plan.

|_| (b) after the Participant's Entry Date.

(5) The applicable period for determining Compensation shall be (select one):

|X| (a) the Plan Year.

|_| (b) the Limitation Year.

|_| (c) the consecutive 12-month period ending on _____.

B. "Disability"

(1) Definition

Disability shall mean a condition which results in the Participant's (select one):

|X| (a) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

|_| (b) total and permanent inability to meet the requirements of the Participant's customary employment which can be expected to last for a continuous period of not less than 12 months.

|_| (c) qualification for Social Security disability benefits.

|_| (d) qualification for benefits under the Employer's long-term disability plan.

(2) Contributions Due to Disability (select one):

|X| (a) No contributions to an Employer Contributions Account will be made on behalf of a Participant due to his or her Disability.

|_| (b) Contributions to an Employer Contributions Account will be made on behalf of a Participant due to his or her Disability provided that: the Employer elected option (a) or (c) above as the definition of Disability, contributions are not made on behalf of a Highly Compensated Employee, the contribution is based on the Compensation each such Participant would have received for the Limitation Year if the Participant had been paid at the rate of Compensation paid immediately before his or her Disability, and contributions made on behalf of such Participant will be nonforfeitable when made.

C "Early Retirement" is (select one):

|X| (1) not permitted.

|_| (2) permitted if a Participant terminates Employment before Normal Retirement Age and has (select one):

|_| (a) attained age _____.

|_| (b) attained age _____ and completed _____ Years of Service.

|_| (c) attained age _____ and completed _____ Years of Service as a Participant.

D. "Eligible Employees" (select one):

|_| (1) All Employees are eligible to participate in the Plan.

|X| (2) The following Employees are not eligible to participate in the Plan (select all those applicable):

|X| (a) Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer or a Participating Affiliate and the Employee representatives (not including any organization more than half of whose members are Employees who are owners, officers, or executives of the Employer or Participating Affiliate) in the negotiation of which retirement benefits were the subject of good faith bargaining, unless the bargaining agreement provides for participation in the Plan.

|X| (b) non-resident aliens who received no earned income from the Employer or a Participating Affiliate which constitutes income from sources within the United States.

|_| (c) Employees of an Affiliate.

|_| (d) Employees employed in or by the following specified division, plant, location, job category or other identifiable individual or group of Employees: _____.

E. "Entry Date" Entry Date shall mean (select as applicable):

401(k) and/or Thrift	Profit Sharing	
|_|	|_|	(1) If the initial Plan Year is less than twelve months, the _____ day of _____ and thereafter.
|_|	|_|	(2) the first day of the Plan Year following the date the Employee meets the eligibility requirements. If the Employer elects this option (2) establishing only one Entry Date, the eligibility "age and service" requirements elected in Article II must be no more than age 20-1/2 and 6 months of service.
|_|	|_|	(3) the first day of the month following the date the Employee meets the eligibility requirements.
|_|	|_|	(4) the first day of the Plan Year and the first day of the seventh month of the Plan Year following the date the Employee meets the eligibility requirements.
|X|	|X|	(5) the first day of the Plan Year, the first day of the fourth month of the Plan Year, the first day of the seventh month of the Plan Year, and the first day of the tenth month of the Plan Year following the date the Employee meets the eligibility requirements.
|_|	|_|	(6) other: provided that the Entry Date or Dates selected are no later than any of the options above.

F. "Hours of Service"

Hours of Service for the purpose of determining a Participant's Period of Severance and Year of Service shall be determined on the basis of the method specified below:

(1) Eligibility Service: For purposes of determining whether a Participant has satisfied the eligibility requirements, the following method shall be used (select one):

401(k) and/or Thrift	Profit Sharing	
|_|	|_|	(a) elapsed time method
|X|	|X|	(b) hourly records method

(2) Vesting Service: A Participant's nonforfeitable interest shall be determined on the basis of the method specified below (select one):

|_| (a) elapsed time method

|X| (b) hourly records method

|_| (c) If this item (c) is checked, the Plan only provides for contributions that are always 100% vested and this item (2) will not apply.

(3) Hourly Records: For the purpose of determining Hours of Service under the hourly record method (select one):

|X| (a) only actual hours for which an Employee is paid or entitled to payment shall be counted.

|_| (b) an Employee shall be credited with 45 Hours of Service if such Employee would be credited with at least 1 Hour of Service during the week.

G. "Integration Level"

|X| (1) This Plan is not integrated with Social Security.

|_| (2) This Plan is integrated with Social Security. The Integration Level shall be (select one):

|_| (a) the Taxable Wage Base.
|_| (b) $_____ (a dollar amount less than the Taxable Wage Base).
|_| (c) _____% of the Taxable Wage Base (not to exceed 100%).
|_| (d) the greater of $10,000 or 20% of the Taxable Wage Base.

H. "Limitation Compensation"

For purposes of Code Section 415, Limitation Compensation shall be compensation as determined for purposes of (select one):

|X| (1) Code Section 415 Safe-Harbor as defined in Section 3.9.1(H)(i) of basic plan document #03.

|_| (2) the "Wages, Tips and Other Compensation" Box on Form W-2.

|_| (3) Code Section 3401(a) Federal Income Tax Withholding.

I. "Limitation Year"

For purposes of Code Section 415, the Limitation Year shall be (select one):

|X| (1) the Plan Year.
|_| (2) the twelve consecutive month period ending on the _____ day of the month of _____.

J. "Net Profits" are (select one):

|X| (1) not necessary for any contribution.

|_| (2) necessary for (select all those applicable):

|_| (a) Profit-Sharing Contributions.
|_| (b) Matching 401(k) Contributions.
|_| (c) Matching Thrift Contributions.

K. "Normal Retirement Age"

Normal Retirement Age shall be (select one):

|X| (1) attainment of age 65 (not more than 65) by the Participant.

|_| (2) attainment of age (not more than 65) by the participant or the _____ anniversary (not more than the 5th) of the first day of the Plan Year in which the Eligible Employee became a Participant, whichever is later.

|_| (3) attainment of age _____ (not more than 65) by the Participant or the _____ anniversary (not more than the 5th) of the first day on which the Eligible Employee performed an Hour of Service, whichever is later.

L. "Participant Directed Assets" are:

401(k) and/ or Thrift	Profit Sharing	
|X|	|X|	(1) permitted.
|_|	|_|	(2) not permitted.

M. "Plan Year"

The Plan Year shall end on the 31st day of December.

N. "Predecessor Service"

Predecessor service will be credited (select one):

|_| (1) only as required by the Plan.

|X| (2) to include, in addition to the Plan requirements and subject to the limitations set forth below, service with the following predecessor employer(s) determined as if such predecessors were the Employer: Pembrook Management, Inc.

Service with such predecessor employer applies [select either or both (a) and/or (b); (c) is only available in addition to (a) and/or (b)]:

|X| (a) for purposes of eligibility to participate;
|X| (b) for purposes of vesting;
|_| (c) except for the following service: _____.

0. "Valuation Date"

Valuation Date shall mean (select one for each column, as applicable):

401(k) and/or Thrift	Profit Sharing	
|_|	|_|	(1) the last business day of each month.
|_|	|_|	(2) the last business day of each quarter within the Plan Year.
|_|	|_|	(3) the last business day of each semi-annual period within the Plan Year.
|_|	|_|	(4) the last business day of the Plan Year.
|X|	|X|	(5) other: daily basis.

ARTICLE II. Participation

Participation Requirements

An Eligible Employee must meet the following requirements to become a Participant (select one or more for each column, as applicable):

401(k)and/or Thrift	Profit Sharing	
|_|	|_|	(1) Performance of one Hour of Service.
|_|	|_|	(2) Attainment of age _____ (maximum 20 1/2) and completion of _____ (not more than 1/2) Years of Service. If this item is selected, no Hours of Service shall be counted.
|X|	|X|	(3) Attainment of age 21 (maximum 21) and completion of 1 Year(s) of Service. If more than one Year of Service is selected, the immediate 100% vesting schedule must be selected in Article VII of this Adoption Agreement.

401(k) and/ or Thrift Profit Sharing

|_| |_| (4) Attainment of age _____ (maximum 21) and completion of _____ Years of Service. If more than one Year of Service is selected, the immediate 100% vesting schedule must be selected in Article VII of this Adoption Agreement.

|_| |_| (5) Each Employee who is an Eligible Employee on _____ will be deemed to have satisfied the participation requirements on the effective date without regard to such Eligible Employee's actual age and/or service.

ARTICLE III. 401(k) Contributions and Account Allocation

A. Elective Deferrals

If selected below, a Participant's Elective Deferrals will be (select all applicable):

|X| (1) a dollar amount or a percentage of Compensation, as specified by the Participant on his or her 401(k) Election form, which may not exceed 15% of his or her Compensation.

|_| (2) with respect to bonuses, such dollar amount or percentage as specified by the Participant on his or her 401(k) Election form with respect to such bonus.

B. Matching 401(k) Contributions

If selected below, the Employer may make Matching 401(k) Contributions for each Plan Year (select one):

|X| (1) Discretionary Formula:

Discretionary Matching 401(k) Contribution equal to such a dollar amount or percentage of Elective Deferrals, as determined by the Employer, which shall be allocated (select one):

|_| (a) based on the ratio of each Participant's Elective Deferral for the Plan Year to the total Elective Deferrals of all Participants for the Plan Year. If inserted, Matching 401(k) Contributions shall be subject to a maximum amount of $_____ for each Participant or ____% of each Participant's Compensation.

|X| (b) in an amount not to exceed 100% of each Participant's first 15% of Compensation contributed as Elective Deferrals for the Plan Year. If any Matching 401(k) Contribution remains, it is allocated to each such Participant in an amount not to exceed _____% of the next ____% of each Participant's Compensation contributed as Elective Deferrals for the Plan Year.

Any remaining Matching 401(k) Contribution shall be allocated to each such Participant in the ratio that such Participant's Elective Deferral for the Plan Year bears to the total Elective Deferrals of all such Participants for the Plan Year. If inserted, Matching 401(k) Contributions shall be subject to a maximum amount of $_____ for each Participant or _____% of each Participant's Compensation.

|_| (2) Nondiscretionary Formula:

A nondiscretionary Matching 401(k) Contribution for each Plan Year equal to (select one):

|_| (a) _____% of each Participant's Compensation contributed as Elective Deferrals. If inserted, Matching 401(k) Contributions shall be subject to a maximum amount of $_____ for each Participant or ____% of each Participant's Compensation.

|_| (b) _____% of the first _____% of the Participant's Compensation contributed as Elective Deferrals and _____% of the next _____% of the Participant's Compensation contributed as Elective Deferrals. If inserted, Matching 401(k) Contributions shall be subject to a maximum amount of $ _____ for each Participant or _____% of each Participant's Compensation.

C. Participants Eligible for Matching 401(k) Contribution Allocation

The following Participants shall be eligible for an allocation to their Matching 401(k) Contributions Account (select all those applicable):

|X| (1) Any Participant who makes Elective Deferrals.

|_| (2) Any Participant who satisfies those requirements elected by the Employer for an allocation to his or her Employer Contributions Account as provided in Article IV Section C.

|_| (3) Solely with respect to a Plan in which Matching 401(k) Contributions are made quarterly (or on any other regular interval that is more frequent than annually) any Participant whose 401(k) Election is in effect throughout such entire quarter (or other interval). _____ (quarterly, monthly or semi-annual)

D. Qualified Matching Contributions

If selected below, the Employer may make Qualified Matching Contributions for each Plan Year (select all those applicable):

(1) In its discretion, The Employer may make Qualified Matching Contributions on behalf of (select one):

|_| (a) all Participants who make Elective Deferrals in that Plan Year.

|X| (b) only those Participants who are Nonhighly Compensated Employees and who make Elective Deferrals for that Plan Year.

(2) Qualified Matching Contributions will be contributed and allocated to each Participant in an amount equal to (select one):

|_| (a) ____% of the Participant's Compensation contributed as Elective Deferrals. If inserted, Qualified Matching Contributions shall not exceed _____% of the Participant's Compensation.

|X| (b) Such an amount, determined by the Employer, which is needed to meet the ACP Test.

(3) In its discretion, the Employer may elect to designate all or any part of Matching 401(k) Contributions as Qualified Matching Contributions that are taken into account as Elective Deferrals -- included in the ADP Test and excluded from the ACP Test -- on behalf of (select one):

|_| (a) all Participants who make Elective Deferrals for that Plan Year.

|X| (b) Only Participants who are Nonhighly Compensated Employees who make Elective Deferrals for that Plan Year.

E. Qualified Nonelective Contributions

If selected below, the Employer may make Qualified Nonelective Contributions for each Plan Year (select all those applicable):

(1) In its discretion, the Employer may make Qualified Nonelective Contributions on behalf of (select one):

|_| (a) all Eligible Participants.

|X| (b) only Eligible Participants who are Nonhighly Compensated Employees.

(2) Qualified Nonelective Contributions will be contributed and allocated to each Eligible Participant in an amount equal to (select one):

|_| (a) _____% (no more than 15%) of the Compensation of each Eligible Participant eligible to share in the allocation.

|X| (b) Such an amount determined by the Employer, which is needed to meet either the ADP Test or ACP Test.

(3) At the discretion of the Employer, as needed and taken into account as Elective Deferrals included in the ADP Test on behalf of (select one):

|_| (a) all Eligible Participants.

|X| (b) only those Eligible Participants who are Nonhighly Compensated Employees.

F. Elective Deferrals used in ACP Test (select one):

|X| (1) At the discretion of the Employer, Elective Deferrals may be used to satisfy the ACP Test.

|_| (2) Elective Deferrals may not be used to satisfy the ACP Test.

G. Making and Modifying a 401(k) Election

An Eligible Employee shall be entitled to increase, decrease or resume his or her Elective Deferral percentage with the following frequency during the Plan Year (select one):

|_| (1) annually.
|_| (2) semi-annually.
|X| (3) quarterly.
|_| (4) monthly
|_| (5) other (specify): _____.

Any such increase, decrease or resumption shall be effective as of the first payroll period coincident with or next following the first day of each period set forth above. A Participant may completely discontinue making Elective Deferrals at any time effective for the payroll period after written notice is provided to the Administrator.

ARTICLE IV. Profit-Sharing Contributions and Account Allocation

A. Profit-Sharing Contributions

If selected below, the following contributions for each Plan Year will be made:

Contributions to Employer Contributions Accounts (select one):

|X| (a) Such an amount, if any, as determined by the Employer.
|_| (b) _____% of each Participant's Compensation.

B. Allocation of Contributions to Employer Contributions Accounts (select one):

|X| (1) Non-Integrated Allocation

The Employer Contributions Account of each Participant eligible to share in the allocation for a Plan Year shall be credited with a portion of the contribution, plus any forfeitures if forfeitures are reallocated to Participants, equal to the ratio that the Participant's Compensation for the Plan Year bears to the Compensation for that Plan Year of all Participants entitled to share in the contribution.

|_| (2) Integrated Allocation

Contributions to Employer Contributions Accounts with respect to a Plan Year, plus any forfeitures if forfeitures are reallocated to Participants, shall be allocated to the Employer Contributions Account of each eligible Participant as follows:

(a) First, in the ratio that each such eligible Participant's Compensation for the Plan Year bears to the Compensation for that Plan Year of all eligible Participants but not in excess of 3% of each Participant's Compensation.

(b) Second, any remaining contributions and forfeitures will be allocated in the ratio that each eligible Participant's Compensation for the Plan Year in excess of the Integration Level bears to all such Participants' excess Compensation for the Plan Year but not in excess of 3%.

(c) Third, any remaining contributions and forfeitures will be allocated in the ratio that the sum of each Participant's Compensation and Compensation in excess of the Integration Level bears to the sum of all Participants' Compensation and Compensation in excess of the Integration Level, but not in excess of the Maximum Profit-Sharing Disparity Rate (defined below).

(d) Fourth, any remaining contributions or forfeitures will be allocated in the ratio that each Participant's Compensation for that year bears to all Participants' Compensation for that year.

The Maximum Profit-Sharing Disparity Rate is equal to the lesser of:

(a) 2.7% or

(b) The applicable percentage determined in accordance with the following table:

If the Integration Level is (as a % of the Taxable Wage Base ("TWB")).	The applicable percentage is:
20% (or $10,000 if greater) or less of the TWB	2.7%
More than 20% (but not less than $10,001 but not more than 80% of the TWB	1.3%
More than 80% but not less than 100% of the TWB	2.4%
100% of the TWB	2.7%

C. Participants Eligible for Employer Contribution Allocation

The following Participants shall be eligible for an allocation to their Employer Contributions Account (select all those applicable):

|X| (1) Any Participant who was employed during the Plan Year.

|_| (2) In the case of a Plan using the hourly record method for determining Vesting Service, any Participant who was credited with a Year of Service during the Plan Year.

|_| (3) Any Participant who was employed on the last day of the Plan Year.

|_| (4) Any Participant who was on a leave of absence on the last day of the Plan Year.

|_| (5) Any Participant who during the Plan Year died or became Disabled while an Employee or terminated employment after attaining Normal Retirement Age.

|_| (6) Any Participant who was credited with at least 501 Hours of Service whether or not employed on the last day of the Plan Year.

|_| (7) Any Participant who was credited with at least 1,000 Hours of Service and was employed on the last day of the Plan Year.

ARTICLE V. Thrift Contributions

A. Employee Thrift Contributions

If selected below, Employee Thrift Contributions, which are required for Matching Thrift Contributions, may be made by a Participant in an amount equal to (select one):

|_| (1) A dollar amount or a percentage of the Participant's Compensation which may not be less than ____% nor may not exceed _____% of his or her Compensation.

|_| (2) An amount not less than _____% of and not more than _____% of each Participant's Compensation.

B. Making and Modifying an Employee Thrift Contribution Election

A Participant shall be entitled to increase, decrease or resume his or her Employee Thrift Contribution percentage with the following frequency during the Plan Year (select one):

|_| (1) annually
|_| (2) semi-annually
|_| (3) quarterly
|_| (4) monthly
|_| (5) other (specify): _____.

Any such increase, decrease or resumption shall be effective as of the first payroll period coincident with or next following The first day of each period set forth above. A Participant may completely discontinue making Employee Thrift Contributions at any time effective for the payroll period after written notice is provided to the Administrator.

C. Thrift Matching Contributions

If selected below, the Employer will make Matching Thrift Contributions for each Plan Year (select one):

|_| (1) Discretionary Formula:

A discretionary Matching Thrift Contribution equal to such a dollar amount or percentage as determined by the Employer, which shall be allocated (select one):

|_| (a) based on the ratio of each Participant's Employee Thrift Contribution for the Plan Year to the total Employee Thrift Contributions of all Participants for the Plan Year. If inserted, Matching Thrift Contributions shall be subject to a maximum amount of $_____ for each Participant or _____% of each Participant's Compensation.

|_| (b) in an amount not to exceed _____% of each Participant's first _____% of Compensation contributed as Employee Thrift Contributions for the Plan Year. If any Matching Thrift Contribution remains, it is allocated to each such Participant in an amount not to exceed _____% of the next _____% of each Participant's Compensation contributed as Employee Thrift Contributions for the Plan Year.

Any remaining Matching Thrift Contribution shall be allocated to each such Participant in the ratio that such Participant's Employee Thrift Contributions for the Plan Year bears to the total Employee Thrift Contributions of all such Participants for the Plan Year. If inserted, Matching Thrift Contributions shall be subject to a maximum amount of $_____ for each Participant or _____% of each Participant's Compensation.

|_| (2) Nondiscretionary Formula:

A nondiscretionary Matching Thrift Contribution for each Plan Year equal to (select one):

|_| (a) _____% of each Participant's Compensation contributed as Employee Thrift Contributions. If inserted, Matching Thrift Contributions shall be subject to a maximum amount of $_____ for each Participant or _____% of each Participant's Compensation.

|_| (b) _____% of the first _____% of the Participant's Compensation contributed as Employee Thrift Contributions and _____% of the next _____% of the Participant's Compensation contributed as Employee Thrift Contributions. If inserted, Matching Thrift Contributions shall be subject to a maximum amount of $ _____ for each Participant or _____% of each Participant's Compensation.

D. Qualified Matching Contributions

If selected below, the Employer may make Qualified Matching Contributions for each Plan Year (select all those applicable);

(1) In its discretion, the Employer may make Qualified Matching Contributions on behalf of (select one):

|_| (a) all Participants who make Employee Thrift Contributions.

|_| (b) only those Participants who are Nonhighly Compensated Employees and who make Employee Thrift Contributions.

(2) Qualified Matching Contributions will be contributed and allocated to each Participant in an amount equal to:

|_| (a) _____% of the Participant's Employee Thrift Contributions. If inserted, Qualified Matching Contributions shall not exceed _____% of the Participant's Compensation.

|_| (b) such an amount, determined by the Employer, which is needed to meet the ACP Test.

ARTICLE VI. Participant Contributions

Participant Voluntary Nondeductible Contributions

Participant Voluntary Nondeductible Contributions are (select one):

|_| (a) permitted.

|X| (b) not permitted.

ARTICLE VII. Vesting

A. Employer Contribution Accounts

(1) A Participant shall have a vested percentage in his or her Profit-Sharing Contributions, Matching 401(k) Contributions and/or Matching Thrift Contributions, if applicable, in accordance with the following schedule (Select one):

Matching 401(k) and/or Matching Thrift contributions	Profit-Sharing Contributions	
|X|	|X|	(a) 100% vesting immediately upon participation.
|_|	|_|	(b) 100% after _____ (not more than 5) years of Vesting Service.
|_|	|_|	(c) Graded vesting schedule:
_____%	_____%	after 1 year of Vesting Service;
_____%	_____%	after 2 years of Vesting Service;
_____%	_____%	(not less than 20%) after 3 years of Vesting Service;
_____%	_____%	(not less than 40%) after 4 years of Vesting Service;
_____%	_____%	(not less than 60%) after 5 years of Vesting Service;
_____%	_____%	(not less than 80%) after 6 years of Vesting Service;

100% after 7 years of Vesting Service.

(2) Top Heavy Plan

Matching 401(k) and/or Matching Thrift Contributions	Profit-Sharing contributions	
Vesting Schedule (Select one):		
|X|	|X|	(a) 100% vesting immediately upon participation.
|_|	|_|	(b) 100% after _____ (not more than 3) years of Vesting Service.
|_|	|_|	(c) Graded vesting schedule:
_____%	_____%	after 1 year of Vesting Service;
_____%	_____%	(not less than 20%) after 2 years of Vesting Service;
_____%	_____%	(not less than 40%) after 3 years of Vesting Service;
_____%	_____%	(not less than 60%) after 4 years of Vesting Service;
_____%	_____%	(not less than 80%) after 5 years of Vesting Service;
100% after 6 years of Vesting Service.		

Top Heavy Ratio:

(a) If the adopting Employer maintains or has ever maintained a qualified defined benefit plan, for purposes of establishing present value to compute the top-heavy ratio, any benefit shall be discounted only for mortality and interest based on the following:

Interest Rate:	8%
Mortality Table:	UP '84

(b) For purposes of computing the top-heavy ratio, the valuation date shall be the last business day of each Plan Year.

B. Allocation of Forfeitures

Forfeitures shall be (select one from each applicable column):

Matching 401(k) and/or Matching Thrift Contributions	Profit-Sharing Contributions	
|_|	|_|	(1) used to reduce Employer contributions for succeeding Plan Year.
|_|	|_|	(2) allocated in the succeeding Plan Year in the ratio which the Compensation of each Participant for the Plan Year bears to the total Compensation of all Participants entitled to share in the Contributions. If the Plan is integrated with Social Security, forfeitures shall be allocated in accordance with the formula elected by the Employer.

C. Vesting Service

For purposes of determining Years of Service for Vesting Service [select (1) or (2) and/or (3)]:

|X| (1) All Years of Service shall be included.

|_| (2) Years of Service before the Participant attained age 18 shall be excluded.

|_| (3) Service with the Employer prior to the effective date of the Plan shall be excluded.

ARTICLE VIII. Deferral of Benefit Distributions, In-Service Withdrawals and Loans

A. Deferral of Benefit Distributions

401(k)and/or Thrift	Profit Sharing	
|_|	|_|	If this item is checked, a Participant's vested benefit in his or her Employer Accounts shall be payable as soon as practicable after the earlier of: (1) the date the Participant terminates Employment due to Disability or (2) the end of the Plan Year in which a terminated Participant attains Early Retirement Age, if applicable, or Normal Retirement Age.

B. In-Service Distributions

|X| (1) In-service distributions may be made from any of the Participant's vested Accounts at any time upon or after the occurrence of the following events (select all applicable):

|X| (a) a Participant's attainment of age 59-1/2.

|X| (b) due to hardships as defined in Section 5.9 of the Plan.

|_| (2) In-service distributions are not permitted.

C. Loans are:

401(k) and/or Thrift	Profit Sharing	
|X|	|X|	(1) permitted.
|_|	|_|	(2) not permitted.

ARTICLE IX. Group Trust

|_| If this item is checked, the Employer elects to establish a Group Trust consisting of such Plan assets as shall from time to time be transferred to the Trustee pursuant to Article X of the Plan. The Trust Fund shall be a Group Trust consisting of assets of this Plan plus assets of the following plans of the Employer or of an Affiliate: _____.

ARTICLE X. Miscellaneous

A. Identification of Sponsor

The address and telephone number of the Sponsor's authorized representative is 800 Scudders Mill Road, Plainsboro, New Jersey 08536; (609) 282-2272. This authorized representative can answer inquiries regarding the adoption of the Plan, the intended meaning of any Plan provisions, and the effect of the opinion letter.

The Sponsor will inform the adopting Employer of any amendments made to the Plan or the discontinuance or abandonment of the Plan.

B. Plan Registration

1. Initial Registration

This Plan must be registered with the Sponsor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, in order to be considered a Prototype Plan by the Sponsor. Registration is required so that the Sponsor is able to provide the Administrator with documents, forms and announcements relating to the administration of the Plan and with Plan amendments and other documents, all of which relate to administering the Plan in accordance with applicable law and maintaining compliance of the Plan with the law.

The Employer must complete and sign the Adoption Agreement. Upon receipt of the Adoption Agreement, the Plan will be registered as a Prototype Plan of Merrill Lynch, Pierce, Fenner & Smith Incorporated. The Adoption Agreement will be countersigned by an authorized representative and a copy of the countersigned Adoption Agreement will be returned to the Employer.

2. Registration Renewal

Annual registration renewal is required in order for the Employer to continue to receive any and all necessary updating documents. There is an annual registration renewal fee in the amount set forth with the initial registration material. The adopting Employer authorizes Merrill Lynch, Pierce, Fenner & Smith Incorporated, to debit the account established for the Plan for payment of agreed upon annual fee; provided, however, if the assets of an account are invested solely in Participant-Directed Assets, a notice for this annual fee will be sent to the Employer annually. The Sponsor reserves the right to change this fee from time to time and will provide written notice in advance of any change.

C. Prototype Replacement Plan

This Adoption Agreement is a replacement prototype plan for the (1) Merrill Lynch Special Prototype Defined Contribution Plan and Trust - 401(k) Plan #03-004 and (2) Merrill Lynch Asset Management, Inc., Special Prototype Defined Contribution Plan and Trust - 401(k) Plan Adoption Agreement #03-004.

D. Reliance

The adopting Employer may not rely on the opinion letter issued by the National Office of the Internal Revenue Service as evidence that this Plan is qualified under Code Section 401. In order to obtain reliance, the Employer must apply to the appropriate Key District Director of the Internal Revenue Service for a determination letter with respect to the Plan.

EMPLOYER'S SIGNATURE

Name of Employer: Corporate Property Investors (x)

By: /s/ Joseph H. Greenbaum (x)
Authorized Signature

Joseph H. Greenbaum (x)
Print Name

Asst. Treasurer (x)
Title

Dated: Dec 9, 1997 (x)

TO BE COMPLETED BY MERRILL LYNCH:

Sponsor Acceptance:

Subject to the terms and conditions of the Prototype Plan and this Adoption Agreement, this Adoption Agreement is accepted by Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Prototype Sponsor.

Authorized
Signature: /s/ Joseph T. Donahue

TRUSTEE(S) SIGNATURE

This Trustee Acceptance is to be completed only if the Employer appoints one or more Trustees and does not appoint a Merrill Lynch Trust Company as Trustee.

The undersigned hereby accept all of the terms, conditions, and obligations of appointment as Trustee under the Plan. If the Employer has elected a Group Trust in this Adoption Agreement, the undersigned Trustee(s) shall be the Trustee(s) of the Group Trust.

AS TRUSTEE:

- ---------- (x)	---------- (x)
(Signature)	(print or type name)
- ---------- (x)	---------- (x)
(Signature)	(print or type name)
- ---------- (x)	---------- (x)
(Signature)	(print or type name)
- ---------- (x)	---------- (x)
(Signature)	(print or type name)

Dated: _____, 19__(x)

THE MERRILL LYNCH TRUST COMPANIES AS TRUSTEE

This Trustee Acceptance and designation of Investment Committee are to be completed only when a Merrill Lynch Trust Company is appointed as Trustee.

To be completed by the Employer:

Designation Of Investment Committee

The Investment Committee for the Plan is (print or type names):

Name: Joseph H. Greenbaum

Name: Robert D. Lowen Fish

Name: William T. Lyons

Name:

To be completed by Merrill Lynch Trust Company:

Acceptance By Trustee:

The undersigned hereby accept all of the terms, conditions, and obligations of appointment as Trustee under the Plan. If the Employer has elected a Group Trust in this Adoption Agreement, the undersigned Trustee(s) shall be the Trustee(s) of the Group Trust.

SEAL MERRILL LYNCH TRUST COMPANY [of New York]

By: /s/ Merrill Lynch Trust Company

Dated: 1/1, 1998

THE MERRILL LYNCH TRUST COMPANIES AS ONE OF THE TRUSTEES

This Trustee Acceptance is to be completed only if, in addition to a Merrill Lynch Trust Companies as Trustee, the Employer appoints an additional Trustee of a second trust fund.

The undersigned hereby accept all of the terms, conditions, and obligations of appointment as Trustee under the Plan. If the Employer has elected a Group Trust in this Adoption Agreement, the undersigned Trustee(s) shall be the Trustee(s) of the Group Trust.

as TRUSTEE

- ---------- ----------
(Signature) (print or type name)

Dated: _____, 19__

SEAL MERRILL LYNCH TRUST COMPANY [_____]

By: _____

Dated: _____, 19__

DESIGNATION OF INVESTMENT COMMITTEE

The Investment Committee for the Plan is (print or type names):

Name:

Name:

Name:

Name:

EXHIBIT 10.53

May 1, 1992

Employee Share Purchase Plan Contract

CPI's Employee Share Purchase Plan, as amended, authorizes the CPI Compensation Committee to award authorized but unissued Series A Common Shares of CPI ("Common Shares") for purchase by employees in accordance with the terms of the Plan. The Committee has awarded Common Shares for purchase by you and we understand you desire to so purchase such Shares. Accordingly, you and CPI hereby agree as follows:

1. CPI hereby sells to you, and you purchase from CPI, - authorized but unissued Common Shares of CPI at a price of $151.83 per Share (the present "Fair Market Value of a Common Share" as hereinafter defined), receipt of which is acknowledged by CPI. The Common Shares so purchased by you are hereinafter called "your Plan Shares". Certificates for your Plan Shares, bearing appropriate legends consistent with the provisions hereof, are being delivered to you in exchange for (a) your delivery to CPI of your Five Year Recourse Note in the form of Exhibit A hereto (the "Note") payable to CPI in a principal amount equal to $91.10 for each such Plan Share and (b) your assumption of a permanent restriction (the "Permanent Restriction") in an amount equal to $60.73 for each such Plan Share as provided in paragraphs 3 and 4 below.

You hereby authorize CPI to apply dividends and distributions on your Plan Shares to payments of principal and interest on the Note, in each case to the extent required for such payments when due. As indicated in Exhibit A the Note will become due on the earlier of May 1, 1997, or the expiration of 12 months after your employment by CPI shall terminate, unless such termination is for reasons of death or disability or of retirement after reaching age 60 in which case the Note will

not mature until May 1, 1997, and the Note will bear interest on the unpaid principal amount thereof as provided therein.

2. Your ownership of your Plan Shares will "vest" over a period of four years at the rate of 25% per annum, with the initial 25% of such Shares vesting on May 1, 1993, and an additional 25% of such Shares vesting on each succeeding May 1, through 1996, all subject to the reserved right of the Compensation Committee in their discretion to change such vesting schedule. Your ownership of your Plan Shares will in any event vest in full upon your death or upon a "Change in Control of CPI".

3. You agree that

(a) if at any time you desire to sell any of your vested Plan Shares, you will sell such Shares only to CPI and at an amount per Share (which CPI agrees to pay) equal to the then Fair Market Value of a Common Share of CPI minus the sum of the amount of the Permanent Restriction for such Share and the then unpaid Per Share Amount of the Note; and

(b) if your employment by CPI shall terminate for any reason, you will have the right to request CPI to purchase from you (in which case CPI will purchase from you) all your Plan Shares which are then "vested" at a price for each Share equal to the excess of the then Fair Market Value of a Common Share over the sum of the Permanent Restriction for such Share and the then unpaid Per Share Amount of the Note and you will immediately sell to CPI, and it will purchase from you, all your Plan Shares which are not "vested" at a price for each share equal to the lesser of the then Fair Market Value of a Common Share of CPI or $151.83 minus the sum of the Permanent Restriction for such Share and the then unpaid Per Share amount of the Note.

Upon any sale of your Plan Shares to CPI pursuant to this paragraph 3, a principal amount of the Note equal to the then unpaid Per Share Amount of the Note (less any excess of (a) the original Per Share Amount of the Note over (b) the Fair Market Value of a Common Share at the time of purchase by CPI decreased by the Permanent Restriction) times the number of your Plan Shares so purchased by CPI will be cancelled and deemed paid.

4. The Plan Shares will not be transferable except to CPI in accordance with Paragraph 3 above and except to your spouse or to a trust or trusts for the

benefit of your spouse or children or to a corporation or partnership all the equity interests in which are owned by you, your spouse or children but, in the event of any such transfer, such transferee will be required to acknowledge and agree that the Plan Shares so transferred will remain subject to the provisions of paragraph 3 and will not be transferable except as permitted by this paragraph 4.

5. At any time after the earlier of May 1, 1993, or the termination of your employment by CPI due to death or disability or to retirement after age 60, you will have the right at your election to surrender to CPI any of the Plan Shares which shall be vested and to request CPI to cancel the same and in exchange to (a) issue to you such number of full Common Shares not subject to a Permanent Restriction as is equal to (i) an amount equal to the excess of the then aggregate Fair Market Value of the Common Shares so surrendered over the aggregate Permanent Restrictions for the surrendered Shares, divided by (ii) the then Fair Market Value of a Common Share of CPI and (b) pay you in cash any remaining Fair Market Value of the surrendered Plan Shares.

Upon receipt of such surrendered Plan Shares and request from you, CPI may at its election (exercised by action taken by the Compensation Committee in its discretion) accept such surrendered Shares for cancellation and effect such exchange.

6. CPI will deliver to the trustee of the trust in which substantially all of the outstanding shares of common stock of Corporate Realty Consultants, Inc., have been deposited for the benefit of holders of Common Shares of CPI an amount equal to the amount (the "CRC Equity") included in the purchase price (the Fair Market Value of a Common Share at the date of issue) of each such Plan Share pursuant to clauses (x) and (y) of the definition of Fair Market Value of a Common Share, which amounts will be used by such trustee to purchase, at a price of 10 times the CRC Equity, for deposit in said trust, a number of CRC shares equal to 1/10 the number of your Plan Shares so purchased by you.

7. The following terms have the following meanings herein:

(a) The "Fair Market Value of a Common Share" means as of any time (i) the then most recent net asset value per Common Share as adjusted to appropriately reflect the assumed conversion into Common Shares of any outstanding convertible securities of CPI which have a conversion price for Shares less than the net asset value otherwise determined hereunder and to include an amount equal to (x) the equity in Corporate Realty Consultants, Inc., available for Common Shares of CPI divided by (y) the adjusted number of Common Shares of CPI used

in determining such net asset value per Common Share, all as most recently determined by Landauer Associates, Inc. (or such successor or other independent firm as shall at the time be retained by the Trustees of CPI to appraise the net asset value of CPI) or (ii) if since the date of such appraisal there has been a sale or issuance of Common Shares at a different price, the most recent such different price. As used in this paragraph "Common Share" includes both Series A and Series B Common Shares.

(b) The term "Per Share Amount of the Note" shall mean as of any time the face amount of the Note then remaining unpaid divided by the number of your Plan Shares purchased through the acceptance of the Note as part of the purchase price.

(c) The term "Change in Control of CPI" shall mean the occurrence of any of the following: (i) any consolidation or merger of CPI in which CPI is not the surviving entity, (ii) the sale, lease, exchange or transfer of substantially all of the assets of CPI, (iii) the liquidation or dissolution of CPI, or (iv) the acquisition by one or more related entities of securities representing 50% or more of the combined voting power of CPI's outstanding securities having the right to vote in the election of trustees, adjusted to appropriately reflect the assumed conversion into voting common shares of any outstanding convertible securities of CPI.

Please confirm your agreement to the foregoing by signing in the space provided below and returning the enclosed copy of this letter.

Very truly yours,

CORPORATE PROPERTY INVESTORS

By

Hans C. Mautner
Chairman and Chief
Executive Officer

Confirmed:

- ---

EXHIBIT 10.54

ISSUANCE AGREEMENT dated as of
, 1998, between CORPORATE
PROPERTY INVESTORS, INC., a Delaware corporation
("C1"), and CORPORATE REALTY CONSULTANTS, INC.,
a Delaware corporation ("C2").

The parties hereto hereby agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

"C1 Common Equivalent" with respect to a share of a series of C1 Special Preferred Stock at any date shall mean the number of shares of C1 Common Stock that would be issued to the holder of such share of C1 Special Preferred Stock if all outstanding shares of such series were converted into C1 Common Stock on such date in accordance with their terms; provided, however, that if such series shall not then be convertible, the "C1 Common Equivalent" of such a share of C1 Special Preferred Stock shall be determined by the Board of Directors of C1 in good faith so as to achieve, insofar as is possible, the intents and purposes of this Agreement.

"C1 Common Stock" shall mean the Common Stock, par value $___ per share, of C1.

"C1 Special Preferred Stock" shall mean (i) the 6.5% Series A Preferred Stock of C1 and (ii) any series of preferred stock, par value $___ per share, of C1 convertible into C1 Common Stock, the terms of which expressly provide that such stock shall be "Special Preferred Stock" of C1 for purposes of this Agreement.

"C2 Common Stock" shall mean the Common Stock, par value $___ per share, of C2.

"C1 Proportionate Interest" shall mean (i) with respect to the C1 Common Stock at any date, a fraction, the numerator of which shall be the number of shares of C1 Common Stock outstanding at such date and the denominator of which shall be the sum of such number of shares of C1 Common Stock and the aggregate C1 Common Equivalents of all outstanding shares of C1 Special Preferred Stock at such date, and (ii) with respect to any series of C1 Special Preferred Stock, a fraction, the numerator of which shall be the C1 Common Equivalent of the outstanding shares of such series at such date and the denominator of which shall be the sum of the number of shares of C1 Common Stock

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outstanding at such date and the aggregate C1 Common Equivalents of all outstanding shares of C1 Special Preferred Stock at that date.

"C2 Common Trust" shall mean the trust for the ratable benefit of all or substantially all the holders of C1 Common Stock established pursuant to that certain Trust Agreement dated as of October 30, 1979, among the shareholders of Corporate Property Investors, a Massachusetts business trust, whose executions appear at the foot thereof, C2 and Bank of Montreal Trust Company, as successor trustee thereunder.

"C2 Permitted Preferred Stock" shall mean a series of preferred stock of C2, (i) the dividends on which shall not be determined by reference to the dividends on C2 Common Stock or to the financial performance of C2 or any of its affiliates or any particular line of business of any of them (other than to provide that such dividends shall be payable to the extent the Board of Directors of C2 determines that sufficient surplus shall be available to pay them), (ii) that does not carry any voting rights (other than the right to vote on amendments to the terms thereof or the Certificate of Incorporation of C2, if such amendments shall be materially prejudicial to the holders of such series of preferred stock) and (iii) that is not convertible into C2 Common Stock.

"C2 Preferred Trust" shall mean a trust for the ratable benefit of all the holders of a single series of C1 Special Preferred Stock under which C2 Common Shares are held by a corporate trustee on terms substantially the same as those of the trust established pursuant to the Trust Agreement dated as of August 26, 1994, among the holders of the 6.50% First Series Preference Shares of Corporate Property Investors, a Massachusetts business trust, whose executions appear at the foot thereof, C2 and Bank of Montreal Trust Company, as trustee thereunder.

"C2 Trust" shall mean each of the C2 Common Trust and the C2 Preferred Trusts.

"C2 Proportionate Interest" for any C2 Trust at any date shall mean a fraction, the numerator of which shall be the number of shares of C2 Common Stock held in such C2 Trust at such date and the denominator of which shall be the number of shares of C2 Common Stock outstanding at such date.

Two numbers shall be "equal" if such numbers, when rounded to the nearest 1/10,000th, are the same.

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A series of capital stock of C1 shall be "related" to a C2 Trust, and vice versa, if the C2 Common Stock held in such trust is held for the ratable benefit of the holders of all or substantially all the outstanding shares of such series of capital stock of C1.

SECTION 2. Establishment of C2 Trusts. C1 shall not issue any shares of any series of C1 Special Preferred Stock unless either a C2 Trust related to such series shall then exist or C1 shall contemporaneously cause such a C2 Trust to be established and give C2 notice of such establishment, along with the details thereof.

SECTION 3. Issuance of C2 Shares. (a) Whenever C1 shall issue shares of C1 Common Stock or C1 Special Preferred Stock, C2 shall issue to the C2 Trusts numbers of shares of C2 Common Stock such that, immediately after such issuance of C2 Common Stock (giving effect to any transfers of shares of C2 Common Stock among the C2 Trusts pursuant to the terms of such trusts occurring by reason of the issuance of such shares of stock by C1) the C2 Proportionate Interest of each C2 Trust shall equal the C1 Proportionate Interest of the series of capital stock of C1 related to such C2 Trust. The issuance of shares of C1 Common Stock or C1 Special Preferred Stock in connection with a merger, consolidation or similar transaction in which C1 shall be the survivor shall be deemed to occur when the holders of the securities to be exchanged for such shares surrender the Certificates evidencing such securities to C1 or an exchange agent for exchange.

(b) C2 shall from time to time issue to the C2 Trusts, pro rata in accordance with the number of shares of C2 Common Stock then held by each such trust, a minimally sufficient number of shares of C2 Common Stock so that the aggregate C2 Proportionate Interests of the C2 Trusts shall at all times exceed 0.9999.

SECTION 4. Payment for C2 Shares Issued. Whenever C2 shall issue shares of C2 Common Stock pursuant to Section 3, C1 shall simultaneously pay to C2 an amount equal to the greater of (x) the aggregate par value of the shares of C2 Common Stock issued and (y) the amount determined in good faith by the Board of Directors of C2 to represent the fair market net asset value of the shares of C2 Common Stock issued (less, in the case of this clause (y), the aggregate consideration paid to C2 by parties other than C1 in connection with such issuance of C2 Common Stock).

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SECTION 5. Limitation on Issuance; Reservation of Shares. (a) C2 shall not (i) issue, or propose or contract to issue, any shares of any series of capital stock other than C2 Common Stock and C2 Permitted Preferred Stock, or (ii) increase the par value of the C2 Common Stock.

(b) All authorized shares of C2 Common Stock that are not outstanding from time to time shall be reserved for issuance pursuant to the terms of this Agreement.

SECTION 6. Third Party Beneficiaries. The only intended third party beneficiaries hereof shall be the holders from time to time of the outstanding shares of C1 Common Stock and C1 Special Preferred Stock; provided, however, that this Agreement may be amended as set forth herein, and all such third party beneficiaries shall be bound by the terms of any such amendment.

SECTION 7. Amendment. This Agreement and the rights of the parties hereunder may not be waived, modified or otherwise amended other than by a written amendment signed by the parties and either approved in writing by the trustees of each C2 Trust then existing or approved by the affirmative vote of the holders of 66.67% of the shares of C1 Common Stock then outstanding and the affirmative vote of the holders of 66.67% of the shares of each series of C1 Special Preferred Stock then outstanding, each such series voting as a separate class, at a stockholders' meeting duly called for the purpose thereof or by a written consent in lieu thereof executed in accordance with Section 228 of the General Corporation Law of the State of Delaware.

SECTION 8. Assignment. Neither this Agreement nor any rights hereunder shall be assigned by any party hereto, whether voluntarily or involuntarily, by operation of law or otherwise; provided, however, that a party may assign this Agreement if it shall merge or consolidate with another entity with such other entity being the surviving entity, so long as such entity assumes in writing, by an instrument delivered to the other party and the trustees of any C2 Trusts then in existence, all the assigning party's obligations hereunder, and in such an event all references herein to such party, its capital stock and its Board of Directors shall thereafter be deemed references to such person, its capital stock and its Board of Directors, as applicable.

SECTION 9. Termination. This Agreement shall remain in full force and effect until there shall be no C2 Trusts in existence, whereupon it shall immediately terminate.

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SECTION 10. Notices. (a) C2 shall give C1 prompt notice of any issuance of C2 Common Stock and of the dissolution of any C2 Trust. C1 shall give C2 prompt notice of any issuance of C1 Common Stock or C1 Special Preferred Stock and of the entry by C1 into any agreement obligating C1 to make any such issuance in the future.

(b) All notices hereunder shall be in writing; shall be hand delivered, or mailed, postage prepaid, or sent by recognized overnight courier to the address specified below (as the same may be changed by a party on notice to the other party):

If to C1:

Corporate Property Investors, Inc.
305 East 47th Street
New York, New York 10017
Attn: Corporate Secretary; and

If to C2:

Corporate Realty Consultants, Inc.
305 East 47 Street
New York, New York 10017
Attn: Corporate Secretary;

and shall be deemed delivered when received.

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SECTION 11. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of New York, without regard to conflicts of laws principles.

IN WITNESS WHEREOF the undersigned have executed this Issuance Agreement as of the date first written above.

CORPORATE PROPERTY INVESTORS, INC.,

by

_____

Name:
Title:

CORPORATE REALTY CONSULTANTS, INC.,

by

_____

Name:
Title:

EXHIBIT 10.55

THIS FIRST AMENDMENT TO LEASE AGREEMENT, made as of the 31st day of December, 1982, by and between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust (hereinafter referred to as the "Lessor"), and 305-313 EAST 47th STREET ASSOCIATES, a New York partnership consisting of Corporate Realty Consultants, Inc., a Delaware corporation and CRC Advisory Corp., a Delaware corporation (hereinafter referred to as "Lessee").

W I T N E S S E T H:

Lessor and Lessee have heretofore entered into that certain Lease Agreement dated June 22, 1982 (the "Lease") by which Lessor leased to Lessee the land only described in Exhibit A hereto (the "Land") and known as 305-313 East 47th Street in the Borough of Manhattan, City of New York, and Lessor and Lessee now desire to amend the Lease.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained in the Lease and herein, the parties hereby agree as follows:

1. Article Two of the Lease is hereby amended and restated in its entirety to be and read as follows:

"Section 2.1. Lessee hereby covenants and agrees to pay to Lessor, at the address set forth in Section 11.1, annual rent for the Land as follows:

(a) during the period commencing on the date of this lease and ending December 31, 1982, an annual rental of $780,000;

(b) during the period commencing January 1, 1983 and ending on December 31 of the year in which the fifteenth anniversary of the Date of Substantial Completion occurs (the "Base Rental Period"), an annual rental equal to $450,000;

(c) during each succeeding fifteen year period following the Base Rental Period (or, in the case of the last of such period the period from the commencement date of such period to the date on which this Lease expires), the first of which periods shall commence on the January 1 of the year

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following the end of the Base Rental Period and shall end on the December 31 of the year in which the fifteenth anniversary of the end of the Base Rental Period occurs, the succeeding fifteen year periods each to commence on the January 1 following the end of the preceding year period and to end on the date which is the fifteenth anniversary of the end of the preceding fifteen year period (or, in the case of the last such period, to the date on which this Lease expires), an annual rental equal to the greater of (i) the annual rental prevailing during the preceding fifteen year period, or (ii) fifteen per cent (15%) of the Appraised Fair Market Value of the Land prevailing on December 31 of the year in which the preceding fifteen year period ends.

"Section 2.2. The rent shall be paid in equal monthly installments (in the case of an annual rental rate applying during a period less than a calendar year, in monthly installments equal to one-twelfth (1/12) of the annual rental rate) during the calendar year, in advance on the first day of each month or shorter period; provided, however, that in the event that the annual rent for any calendar ear is not yet known at the commencement of such year, because the Appraised Fair Market Value of the Land has not yet been determined, then Lessee shall continue to pay to Lessor monthly installments based on the annual rental prevailing in the preceding calendar year (or shorter period) until advised in writing by Lessor of the new annual rental. After notice by Lessor to Lessee of the new annual rental, Lessee shall pay, at such time as the next monthly installment is due, a sum equal to the new monthly rent plus the total amount of rent due at the new annual rental and not therefore paid to Lessor. In the event the new annual rental is less than that prevailing in the preceding calendar year, Lessee shall be entitled to a credit against future monthly installments in an amount equal to the excess of amounts theretofore paid over the new annual rent.

"Section 2.3. For the purposes of this Article Two, the following terms shall have the following meanings:

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"Appraised Fair Market Value of the Land" shall mean the value of the Land as determined at Lessor's expense by Landauer Associates Inc. or another nationally recognized firm of independent real estate appraisers selected by Lessor, calculated as of December 31 of the relevant year as being the then fair market value of the Land in accordance with standard appraisal practices of the American Institute of Real Estate Appraisers or any successor organization. Such value shall be determined by the appraiser as if the Land were free and clear of this Lease, of any mortgages on the Land or the leasehold created under this Lease, and as if there were no building, structure or improvement of any kind on the Land, and the Land were available for sale in a free market consisting of willing buyers and sellers, subject only to zoning and land use restrictions then in effect. The appraiser shall render its valuation in terms of a dollar value per square foot of the Land, and the Land shall be considered to consist (unless subsequently reduced in area by condemnation or taking) of 12,562 square feet. By way of illustration, if at December 31 of the year in which the first fifteen year rental period after the Date of Substantial Completion ends, the appraisal indicated an Appraised Fair Market Value of the Land of $1,000 per square foot, the annual rental during the succeeding fifteen year rental period would be $1,000 x 12,562 x .15, or $1,884,300 per annum.

"Date of Substantial Completion" shall mean the earlier of (a) the date on which Lessee is first awarded a Temporary Certificate of Occupancy by the Buildings Department of the City of New York for the Improvements upon completion of Lessee's current program of construction, renovation and rehabilitation thereof, or (b) January 1, 1984. Lessor and Lessee may enter into a separate agreement setting forth the Date of Substantial Completion."

2. In all other respects, the Lease is hereby ratified and confirmed as being in full force and effect between Lessor and Lessee. From and after the date of this

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Amendment, all references herein or in the Lease to "this Lease" or words of similar import shall be read and construed to mean the Lease as amended hereby, and the Lease, as amended hereby, shall be considered a single integrated instrument.

3. Corporate Property Investors, refers to the trustees under an Amended and Restated Declaration of Trust dated June 15, 1978, as amended, and filed in the office of the Secretary of the Commonwealth of Massachusetts. The obligations of the Lessor do not constitute personal obligations of Lessor or of its trustees, shareholders, officers, employees or agents. All persons dealing with Lessor shall look solely to the assets of Lessor for the satisfaction of any liability of Lessor in respect of this Lease, and will not seek recourse against the trustees, officers, shareholders, employees or agents of Lessor, or any of them or their personal assets, for such satisfaction.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first set forth above.

LESSOR:

CORPORATE PROPERTY INVESTORS

By: /s/ Michael L. Johnson

Michael L. Johnson

LESSEE:

305-313 EAST 47th STREET ASSOCIATES

BY: CORPORATE REALTY CONSULTANTS, INC.
General Partner

By: /s/ Michael L. Johnson

Michael L. Johnson

EXHIBIT A

All of that certain lot, piece or parcel of land, situate, lying and being in the City, County and State of New York and bounded and described as follows:

BEGINNING at a point in the northerly side of Forty-Seventh Street, distant one hundred feet easterly from the intersection of the northerly side of Forty-Seventh Street and the easterly side of Second Avenue; running thence northerly parallel with Second Avenue, one hundred feet five inches to the center line of the block; thence easterly along said line one hundred and twenty-five feet; thence southerly parallel with Second Avenue, one hundred feet five inches to the northerly side of Forty-Seventh Street; and thence westerly along the northerly side of Forty-Seventh Street, one hundred and twenty-five feet to the point of BEGINNING.

Said premises being known as 305-313 East 47th Street.

305-313 EAST 47TH STREET ASSOCIATES,
a New York partnership,
consisting of
Corporate Realty Consultants, Inc.,
a Delaware corporation, and
CRC Advisory Corp.,
a Delaware corporation,

Mortgagor

and

CORPORATE PROPERTY INVESTORS,
a Massachusetts business trust,

Mortgagee

CONSOLIDATED, AMENDED AND RESTATED

MORTGAGE

(LEASEHOLD)

Dated: As of January 1, 1984

Location: 305-313 East 47th Street
New York, New York

RECORD AND RETURN TO:

Corporate Property Investors
230 Park Avenue, Suite 1225
New York, New York 10005

Attention: Peter T. Bepler, II

THIS CONSOLIDATED, AMENDED AND RESTATED MORTGAGE made as of 1st day of January, 1984, between 305-313 EAST 47TH STREET ASSOCIATES, a New York partnership, consisting of Corporate Realty Consultants, Inc., a Delaware corporation, and CRC Advisory Corp., a Delaware corporation (hereinafter referred to as "Mortgagor"), and CORPORATE PROPERTY INVESTORS, a Massachusetts business trust (hereinafter referred to as "Mortgagee").

PRELIMINARY STATEMENT

Mortgagee has heretofore extended to Mortgagor a purchase money mortgage loan in the principal amount of $4,209,834, secured by a Mortgage dated June 22, 1982 and evidenced by a Mortgage Note of even date therewith (the "Purchase Money Mortgage"), and has heretofore extended to Mortgagor a construction mortgage loan in a maximum principal amount of $16,790,166, secured by a Mortgage dated July 1, 1982 and evidenced by a Mortgage Note of even date therewith (the "Construction Mortgage"). Interest has accrued on the outstanding principal amount of the Purchase Money Mortgage loan at the rate provided in the note to December 31, 1983 in the amount of $1,094,233.60, and Mortgagee has drawn to December 31, 1983 under the Construction Mortgage loan advances in the aggregate

principal amount of $11,394,382.35, and interest has accrued to December 31, 1983 on the principal amount of such advances from time to time outstanding of $1,039,343.13. Mortgagor and Mortgagee desire to consolidate, continue and coordinate the liens of the Purchase Money Mortgage and the Construction Mortgage into a single lien secured and governed by the terms of this instrument, which shall be considered between Mortgagor and Mortgagee to constitute an amendment and restatement in full, and consolidation of, the Purchase Money Mortgage and the Construction Mortgage, and likewise desire to consolidate the outstanding principal amounts of, and accrued interest on, the Purchase Money Mortgage loan and the Construction Mortgage loan into a single loan, representing the aggregate balance of the Purchase Money Mortgage note and the Construction Mortgage note on the date hereof of $17,737,793.08, and to provide for future advances to Mortgagee up to a maximum principal amount of $3,262,206.92, or so much thereof as may be advanced, all to be evidenced by a new mortgage note of even date herewith and secured hereby, in a maximum principal amount of $21,000,000.

NOW THEREFORE, the parties hereto agree as follows:

WITNESSETH:

To secure the payment of an indebtedness in the principal sum of Twenty One Million and No/100 Dollars ($21,000,000), lawful money of the United States of America, to be paid with interest (said indebtedness, interest and all other sums which may or shall become due hereunder being hereinafter collectively referred to as the "Debt") according to a certain note dated the date hereof in the principal sum of Twenty One Million and No/100 Dollars ($21,000,000) made by Mortgagor to the order of Mortgagee (hereinafter referred to as the "Note"), or so much thereof as shall be advanced thereon from time to time, Mortgagor has mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed and assigned, and by these presents does mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign unto Mortgagee all right, title and interest of Mortgagor in and to the property hereinafter described, such property, rights and interests being hereinafter collectively called the "Mortgaged Property"):

(a) the Ground Lease and the leasehold estate created thereby (the "Ground Lease"), which Ground Lease is more fully described in Exhibit A attached hereto;

(b) All modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, privileges and rights of Mortgagor as tenant under the

Ground Lease, including, but not limited to, the right, if any, of Mortgagor to renew the Ground Lease for any succeeding term or terms thereof;

(c) all buildings, structures and improvements now or hereafter located on the real property specified in the Ground Lease (hereinafter referred to as the "Improvements");

(d) all easements, rights-of-way, rights to the use of streets, ways, alleys and passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property;

(e) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property, or appurtenances thereto, and usable in connection with the present or future operation and occupancy of the Mortgaged Property and all building equipment, materials and supplies of any nature whatsoever owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property (hereinafter collectively referred to as the

"Equipment"), and the right, title and interest of Mortgagor in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of New York);

(f) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Mortgaged Property;

(g) all leases and other agreements affecting the use or occupancy of the Mortgaged Property now or hereafter entered into (hereinafter referred to as the Leases) and the rights to receive and apply the rents, issues and profits of the Mortgaged Property (hereinafter referred to as the "Rents") to the payment of the Debt;

(h) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property;

TOGETHER WITH the right, in the name and on behalf of Mortgagor, to appear in and defend any action or

proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of Mortgage in the Mortgaged Property.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the proper use and benefit of Mortgagee, and the successors and assigns of Mortgagee, forever.

PROVIDED, ALWAYS, and these presents are upon the express condition, if Mortgagor shall well and truly pay to Mortgagee the Debt at the time and in the manner provided in the Note and this Mortgage and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, then these presents and the estate hereby granted shall cease, determine and be void.

ANY Mortgagor covenants with and represents and warrants to Mortgagee as follows:

1. Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided for its payment in the Note and in this Mortgage.

2. Warranty of Title. Mortgagor warrants the title to the Mortgaged Property.

3. Insurance. Mortgagor (i) will keep the Improvements and the Equipment insured against loss or damage by fire and such other hazards as Mortgagee shall from time to time require in amounts approved by Mortgagee, not exceeding in the aggregate 100% of the full insurable

value of the Improvements and the Equipment and (ii) will maintain rental and business interruption insurance and such other forms of insurance coverage with respect to the Mortgaged Property as Mortgagee shall from time to time require in amounts approved by Mortgagee. All policies of insurance (hereinafter referred to as the "Policies") shall be issued by an insurer lawfully doing business in New York and acceptable to Mortgagee and shall contain the standard New York mortgage clause endorsement or an equivalent endorsement satisfactory to Mortgagee naming Mortgagee as the person to which all payments made by such insurance company shall be paid. Mortgagor shall pay the premiums for the Policies as the same become due and payable. At the request of Mortgagee, Mortgagor will assign and deliver duplicates or certificates of the Policies to Mortgagee. Not later than thirty (30) days prior to the expiration date, of each of the Policies, Mortgagor will deliver to Mortgagee a renewal policy together with evidence of payment of premium satisfactory to Mortgagee. Sums paid to Mortgagee by any insurer may be retained and applied by Mortgagee toward payment of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper or, at the discretion of Mortgagee, the same may be paid, either in whole or in part, to Mortgagor for such purposes as Mortgagee shall designate. If Mortgagee shall receive and retain such insurance proceeds, the lien of this

Mortgage shall be reduced only by the amount thereof received and retained by Mortgagee and actually applied by Mortgagee in reduction of the Debt. The provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire shall not apply to the terms of this Mortgage.

4. Payment of Taxes, etc. Mortgagor shall pay all taxes, assessments, water rates, sewer rents and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the premises on which the leasehold is located now or hereafter levied or assessed against the Mortgaged Property (hereinafter referred to as the "Taxes") prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. Mortgagor shall deliver to Mortgagee, upon request, receipted bills, cancelled checks and other evidence satisfactory to Mortgagee evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law of the nonpayment thereof.

5. Escrow Fund. Mortgagor will, at the option of the Mortgagee, pay to Mortgagee, on the first day of each calendar month one-twelfth of an amount (hereinafter referred to as the Escrow Fund) which would be sufficient to pay the Taxes payable, or estimated by Mortgagee to be

payable, during the ensuing twelve (12) months. Mortgagee will apply the Escrow Fund to payments required to be made by Mortgagor pursuant to paragraph 4 hereof. If the amount of the Escrow Fund shall exceed the amounts due pursuant to paragraph 4 hereof, Mortgagee shall, in its discretion, (a) return any excess to Mortgagor, (b) credit such excess against the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper, or (c) credit such excess against future payments to be made to the Escrow Fund. In allocating such excess, Mortgagee may deal with the person shown on the records of Mortgagee to be the owner of the Mortgaged Property. If the Escrow Fund is not sufficient to pay the Taxes, as the same becomes payable, Mortgagor shall pay to Mortgagee, upon request, an amount which Mortgagee shall estimate as sufficient to make up the deficiency. Until expended or applied as above provided, any amounts in the Escrow Fund may be commingled with the general funds of Mortgagee and shall constitute additional security for the Debt and shall not bear interest.

6. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Mortgagor shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Mortgage and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Mortgagee to the discharge of the

Debt. Mortgagee may apply any such award or payment to the discharge of the Debt whether or not then due and payable in such priority and proportions and Mortgagee in its discretion shall deem proper. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such award or payment, Mortgagee shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the debt, whichever is less. Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and due diligence and cause the same to be collected and paid over to Mortgagee, and hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims, and although it is hereby expressly agreed that the same shall not be necessary in any event, Mortgagor shall, upon demand of Mortgagee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever.

7. Leases and Rents. Subject to the term of this paragraph, Mortgagee waives the right to enter the Mortgaged Property for the purpose of collecting the rents and grants

Mortgagor the right to collect the Rents. Mortgagor shall hold the Rents, or an amount sufficient to discharge all current sums due on the Debt, in trust of or use in payment of the Debt. The right of Mortgagor to collect the Rents may be revoked by Mortgagee upon any default by Mortgagor as shall be set forth in the notice of such revocation. Following such notice Mortgagee may retain and apply the Rents toward payment of the Debt in such priority and proportions as Mortgagee, in its discretion, shall deem proper, or to the operation, maintenance and repair of the Mortgaged Property. Mortgagor shall not, without the consent of Mortgagee, make, or suffer to be made, any Leases or cancel or modify any Leases or accept prepayments of instalments of the Rents for a period of more than one (1) month in advance or further assign the whole or any part of the Rents. Mortgagee shall have all of the rights against tenants of the Mortgaged Property as set forth in Section 291-f of the Real Property Law of New York. Mortgagor shall (a) fulfill or perform each and every provision of the Leases on the part of Mortgagor to be fulfilled or performed, (b) promptly send copies of all notices of default which Mortgagor shall send or receive under the Leases to Mortgagee, and (c) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. In addition to the rights which Mortgagee may have herein, in

the event of default under this Mortgage, Mortgagee, at its option, may require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagor. Upon default in any such payment, Mortgagor will vacate and surrender possession of the Mortgaged Property to Mortgagee, or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on Mortgagee any of the obligations of the lessor under the Leases.

8. Maintenance of the Mortgaged Property. Mortgagor shall caused the Mortgaged Property to be maintained in good condition and repair and will not commit or suffer to be committed any waste of the Mortgaged Property. The Improvements shall not be removed, demolished or materially altered, without the consent of Mortgagee. Mortgagor shall promptly comply with all laws, orders and ordinances affecting the Mortgaged Property, or the use thereof, and shall promptly repair, replace or rebuild any part of the Mortgaged Property which may be damaged or destroyed by any casualty (including any casualty for which insurance was not obtained or obtainable) or which may be affected by any proceeding of the character referred to in paragraph 6 hereof and shall complete and pay for, within a

reasonable time, any structure at any time in the process of construction or repair on the Premises. If such casualty shall be covered by the Policies, Mortgagor's obligation to repair, replace or rebuild such portion of the Mortgaged Property shall be contingent upon Mortgagee paying Mortgagor the proceeds of the Policies, or such portion thereof as shall be sufficient to complete such repair, replacement or rebuilding, whichever is less. Mortgagor will not, without obtaining the prior consent of Mortgagee, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Mortgaged Property or any part thereof.

9. Estoppel Certificates. Mortgagor, within ten (10) days after request by Mortgagee and at its expense, will furnish Mortgagee with a statement, duly acknowledged and certified, setting forth the amount of the Debt and the offsets or defenses thereof, if any.

10. Transfer or Encumbrance of the Mortgaged Property. No part of the Mortgaged Property shall in any manner be further encumbered, sold, transferred or conveyed, or permitted to be further encumbered, sold, transferred or conveyed, without the consent of Mortgagee. The provisions of this paragraph shall apply to each and every such further encumbrance, sale, transfer or conveyance, regardless of whether or not Mortgagee has consented thereto, or waived by

its action or inaction its rights hereunder with respect to any such previous further encumbrance, sale, transfer or conveyance.

11. Notice. Any notice, request, demand, statement or consent made hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, and shall be deemed given when postmarked and addressed as follows:

If to Mortgagor:

305-313 East 47th Street Associates
In care of Corporate Realty Consultants, Inc.,
230 Park Avenue
New York, NY 10169

If to Mortgagee:

Corporate Property Investors
230 Park Avenue
New York, NY 10169

Each party may designate a change of address by notice to the other party, given at least five (5) days before such change of address is to become effective.

12. Sale of Mortgaged Property. If this Mortgage is foreclosed, the Mortgaged Property, or any interest therein, may, at the discretion of Mortgagee, be sold in one or more parcels or in several interests or portions and in any order or manner.

13. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law of the State of New York deducting from the value of

real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgage for state or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Note or the Debt, Mortgagee shall have the right, at its option, to declare the Debt due and payable on a date specified in a prior notice to Mortgagor of not less than thirty (30) days.

14. No Credits on Account of the Debt. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part thereof, by reason of this Mortgage or the Debt.

15. Offsets, Counterclaims and Defenses. Any assignee of this Mortgage and the Note shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which Mortgagor may have against any assignor of this Mortgage and the Note and no such offset, counterclaim or defense shall be interposed or asserted by Mortgagor in any action or proceeding brought by any such assignee upon this Mortgage and/or the Note and any such right to interpose or assert any such offset, counterclaim

or defense in any such action or proceeding is hereby expressly waived by Mortgagor.

16. Other Security for the Debt. Mortgagor shall observe and perform all of the terms, covenants and provisions contained in the Note and in all other mortgages and other instruments or documents evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Note, this Mortgage or the loan evidenced and secured thereby.

17. Documentary Stamps. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Mortgage, Mortgagor will pay for the same, with interest and penalties thereof, if any.

18. Right of Entry. Mortgagee and its agents shall have the right to enter and inspect the Mortgaged Property at all reasonable times.

19. Books and Records. Mortgagor will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting practices consistently applied proper and accurate books, records and accounts reflecting all of the financial affairs of Mortgagor and all items of income and expense in connection with the operation of the Mortgaged Property or

in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property, whether such income or expense be realized by Mortgagor or by any other person whatsoever excepting lessees unrelated to and unaffiliated with Mortgagor who have leased from Mortgagor portions of the Mortgaged Property for the purpose of occupying the same. Mortgagee shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of Mortgagor or other person maintaining such books, records and accounts and to make copies or extracts thereof as Mortgagee shall desire. Mortgagor will furnish Mortgagee annually, within sixty (60) days next following the end of each fiscal year of Mortgagor, with (i) a complete executed copy of an audited financial statement prepared by a certified public accountant acceptable to Mortgagee covering the operation of the Mortgaged Property for such fiscal year and containing a fully itemized statement of profit and loss and of surplus and a balance sheet, and (ii) a complete executed copy of an audited financial statement of Mortgagor for such fiscal year prepared by a certified public accountant acceptable to Mortgagee and containing a fully itemized statement of profit and loss and of surplus and a balance sheet. The fiscal year of Mortgagor presently runs from November 1st to October 31st and the fiscal year of Mortgagor shall not be

subsequently changed without prior notice to Mortgagor. Within sixty (60) days after the end of each fiscal year of Mortgagor, Mortgagor shall furnish to Mortgagee a certificate signed by a duly authorized representative of Mortgagor certifying on the date thereof either that there does not or does not exist an event which constitutes, or which upon notice or lapse of time or both would constitute, a default under the Note or this Mortgage and if such event exists, the nature thereof and the period of time it has existed. Mortgagor shall furnish to Mortgagee, within ten (10) days after request, such further detailed information covering the operation of the Mortgaged Property and the financial affairs of Mortgagor, or any affiliate of Mortgagor, as may be requested by Mortgagee.

20. Performance of Other Agreements. Mortgagor shall observe and perform each and every term to be observed or performed by Mortgagor pursuant to the terms of any agreement or recorded instrument affected or pertaining to the Mortgaged Property.

21. Defaults. The Debt shall become due at the option of Mortgagee upon the occurrence of any one of the following events:

(a) if any portion of the Debt is not paid within twenty (20) days after the same is due;

(b) if Mortgagor shall fail to pay within twenty (20) days of notice and demand by Mortgagee, any

instalment of any assessment against the Mortgaged Property for local improvements heretofore or hereafter laid, which assessment is or may become payable in annual or periodic instalments and is or may become a lien on the Mortgaged Property, notwithstanding the fact that such instalment may not be due and payable at the time of such notice and demand;

(c) if any Federal tax lien is filed against Mortgagor and/or the Mortgaged Property and the same is not discharged of record within thirty (30) days;

(d) if without the consent of Mortgagee any part of the Mortgaged Property or any interest therein is in any manner further encumbered, sold, transferred or conveyed, or if any Improvement or the Equipment (except for normal replacement of the Equipment) is removed, demolished or materially altered, or if the Mortgaged Property is not kept in good condition and repair;

(e) if the Policies are not kept in full force and effect, or if the Policies are not assigned and delivered to Mortgagee upon request;

(f) if without the consent of Mortgagee any Leases are made, cancelled or modified or if any portion of the Rents is paid for a period of more than one (1) month in advance or if any of the Rents are further assigned;

(g) if any representation or warranty of Mortgagor, or of any person (hereinafter referred to as a Guarantor) guaranteeing payment of the Debt or any portion thereof or performance by Mortgagor of any of the terms of this Mortgage made herein or in any such guaranty, or in any certificate, report, financial statement or other instrument furnished in connection with the making of the Note, this Mortgage, or any such guaranty, shall prove false or misleading in any material respect;

(h) if Mortgagor or any Guarantor shall make an assignment for the benefit of creditors;

(i) if a receiver, liquidator or trustee of Mortgagor or any Guarantor shall be appointed or if Mortgagor or any Guarantor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to the Federal Bankruptcy Act, or any similar Federal or state statute, shall be filed by or against Mortgagor or any Guarantor or if any proceeding for the dissolution or liquidation of Mortgagor or any Guarantor shall be instituted and, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Mortgagor or such Guarantor upon the same not being discharged, stayed or dismissed within sixty (60) days;

(j) if Mortgagor shall be in default under the Note or under any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Note, this Mortgage or the loan evidenced and secured thereby, or otherwise secured by the Mortgaged Property;

(k) if Mortgagor shall continue to be in default under any of the other terms, covenants or conditions of this Mortgage for five (5) days after notice from Mortgagee, in the case of any default which can be cured by the payment of a sum of money, or for ten (10) days after notice from Mortgagee, in the case of any other default, provided that if such default cannot reasonably be cured within such ten (10) day period and Mortgagor shall have commenced to cure such default within such ten (10) day period and thereafter diligently and expeditiously proceeds to cure the same, such ten (10) day period shall be extended for so long as it shall require Mortgagor in the exercise of due diligence to cure such default;

(l) if Mortgagor shall be in default under any mortgage or deed of trust covering any part of the Mortgaged Property which is superior in lien to this Mortgage; or

(m) if the Mortgaged Property shall become subject (i) to any tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any mechanic's, materialman's or other lien and such lien shall remain undischarged or unbonded for thirty (30) days.

22. Right to Cure Defaults. If default in the performance of any of the covenants of Mortgagor herein occurs, Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to Mortgagor or any person in possession thereof holding under Mortgagor. If Mortgagee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by Mortgagor to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by Mortgagor to Mortgagee upon demand, with interest at 15% per annum, or at the maximum interest rate which Mortgagor may by law pay, whichever is lower, for the period after notice from Mortgagee that such costs or expenses were

incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee pursuant to the terms of this Mortgage, with interest, shall be secured by this Mortgage.

23. Late Payment Charge. If any portion of the Debt is not paid within fifteen (15) days after the date on which it is due, Mortgagor shall pay to Mortgagee upon demand an amount equal to 3% of such unpaid portion of the Debt as a late payment charge, and such amount shall be secured by this Mortgage.

24. Appointment of Receiver. Mortgagee, in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any default hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Debt, or the solvency or insolvency of any person then liable for the payment of the Debt.

25. Non-Waiver. The failure of Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligation to pay the Debt at the time and in the manner provided for its payment in the Note and this Mortgage by

reason of (i) failure of Mortgagee to comply with any request of Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt, or (iii) any agreement or stipulation between Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of Mortgagor, and in the latter event, Mortgagor shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note and this Mortgage, as so extended, modified and supplemented, unless expressly released and discharged by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend

the time of payment or otherwise modify the terms of the Note and/or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. Mortgagee may resort for the payment of the Debt to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

26. Liability. If Mortgagor consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

27. Construction. The terms of this Mortgage shall be construed in accordance with the laws of the State of New York.

28. Security Agreement. This Mortgage is both a Real Property Mortgage and a Security Agreement. The Mortgage Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property.

29. Further Acts, etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby mortgaged or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention of facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will execute and deliver and hereby authorizes Mortgagee to execute in the name of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence

more effectively the Lien hereof upon the Mortgaged Property.

30. Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

31. Filing of Mortgage, etc. Upon notice by the Mortgagee, Mortgagor will cause forthwith, and thereafter from time to time, this Mortgage and any security instrument evidencing the lien hereof or creating a lien upon the Mortgaged Property, and each instrument of further assurance, to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the interest of Mortgagee in the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the

Mortgaged Property or any instrument of further assurance. Mortgagor shall hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

32. Usury Laws. This Mortgage and the Note are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Note Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, the rate of interest under the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

33. Sole Discretion of Mortgagee. Wherever pursuant to this Mortgage, Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Mortgagee, the decision of

Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of Mortgagee and shall be final and conclusive.

34. Recovery of Sums Required To Be Paid. Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

35. Marshalling. Mortgagor waives and releases any right to have the Mortgaged Property marshalled.

36. Authority. Mortgagor (and the undersigned representative of Mortgagor, if any) has full power, authority and legal right to execute this Mortgage and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed.

37. Actions and Proceedings. Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on

behalf of Mortgagor, which Mortgagee, in its discretion, feels should be brought to protect its interest in the Mortgaged Property.

38. Inapplicable Provisions. If any term, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

39. Duplicate Originals. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

40. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word "Mortgagor" shall mean "each Mortgagor and/or any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein", the word "Mortgagee" shall mean "Mortgagee or any subsequent holder of the Note", the word "Note" shall mean "the Note or any other evidence of indebtedness secured by this Mortgage", the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity, the words "Mortgaged Property" shall include any portion of the Mortgaged Property or interest therein, and the word "Debt" shall mean all sums

secured by this Mortgage. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

41. Waiver of Notice. Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by Mortgagee to Mortgagor, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

42. No Oral Change. This Mortgage may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

43. Trust Fund. Pursuant to Section 13 of the Lien Law of New York, Mortgagor shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such

improvement on the Mortgaged Property before using any part of the total of the same for any other purpose.

44. Building Loan. To the extent of the future advances provided for hereunder, this Mortgage shall constitute a building loan mortgage, the proceeds of which are loaned for the purpose of financing the construction of certain improvements on the Premises. The proceeds of the building loan advances secured hereby are to be advanced by Mortgagee to Mortgagor from time to time as requested by Mortgagor and as required for such construction.

45. Prepayment After Event of Default. If following the occurrence of any default under this Mortgage remaining uncured beyond the expiration of any applicable grace period and an exercise by Mortgagee of its option to declare the Debt immediately due, Mortgagor shall tender payment of an amount sufficient to satisfy the entire Debt at any time prior to a sale of the Mortgaged Property, and if at the time of such tender prepayment of the principal balance of the Note is prohibited, Mortgagor shall, in addition to the entire Debt, also pay to Mortgagee any amount equal to the difference between (a) interest which would have accrued on the principal balance of the Note at the rate specified in the Note from the date of such exercise of Mortgagee's option as aforesaid to the Maturity Date specified in the Note and (b) interest which Beneficiary would receive if the principal balance of the

Note would have been invested, on the date of such exercise, in United States Treasury Securities having a maturity on (or as close as possible to) the Maturity Date.

46. Corporate Property Investors. Corporate Property Investors refers to the trustees under the Amended and Restated Declaration of Trust, dated June 15, 1978, as amended, and filed in the office of the Secretary of the Commonwealth of Massachusetts. The obligations of Mortgagee do not constitute personal obligations of the trustees, officers, shareholders, employees or agents. All persons dealing with Mortgagee shall look solely to the assets of Mortgagee for satisfaction of any liability of Mortgagee in respect of this Agreement, and will not seek recourse against such trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage the day and year first above written.

305-313 EAST 47th STREET ASSOCIATES,

by CORPORATE REALTY CONSULTANTS, INC.,
as General Partner,

by /s/ Corporate Realty Consultants, Inc.

STATE OF NEW YORK:)
) ss:
COUNTY OF NEW YORK)

On this 3rd day of August, 1998, before me personally came Michael L. Johnson, to me known, who, being by me duly sworn, did depose and say that he resides at 320 Central Park West, New York, New York; that he is a Vice President of CORPORATE REALTY CONSULTANTS, INC., a corporation duly organized under the laws of the State of Delaware, having its principal place of business at 230 Park Avenue, New York, New York; that said corporation is a General Partner of 305-313 East 47th Street Associates, a New York partnership, the firm described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order, and he acknowledged to me that the said instrument was executed by said corporation for and in behalf of said partnership.

EXHIBIT A

The Ground Lease referred to in Subparagraph (a) in the description of the "Mortgaged Property" is that certain lease agreement, dated June 22, 1982 between Corporate Property Investors, a Massachusetts business trust, as lessor, and 305-313 East 47th Street Associates, a New York partnership consisting of Corporate Realty Consultants, Inc., a Delaware corporation, and CRC Advisory Corp., a Delaware corporation, as lessee. The leasehold created thereby affects the property described in Exhibit A-1 attached hereto.

EXHIBIT A-1

ALL of that certain lot, piece or parcel of land, situate, lying and being in the City, County and State of New York and bounded and described as follows:

BEGINNING at a point in the northerly side of Forty-Seventh Street, distant one hundred feet easterly from the intersection of the northerly side of Forty-Seventh Street and the easterly side of Second Avenue; running thence northerly parallel with Second Avenue, one hundred feet five inches to the center line of the block; thence easterly along said line one hundred and twenty-five feet; thence southerly parallel with Second Avenue, one hundred feet five inches to the northerly side of Forty-Seventh Street; and thence westerly along the northerly side of Forty-Seventh Street, one hundred and twenty-five feet to the point of BEGINNING.

Said premises being known as 305-313 East 47th Street.

LEASE AGREEMENT

This Lease Agreement, made and entered into this 22 day of June, 1982, by and between CORPORATE PROPERTY INVESTORS, a Massachusetts business trust (hereinafter referred to as "Lessor"), and 305-313 EAST 47TH STREET ASSOCIATES, a New York Partner ship, consisting of Corporate Realty Consultants, Inc., a Delaware corporation ("CRC") and CRC Advisory Corp., a Delaware corporation (hereinafter referred to as "Lessee").

W I T N E S S E T H :

Lessor is the owner of the land known as 305-313 East 47th Street, New York, New York as described on Exhibit A attached hereto (the "Land"). Lessee has simultaneously with the execution of this Lease purchased the buildings and improvements located on the Land (hereinafter collectively referred to as the "Improvements" and individually as an "Improvement"). Lessor desires to lease the Land to Lessee and Lessee desires to lease the Land from Lessor on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties hereby agree as follows:

ARTICLE ONE
TERM AND USE

Section 1.1. The term of this Lease shall begin on June 22, 1982, and shall continue for ninety-nine (99) years, ending May 31, 2081. The Land may be used, occupied and enjoyed by the Lessee for any and all lawful purposes, subject to earlier termination as hereinafter provided.

ARTICLE TWO
RENTAL

Section 2.1. Lessee hereby covenants and agrees to pay to Lessor at the address set forth in Section 11.1, annual rent for the Land, effective as of January 1 of each calendar year, equal to the sum of (i) $780,000 and (ii) 10% of any increase in the fair market value of the Improvements located on the Land in excess of $15,000,000. The rent shall be paid in equal monthly installments in advance on the first day of each month; provided, however, in the event that the annual rent for the new calendar year is not yet known due to the fact that the fair market value of the Improvements has not yet been determined for such year, then, in such event, Lessee shall continue to pay to Lessor the previous year's rent in monthly installments until

notified by Lessor of the rent for the new calendar year. After notice by Lessor to Lessee of the new fair market value of the Improvements and of a change in the annual rent, Lessee shall pay, at such time as the next monthly installment of rent shall be due, the sum of the new monthly rent and the total amount of any increase in monthly rent that had accrued. In the event of any decrease in the annual rent as a result of a decrease in the fair market value of the Improvements, the total amount of such decrease that had accrued shall be credited against the monthly rent that shall next fall due; provided that in no event shall the annual rent be less than $780,000.

Section 2.2. The fair market value of the Improvements shall be calculated as of December 31 of each year by capitalizing the cash flow of the Improvements after operating expenses, but prior to the payment by the Lessee of (i) any rent payable hereunder or (ii) debt service on any mortgage encumbering the Improvements or Lessee's interest in the Land, at the rate of 12.5% per annum.

ARTICLE THREE
TAXES

Section 3.1. As additional rent, Lessee further covenants and agrees to bear, pay and discharge all taxes, governmental charges, assessments and all levies, general and special, ordinary and extraordinary, of any name, nature

and kind whatsoever, which may be fixed, charged, levied, assessed or otherwise imposed upon the Land, except any income, capital gains, franchise tax and any tax imposed on the rentals and revenues received by Lessor hereunder that may be payable by Lessor under any existing or future tax law of the United States or any other country or the State or City of New York, or any other state, or any subdivision thereof. Lessee shall pay such taxes, charges, assessments and levies to the public officers charged with the collection thereof before the same shall become delinquent; provided, however, that Lessee shall have the right in good faith, at its sole cost and expense (in its own name or in the name of Lessor) to contest any such taxes, charges, assessments and levies in accordance with, and subject to the provisions of Section 5.1 hereof.

Lessee at its expense shall upon demand by Lessor secure a surety bond satisfactory in form to Lessor to secure payment of any contested item or items, in an amount not less than the entire contested amount, including any interest or penalties relating thereto.

Section 3.2. Lessee shall at all times save Lessor and the Land and Improvements harmless from all such taxes, assessments and charges, and from all liens, penalties and interest in connection therewith, and from all

public requirements as to reconstruction or repair of streets, curbs or sidewalks.

ARTICLE FOUR
CONSTRUCTION
TRANSFER UPON TERMINATION OF LEASE

Section 4.1. All construction work in or about the Land shall at all times be done in conformance with and in observance of all valid and applicable laws, ordinances, rules and regulations concerning such construction; provided, however, that Lessee shall have the right in good faith to contest any such law, ordinance, rule or regulation.

Section 4.2. Lessee covenants and agrees that any alteration, renovation or reconstruction of the Improvements shall be at Lessee's sole cost and expense and at no cost or expense to Lessor.

Section 4.3. The Improvements and all machinery, equipment or fixtures that may be attached to or used in connection with the operation, maintenance and protection of the Improvements as such, or the plumbing, heating, cooling, ventilation or air-conditioning thereof, including, without limiting the generality of the foregoing, all elevators, escalators, dynamos and engines, refrigerating, ventilating, air-conditioning, sanitary and plumbing fixtures, machinery and equipment, and fire prevention and extinguishing apparatus, but expressly excluding trade fixtures of Lessee, fur-

nishings, floor covering and lighting equipment that may be removed without damage to the realty, shall remain upon and be surrendered with the Land as a part thereof at the termination of this Lease and Lessee agrees to execute and deliver a deed conveying title to the Improvements to Lessor at such time; provided, however, that nothing herein shall prevent or preclude Lessee from demolishing any Improvement located on the Land subject to the provisions of Section 4.4 or making alterations, renovations, replacements or changes in the interior or exterior of any Improvement and the machinery, equipment and fixtures therein, or removing same.

Section 4.4. Lessee shall have the right to alter, add to, demolish or reconstruct any Improvement as often and whenever it deems proper in its sole discretion, all of which shall be performed in accordance with applicable laws, ordinances and other governmental regulations; provided that in the event of any demolition, reconstruction or alteration the rent payable by Lessee to Lessor for the remainder of the term of this lease shall not be less than the rent payable by Lessee immediately prior to such demolition, reconstruction or alteration.

ARTICLE FIVE
LIENS

Section 5.1. Except such mortgage lien or liens as are expressly permitted under the terms of this Article

Five, Lessee shall not permit any involuntary lien or other encumbrance to be placed against Lessee's leasehold interest, and if any such involuntary lien or encumbrance shall be attempted to be affixed against Lessee's leasehold interest, Lessee shall pay and discharge any indebtedness to which such lien or other encumbrance relates; provided, however, Lessee shall have the right in its discretion in good faith in accordance with Section 3.1 hereof to contest any and all such liens and encumbrances, and Lessee shall not be obligated to pay the contested item or items unless and until it has been finally determined to be valid and enforceable against Lessee or Lessee's interest in the Land.

Section 5.2. Upon obtaining the consent of Lessor, which consent Lessor agrees shall not be unreasonably withheld or delayed, Lessee shall at all times have the right to encumber by mortgage or other proper instrument in the nature thereof as security for any actual bona fide debt its leasehold estate hereby created or any portion thereof; provided, that any and all such encumbrances shall at all times be inferior and subject to the prior right, title and interest of Lessor under this Lease. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the

performance of any labor or the furnishing of any materials for any improvement, alteration to or repair of the Land or the Improvements or any part thereof or any building or improvement at any time situated thereon, nor as giving Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the interest of the Lessor in the Land or any part thereof.

Section 5.3. If at any time after the execution and recording in the City Register for the County of New York, of any such mortgage, the mortgagee therein shall notify Lessor in writing that such mortgage has been executed and delivered by Lessee and at the same time furnish Lessor with the address to which said mortgagee desires copies of notices to be mailed, Lessor hereby agrees that it will thereafter mail to such mortgagee at the address so given a duplicate copy of any and all notices in writing which Lessor may from time to time give or serve upon Lessee under and pursuant to the terms and provisions of this Lease.

Section 5.4. Such mortgagee may, at its option, at any time before the rights of Lessee shall have been terminated as provided in Article Thirteen pay any of the rental due hereunder, or do any other act or thing required

of or permitted to Lessee by the terms of this Lease, and all payments so made and all things so done and performed by or for any such mortgagee shall be as effective to prevent a forfeiture of the rights of Lessee hereunder as though the same had been done and performed by Lessee. Any such mortgage so given by Lessee may, if Lessee desires, be so conditioned as to provide that as between such mortgagee and Lessee, said mortgagee, on making good and performing any such default or defaults on the part of Lessee, shall be thereby subrogated to or be in the position of an assignee of any and all of the rights of Lessee under the terms and provisions of this Lease. Lessor shall be furnished with either a duplicate original or a certified copy of any such mortgage which provides that any such mortgagee on making good and performing any such default or defaults on the part of Lessee shall be thereby subrogated to or be in the position of an assignee of any and all of said rights of Lessee.

Section 5.5. No such mortgagee of the rights and interests of Lessee hereunder shall be or become liable to Lessor as an assignee of this Lease, or otherwise, unless it expressly assumes the liability, and no assumption shall be inferred from or shall be the result of foreclosure or other appropriate proceedings in the nature thereof or shall be the result of any other action or remedy provided for by

such mortgage or by proper conveyance from Lessee pursuant to which the purchaser at foreclosure or grantee shall acquire the rights and interest of Lessee under the terms of this Lease. The rights of any such mortgagee, purchaser or grantee shall be subject to the unperformed obligations of Lessee, and in the event of a subsequent default in the performance of one or more of said obligations as hereinafter provided, Lessor may enforce the performance of this Lease as hereinafter provided.

ARTICLE SIX
MAINTENANCE AND REPAIR OF PREMISES
COMPLIANCE WITH LAWS
OPERATION

Section 6.1. Lessee agrees during the term of this Lease to take good care of the Land. Lessee further agrees that, at the end or other expiration of the term of this Lease, it will deliver up the Land and the Improvements then existing thereon in good order and condition, reasonable wear and tear excepted. All expenses arising out of Lessee's operation or use of the Land or the Improvements shall be borne by Lessee.

Section 6.2. Lessee shall at its expense promptly execute and fulfill all ordinances of the City of New York, or other governmental agency applicable to the Land, and all orders and requirements imposed by the Board of Health, Sanitation, Fire and Police Departments, or other govern-

mental authority, for the correction, prevention and abatement of nuisances in or upon or connected with the Land because of Lessee's use thereof during the term of this Lease.

Section 6.3. If Lessee shall fail to pay before same become delinquent any tax, assessment or charge which it is required to pay by Article Three, or any bill for materials or labor furnished or performed in connection with the repair or maintenance of the Land as required hereunder, or shall fail to perform any obligation of Lessee required in other Sections of this Lease, Lessor after thirty (30) days' written notice to Lessee (Lessor having the right to reduce the time of such notice in order to permit it to make any payment or perform any obligation of Lessee prior to delinquency or default) shall have the right, but not the obligation, in addition to all other rights and remedies to make any or all of such payments and perform any or all of such obligations of Lessee, and if it does so Lessor shall be subrogated to the rights, titles and interests of all persons whose claims it has paid, and Lessee agrees forth with to repay to Lessor, all sums thus paid by Lessor in order to perform Lessee's obligations, together with inter est at the rate of 2% above the prime rate charged by Citibank N.A., from the date of each such payment; provided, however, that nothing contained in this Section shall impair

or affect Lessee's right to dispute or contest the validity or amount of any claim as hereinafter set forth; and provided further, that the performance by Lessor of an obligation of Lessee as herein permitted shall not impair or affect the right of Lessor to terminate this Lease in the event of an act of default by Lessee as hereinafter set forth.

ARTICLE SEVEN
ASSIGNMENT
INDEMNITY

Section 7.1. Lessee may not sublease the Land in whole or in part without the consent of Lessor. Lessee may also not assign this Lease without the consent of Lessor, which consent shall not be unreasonably withheld or delayed. It shall be deemed reasonable for Lessor to withhold its consent to any proposed assignee, if any such assignee does not (i) have a recognized reputation and capability for the management of first class office buildings in the Borough of Manhattan and (ii) have a net worth substantially comparable to Lessee under generally accepted accounting practices as certified by a certified public accountant. In addition, any assignee of this Lease shall expressly assume all of the terms and conditions hereof. If at any time after the execution and delivery of an instrument whereby this Lease is assigned, or the Land or any part thereof is sublet, if the assignee or sublessee therein shall notify Lessor in

writing that such an instrument of assignment or subletting has been executed and delivered by Lessee and at the same time furnish Lessor with the address to which said assignee or sublessee desires copies of notices to be mailed or designate some person or corporation in the City of New York, as the agent and representative of the assignee or sublessee for the purpose of receiving copies of notices, Lessor hereby agrees that it will thereafter mail either to such assignee or sublessee at the address so given a copy of any and all notices in writing which Lessor may from time to time give or serve upon Lessee under and pursuant to the terms of this Lease; provided, however, that in no event shall Lessor be required to give such notice to more than three addressees who may be assignees or sublessees. If notices to more than three addresses would otherwise be required under this provision, such addressees shall be required to designate an agent or agents, but not more than three, for the purposes of such notice. Each such assignee or sublessee, immediate or remote, unless restrained by the muniments of title under which he holds, shall have like power of assignment and subletting on the same conditions and subject to the same restrictions as those imposed herein on Lessee.

Section 7.2. All property of every kind which may be placed upon the Land during the lease term shall be at

the sole risk of Lessee or those claiming under it and Lessor shall not be liable to Lessee, or to any other person whatsoever, for any injury, loss or damage to any person or property upon the Land, or upon the sidewalks contiguous thereto. Lessee hereby covenants and agrees to assume all liability for or on account of any injury, loss or damage above described, and to save Lessor harmless therefrom. Lessor shall not be liable for injury or damage which may be sustained by person or property by Lessee or any other person caused (i) by the street or subsurface, (ii) by interference with light or other incorporeal hereditaments, (iii) by operations by or for governmental agencies in the construction of any public or quasi-public work, or (iv) from any other source or by any cause whatsoever.

Section 7.3. Lessee shall at its own expense provide and keep in force for the protection of Lessor and Lessee, comprehensive general liability insurance in which Lessor shall be named as an additional assured in such limits of liability in respect of bodily injury for each person and for each occurrence and in respect of property damage for each occurrence in such amounts as shall reason ably protect both Lessor and Lessee against the risks described in Section 7.2, but not less than $2,000,000 coverage for bodily injury to each person and not less than $10,000,000 coverage for bodily injury for each occurrence.

Such policy or policies shall cover the Land and any side walks, streets and ways adjoining the Land or any of the situations named in Section 7.2, and shall be issued by a reputable insurance company or companies reasonably accept able to Lessor, and copies of such policies or certificates shall be delivered to Lessor.

ARTICLE EIGHT
CONDEMNATION AND EMINENT DOMAIN

Section 8.1. If during the term of this Lease the Land shall be taken by any public authority for any public use or by condemnation or eminent domain proceedings, and such taking relates to the entire fee simple estate in the Land as well as the right, title and interest of Lessee, then this Lease shall terminate as of the date of such taking, and all rights, titles, interests, covenants, agreements and obligations of the parties hereto thereafter accruing shall cease and terminate except as hereinafter set forth. In the event of such taking the entire compensation and damages (if not apportioned by the condemnation decree) shall be fairly and equitably apportioned between Lessor and Lessee in accordance with the respective damage and loss sustained by the fee simple estate (subject to the leasehold estate) and the leasehold estate granted hereunder.

Section 8.2. If during the term of this Lease a material part of the Land shall be taken and the remaining

portion of the Land cannot reasonably be used or utilized for the purposes for which the Land were being used at the time of the taking, Lessee shall have the right and option upon thirty (30) days' written notice to Lessor to terminate this Lease, in which event the provisions of Section 8.1 shall be applicable as of the date of such termination.

Section 8.3. If during the term of this Lease a portion of the Land shall be temporarily taken, and this Lease is not terminated pursuant to Section 8.2, or if any condemnation for a temporary period ending before the expiration of the term of this Lease shall be made, it is agreed that in such event the rights, duties and obligations of the parties under the terms of this Lease shall then be modified fairly and equitably with such abatement of rent and other payments and obligations as shall fairly and equitably adjust the rights, duties and obligations of the parties hereto under the changed circumstances. Any compensation and damages that may be awarded as the result of any such taking shall be fairly and equitably apportioned between Lessor and Lessee in accordance with the respective damage and loss sustained by the fee simple estate (subject to the leasehold estate) and the leasehold estate granted hereunder. In the event that a permanent taking of a portion of the Land occurs, the rent thereafter payable shall be reduced in the same proportion as the area of the

portion taken shall bear to the total area of the Land immediately prior to the taking, said rent reduction to be based on the then effective rental rate, subject to adjustment in accordance with the terms of this Lease.

ARTICLE NINE
NOTICES

Section 9.1. All notices, demands, consents, approvals or other communications hereunder shall be in writing and shall be deemed to have been given (i) 72 hours after the same are sent by certified or registered mail, postage prepaid, or (ii) when delivered, in each case, to the parties at the following addresses:

Lessor: CORPORATE PROPERTY INVESTORS
230 Park Avenue
New York, New York 10169

Lessee: 305-313 EAST 47TH STREET ASSOCIATES
c/o Corporate Realty Consultants, Inc.
230 Park Avenue
New York, New York 10169

or at such other addresses as each party may designate by notice to the other party.

Section 9.2. The word "Lessor" as used in this Lease shall extend to and include all other persons, whether natural or artificial, who at any time or from time to time during the term of this Lease shall succeed to the interest and estate of Lessor in the Land, and all of the covenants, agreements, conditions and stipulations herein contained

shall inure to the benefit of and shall be jointly and severally binding upon Lessor and its successors, assigns, grantees, heirs, executors and administrators, and of any and all persons who at any time or from time to time during the term of this Lease shall succeed to the interest and estate of Lessor in the Land. "Lessee" as used in this instrument shall extend to and include the party executing this instrument as Lessee, as well as all other persons, whether natural or artificial, who at any time or from time to time during the term of this Lease shall succeed to the interest and estate of Lessee in the Land, and all of the covenants, agreements, conditions, and stipulations herein contained shall inure to the benefit of and shall be binding upon the party executing this instrument as Lessee (subject to the limitation as provided in Article Twelve) and its successors, assigns, grantees, heirs, executors and administrators, and of any and all persons who shall, at any time or from time to time during the term of this Lease succeed to the interest and estate of Lessee hereby created in the Land.

ARTICLE TEN
EXISTING AGREEMENTS
RIGHTS AND LEASES
QUIET ENJOYMENT

Section 10.1. Lessor represents and warrants that it owns good and indefeasible fee simple title to the Land

and Lessor further warrants that Lessee shall have a good and indefeasible leasehold estate in and to the Land subject to any easements or restrictions of record, and covenants that Lessee, on paying the rent and performing his agreements and obligations as aforesaid, shall and may at all times peaceably and quietly have, hold and enjoy the Land during the term of this Lease.

Section 10.2. Lessor warrants that there are no existing deed restrictions or encroachments. Lessor further warrants to Lessee that there are no persons or tenants in possession of the Land under leases or otherwise other than those set forth on Exhibit B attached hereto.

ARTICLE ELEVEN
WAIVERS

Section 11.1. Any and all waivers by Lessor or Lessee shall be in writing. No waiver by Lessor or Lessee of any default or breach by the other of any covenant, condition, agreement, provision or stipulation herein contained shall be deemed as a waiver of any other or subsequent default or breach of the same or any other covenant, condition, agreement, provision or stipulation hereof.

ARTICLE TWELVE
LIMITATION OF LIABILITY OF LESSEE

Section 12.1. In the event of assignment of this Lease to an assignee in accordance with the terms and

conditions of Section 7.1 and an assumption by such assignee of the obligations of the Lessee hereunder, the assignor shall be released from liability, provided that Lessee shall have given to Lessor an assignment instrument, or true copy thereof, evidencing the assignment of this Lease and the agreement of the assignee to accept the assignment unconditionally and to be bound by all the terms, conditions and covenants of Lessee hereunder.

ARTICLE THIRTEEN
DEFAULT
REMEDIES

Section 13.1 In the event of a default on the part of Lessee in the payment of rent, or ad valorem taxes, governmental charges, assessments or levies, or default on the part of Lessee (i) pursuant to the terms of any mortgage or note between Lessor and Lessee or (ii) in the satisfaction of any other lien created or suffered to be created by Lessee (other than the lien permitted by Section 5.2 hereof), if Lessor shall execute and deliver to Lessee and each mortgagee in accordance with the provisions of Section 5.3 of this Lease a written notice specifying such default, and if the default thus specified by such notice shall continue for a period of sixty (60) days from and after the date of such notice, then in such event Lessor shall have the full right at its election to forfeit this Lease or pursue any other legal remedy; provided, however,

that if Lessee shall have executed and delivered, in accordance with the provisions of Section 5.2 of this Lease, a mortgage, or other proper security instrument, and the mortgagee therein shall have notified Lessor of such fact and furnished Lessor with the address to which copies of notices shall be sent in accordance with the provisions of Section 5.3 of this Lease, then insofar, and only insofar, as the rights of any such mortgagee or trustee authorized under the provisions of Section 5.2 of this Lease are concerned, Lessor shall have the right to declare this Lease forfeited only if the default specified by said notice shall continue for an additional period (in addition to the original sixty (60) day period) of thirty (30) days after the date of said original notice.

Section 13.2. In the event of any breach of any covenant of this Lease by Lessee other than those mentioned in Section 13.1 above, then Lessor shall have the right to execute and deliver to Lessee and to each mortgagee in accordance with the provisions of Section 5.3 of this Lease a written notice specifying such default, and unless within ninety (90) days from and after the date of said notice Lessee or any mortgagee shall have commenced to remove or to cure such default and shall thereafter proceed with reasonable diligence to completely remove or cure such default, then in such event Lessor shall have the full right

at its election to forfeit this Lease or pursue any other legal remedy; provided, however, that if any mortgagee of Lessee's interest under a mortgage or other encumbrance created under Section 5.2 of this Lease is not in actual possession of the Land at the time of such default, then the time within which such mortgagee may commence to cure such default shall be extended until such mortgagee can obtain actual possession; provided that during such interim the mortgagee under a mortgage of the leasehold estate authorized by Section 5.2 shall pay or cause to be paid all rents, taxes, governmental charges, assessments and levies and all liens created or suffered to be created by Lessee (other than the lien held by it) and provided for hereunder as and when same shall become due under the terms of this Lease.

Section 13.3. In the event it shall become necessary for Lessor to employ an attorney to collect any rent due under this Lease or to enforce any of the other covenants of the Lessee, Lessee shall be liable and responsible for the payment of reasonable attorneys' fees to Lessor's attorneys.

ARTICLE FOURTEEN
MISCELLANEOUS

Section 14.1. Each party hereto agrees that upon the request of the other it will forthwith execute and deliver for recording in the City Register for the County of

New York, a short form lease agreement designating the parties, describing the Land and setting out the term of this Lease, and incorporating all the terms hereof by reference hereto.

Section 14.2. All titles or captions of Articles herein are used for convenience only, and shall not control or affect the meaning or construction to be placed on the language contained in the various Articles of this Lease.

Section 14.3. It is understood and agreed that Lessor expressly reserves the right to mortgage Lessor's interest in the Land.

Section 14.4. Rent on Net Return Basis. It is intended that the rent provided for in this Lease shall be an absolutely net return to Lessor for the term of this Lease, free of any loss, expenses, charges, or other deduction with respect to the Land, including without limitation maintenance, repairs, insurance, taxes and assessments imposed upon or related to the Land, except as otherwise expressly provided herein.

Except as otherwise expressly provided herein, no abatement, diminution or reduction of the annual rent or of other charges required to be paid by Lessee pursuant to the terms of this Lease shall be claimed by, or allowed to, Lessee for any inconvenience, interruption, cessation or loss of business or otherwise, caused, directly or indi-

rectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war, civil commotion, strikes or riots, or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of Lessor, nor shall this Lease be affected by any such causes.

Section 14.5. Corporate Property Investors. Corporate Property Investors refers to the trustees under the Amended and Restated Declaration of Trust, dated June 15, 1978, as amended, and filed in the office of the Secretary of the Commonwealth of Massachusetts. The obligations of Lessor do not constitute personal obligations of the trustees, officers, shareholders, employees or agents. All persons dealing with Lessor shall look solely to the assets of Lessor for satisfaction of any liability of Lessor in respect of this Agreement, and will not seek recourse against such trustees, officers, shareholders, employees or agents or any of them or any of their personal assets for such satisfaction.

IN WITNESS WHEREOF, this Lease is executed as of the date set forth above.

LESSOR:

CORPORATE PROPERTY INVESTORS,

by /s/ Peter Bepler

Vice President

LESSEE:

305-313 EAST 47TH STREET ASSOCIATES,

CORPORATE REALTY CONSULTANTS, INC.,
General Partner

by /s/ Peter Bepler

Vice President

CRC ADVISORY CORP.,
General Partner

by /s/ Peter Bepler

Vice President

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this 22nd day of June, 1982, before me personally came Peter T. Bepler, II, to me known, and who, being duly sworn, did depose and say: That he resides at 142 East 71st Street, New York, New York; that he is the Vice President of CORPORATE REALTY CONSULTANTS, INC., a corporation duly organized under the laws of the State of Delaware, having its principal place of business at 230 Park Avenue, New York, New York; that said corporation is a General Partner of 305-313 East 47th Street Associates, a New York partnership, the firm described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such a corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order, and he acknowledged to me that the said instrument was executed by said corporation for and in behalf of said partnership.

/s/ Murray Cohen

EXHIBIT B

305-313 East 47th Street

SCHEDULE OF TENANTS

Building/Floor	Tenancy Status	Square Footage
305 East 47th Street		
Basement	Vacant	7,500
Ground Floor	Dixie Color Corp.	6,750
2nd Floor	Vacant	6,750
3rd Floor	Loewy machinery	2,400
	Atelier Ettinger	1,980
	Vacant	2,370
4th Floor	Vacant	6,750
5th Floor	Vacant	6,750
6th Floor	Loewy Machinery	6,750
7th Floor	Atelier Ettinger	6,500
8th Floor	Arkay Packaging	2,200
	Warren Associates	3,900
9th Floor	J.L. Gordon Architects	5,800
10th Floor	Zuberry Associates	5,400
11th Floor	Vacant	5,100
12th Floor	A&D Color Lab	1,735
	Harper & George	3,265
311-313 East 47th Street		
Basement	Warren Associates	2,000
Ground Floor	Lee Rothberg Productions	5,000
2nd Floor	Barry Blueprint	5,000
3rd Floor	P. Podemski	5,000
4th Floor	Vacant	5,000

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this 22nd day of June, 1982, before me personally came Peter T. Bepler, II, to me known, and who, being duly sworn, did depose and say: That he resides at 142 East 71st Street, New York, New York; that he is the Vice President of CRC ADVISORY CORP., a corporation duly organized under the laws of the State of Delaware, having its principal place of business at 230 Park Avenue, New York, New York; that said corporation is a General Partner of 305-313 East 47th Street Associates, a New York partnership, the firm described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such a corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order, and he acknowledged to me that the said instrument was executed by said corporation for and in behalf of said partnership.

/s/ Murray Cohen

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this 22nd day of June, 1982, before me personally came Peter T. Bepler, II, to me known, who, being by me duly sworn, did depose and say that he resides at 142 East 71st Street, New York, New York; that he is the Vice President of CORPORATE PROPERTY INVESTORS, a Massachusetts business trust described in and which executed the foregoing instrument; that he knows the seal of said trust; that the seal affixed to said instrument is such trust seal; that it was so affixed by order of the board of trustees of said trust, and that he signed his name thereto by like order.

/s/ Murray Cohen

EXHIBIT A

ALL of that certain lot, piece or parcel of land, situate, lying and being in the City, County and State of New York and bounded and described as follows:

BEGINNING at a point in the northerly side of Forty-Seventh Street, distant one hundred feet easterly from the intersection or the northerly side of Forty-Seventh Street and the easterly side of Second Avenue; running thence northerly parallel with Second Avenue, one hundred feet five inches to the center line of the block; thence easterly along said line one hundred and twenty-five feet; thence southerly parallel with Second Avenue, one hundred feet five inches to the northerly side of Forty-Seventh Street; and thence westerly along the northerly side of Forty-Seventh Street, one hundred and twenty-five feet to the Point of BEGINNING.

Said premises being known as 305-313 East 47th Street.

Exhibit 10.56

[Letterhead of Corporate Property Investors, Inc. and
Corporate Realty Consultants, Inc.]

June 16, 1997

Buford Acquisition Company, L.L.C.
One Atlanta Plaza
Suite 900
950 E. Paces Ferry Road
Atlanta, GA 30326

Attention: Ben Carter

Re: Limited Liability Company dated as of April 4, 1997 (the "Agreement") relating to Mill Creek Land, L.L.C. (the "Company") between the undersigned and you

Dear Sirs:

You and we hereby agree that the Agreement is amended by replacing the date "June 16, 1997" appearing in Sections 3.02(b) thereof with the date "June 20, 1997". In all other respects the Agreement remains in full force and effect.

Very truly yours,

CORPORATE REALTY CONSULTANTS, INC.

By: /s/ J. Michael Maloney

J. Michael Maloney
Senior Vice President

AGREED:

BUFORD ACQUISITION COMPANY, L.L.C.

By: /s/ Buford Acquisition Company, L.L.C.

Name:
Title:

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Copies to:

Alfred G. Adams, Jr.
Sutherland, Asbill & Brennan, L.L.P.
999 Peachtree Street, N.E.
Atlanta, GA 30309-3996

Ralph Williams
Alston & Bird
One Atlantic Center
1201 W. Peachtree Street
Atlanta, GA 30309-3424

[Letterhead of Corporate Property Investors, Inc. and
Corporate Realty Consultants, Inc.]

May 5, 1997

Buford Acquisition Company, L.L.C.
One Atlanta Plaza
Suite 900
950 E. Paces Ferry Road
Atlanta, GA 30326

Attention: Ben Carter

Re: Limited Liability Company dated as of
April 4, 1997 (the "Agreement") relating to
Mill Creek Land, L.L.C. (the "Company")
between the undersigned and you

Dear Sirs:

You and we hereby agree that the Agreement is amended by replacing the date "June 10, 1997" appearing in Sections 3.02(b) thereof with the date "June 16, 1997". In all other respects the Agreement remains in full force and effect.

Very truly yours,

CORPORATE REALTY CONSULTANTS, INC.

By: /s/ Thomas E. Zacharias

Thomas E. Zacharias
Vice President

AGREED:

BUFORD ACQUISITION COMPANY, L.L.C.

By: /s/ Buford Acquisition Company, L.L.C.

Name:
Title:

Copies to:

Alfred G. Adams, Jr,
Sutherland, Asbill & Brennan, L.L.P.
999 Peachtree Street, N.E.
Atlanta, GA 30309-3996

Ralph Williams
Alston & Bird
One Atlantic Center
1201 W. Peachtree Street
Atlanta, GA 30309-3424

LIMITED LIABILITY COMPANY AGREEMENT

of

MILL CREEK LAND, L.L.C.

Dated as of April 4, 1997

between

BUFORD ACQUISITION COMPANY, L.L.C.

and

CORPORATE REALTY CONSULTANTS, INC.

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Exhibit 10.57

GUARANTEE

GUARANTEE dated as of April 4, 1997, made by GWINNETT PRADO, L.P., a Georgia limited partnership ("Guarantor"), in favor of Mill Creek Land, L.L.C., a Delaware limited liability Company (the "Company") and CORPORATE REALTY CONSULTANTS, INC., a Delaware corporation (collectively, the "Beneficiaries"), pursuant to the Limited Liability Company Agreement dated as of the date hereof, between BUFORD ACQUISITION COMPANY, L.L.C., a Georgia limited liability company (the "Member"), and CORPORATE REALTY CONSULTANTS, INC., as the same may be amended, supplemented or modified from time to time (the "LLC Agreement").

WHEREAS, the parties to the LLC Agreement have entered into a venture to acquire and develop certain land located in Gwinnett County, Georgia;

WHEREAS, pursuant to the LLC Agreement, the parties thereto have agreed to make certain capital contributions to the Company as specified in Article III of the LLC Agreement; and

WHEREAS, as an inducement to the parties to enter into the LLC Agreement and as a requirement thereunder, each party thereof has agreed to have certain affiliates guarantee certain of its capital obligations.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereto agrees as follows:

1. Defined Terms. (a) Unless otherwise defined herein, capitalized terms used in this Guarantee shall have the meanings assigned to them in the LLC Agreement and the following terms have the following meanings:

"Guarantee" means this Guarantee, as the same may be amended, supplemented, waived or otherwise modified from time to time.

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"Obligations" means the due and punctual payment and performance of the obligations of the Member under Section 3.02(b) and 3.03(a) of the LLC Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section and paragraph references are to this Guarantee unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee. (a) Subject to the provisions of paragraph 2(b), the Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries, for the benefit of the Beneficiaries and their respective successors and assigns, the prompt and complete payment and performance by the Member when due of the Obligations. Guarantor further agrees to pay any and all expenses (including, without limitation, all reasonable fees and disbursements of counsel) which may be reasonably paid or incurred by the Beneficiaries in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, Guarantor under this Guarantee. This Guarantee shall remain in full force and effect until the Obligations have been satisfied or discharged in full.

(b) No payment or payments made by any Person other than the Guarantor or received or collected by the Company from the Member, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations have been satisfied or discharged in full.

3. Right of Set-Off. Upon the occurrence and during the continuance of any failure of the Member to make a capital contribution as and when required pursuant to Section 3.02(b) of the LLC Agreement, the Company is hereby irrevocably authorized at any time and from time to time without notice to Guarantor, any such notice being expressly

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waived by Guarantor to the extent permitted by applicable law, to set-off and appropriate and apply any and all sums of money and other property at any time held or owing by the Company to or for the credit or the account of Guarantor or the Member, or any part thereof in such amounts as the Company may elect, against and on account of the obligations and liabilities of Guarantor to the Company hereunder, and claims of every nature and description of the Company against Guarantor, whether arising hereunder, under the LLC Agreement, or otherwise, as the Company shall elect, whether or not the Company has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Company shall notify Guarantor promptly of any such set-off and the application made by the Company of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Company under this Section are in addition to other rights and remedies (which the Company may have under the LLC Agreement).

4. Limits on Subrogation. Notwithstanding anything to the contrary contained herein or in the LLC Agreement and notwithstanding any payment or payments made by Guarantor hereunder or pursuant to the LLC Agreement or any right of set-off of the Company against Guarantor, Guarantor shall not be entitled to be subrogated to any of the rights of the Beneficiaries against the Member or any collateral security or guarantee or right of offset held by any Beneficiaries for the payment of the Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from the Member in respect of payments made by Guarantor hereunder or under the LLC Agreement, until all amounts owing to the Company by the Member on account of the Obligations are paid in full. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by Guarantor in trust for the Beneficiaries, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to the Company in the exact form received by Guarantor (duly indorsed by Guarantor to the Company, if required), to be applied against the Obligations.

5. Amendments, etc. With Respect to the Obligations, Waiver of Rights. Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Guarantor and without notice to or further assent by Guarantor, any demand for payment of any of the Obligations made by the Company may be rescinded by the Company and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or

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for any part thereof, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Company, and the LLC Agreements and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Company may deem advisable from time to time. When making any demand hereunder against the Guarantor, the Company may, but shall be under no obligation to, make a similar demand on the Member, and any failure by the Company to make any such demand or to collect any payments from the Member shall not relieve Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Company against Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof or reliance by the Beneficiaries upon this Guarantee or acceptance of this Guarantee; the Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Member and the Guarantor, on the one hand, and the Beneficiaries, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Member or the Guarantor with respect to the Obligations. Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the LLC Agreement, (b) any defense, set-off or counterclaim which may at any time be available to or be asserted by the Member against the Company or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Member or Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Member for the Obligations, or of Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against Guarantor, the Company may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Member or any other Person, and any failure by the Company to pursue such other rights or remedies or to collect any payments from the Member or any such other Person or shall not relieve Guarantor of any liability

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hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Company against Guarantor.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Beneficiaries upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Member or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Member or Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. Guarantor hereby agrees that payments hereunder will be paid to the Company without set-off or counterclaim in U.S. Dollars at the office of the Company.

9. Representations and Warranties. (a) Guarantor hereby represents and warrants that:

(i) it is a limited partnership duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation and has the power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged;

(ii) it has the power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guarantee, and has taken all necessary action to authorize its execution, delivery and performance of this Guarantee;

(iii) this Guarantee has been duly executed and delivered on behalf of Guarantor and constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally, general equitable principles (whether enforcement is sought by proceedings in equity or at law) and an implied covenant of good faith and fair dealing;

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(iv) the execution, delivery and performance of this Guarantee will not violate any provision of any requirement of law or contractual obligation of Guarantor in any respect that, in the aggregate for all such violations, could reasonably be expected to have a material adverse effect on the Guarantor and will not result in or require the creation or imposition of any lien on any of the properties or revenues of Guarantor pursuant to any such requirement of law or contractual obligation of Guarantor;

(v) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person (including, without limitation, any stockholder or creditor of Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guarantee, other than those which have been duly obtained or made and are in full force and effect on the date of this agreement and except for those the absence of which in the aggregate, could not reasonably be expected to have a material adverse effect on the Guarantor;

(vi) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of Guarantor, threatened by or against Guarantor or against any of its properties or revenues (1) with respect to this Guarantee or any of the transactions contemplated hereby by (2) which could reasonably be expected to have a material adverse effect on the Guarantor.

10. Covenants; Further Assurances. Guarantor hereby covenants and agrees with the Beneficiaries that, from and after the date of this Guarantee until payment in full of the Obligations at any time and from time to time, upon the written request of the Company, and at the sole expense of Guarantor, Guarantor will promptly and fully execute and deliver such further instruments and documents and take such further actions as the Company may reasonably request for the purpose of obtaining or preserving the full benefits of this Guarantee and of the rights and powers herein granted.

11. Notices. All notices, requests and demands to or upon the Beneficiaries or Guarantor to be effective shall be in writing (or by telex, fax or similar electronic transfer confirmed in writing) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (1) when delivered by hand or (2) if given by

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mail, three days after being deposited in the mails by certified mail, return receipt requested, postage prepaid or (3) if by telex, fax or similar electronic transfer, when sent and receipt has been confirmed, addressed as follows:

(a) if to the Beneficiaries, at their address or transmission number for notices provided in the LLC Agreement; and

(b) if to Guarantor, at its address or transmission number for notices set forth under its signature below or to such other address as may be hereafter notified by the respective parties hereto.

The Beneficiaries and Guarantor may change their address and transmission numbers for notices by notice in the manner provided in this Section.

Guarantor agrees that any notice delivered to the Beneficiaries shall be deemed to be received by the Beneficiaries.

12. Counterparts. This Guarantee may be executed by counterpart, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

13. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. Integration. This Guarantee represents the entire agreement of Guarantor with respect to the subject matter hereof and there are no promises or representations by Guarantor or the Beneficiaries relative to the subject matter hereof not reflected or referred to herein.

15. Amendments in Writing; No Waiver, Cumulative Remedies. (a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Guarantor and the Beneficiaries; provided that any provision of this Guarantee may be waived by the Beneficiaries in a letter or agreement executed by the Beneficiaries or by telex or facsimile transmission from the Beneficiaries.

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(b) The Beneficiaries shall not by any act (except by a written instrument pursuant to paragraph 15(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Beneficiaries any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Beneficiaries of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Beneficiaries would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

16. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

17. Submission to Jurisdiction; Waivers. (a) Guarantor hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Guarantee to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Guarantor at its address referred to in Section 11

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or at such other address of which the Beneficiaries shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service or process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Guarantor and the Beneficiaries hereby unconditionally and irrevocably waive, to the maximum extent not prohibited by law, any right they may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

18. Acknowledgments. Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee; and

(b) the Beneficiaries has no fiduciary relationship with or duty to it or the Member arising out of or in connection with this Guarantee, and the relationship between the Beneficiaries, on one hand, and the Guarantor and the Member, on the other hand, in connection herewith is solely that of debtor and creditor.

19. WAIVERS OF JURY TRIAL. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE AND FOR ANY COUNTERCLAIM THEREIN.

20. Successors and Assigns. This Guarantee shall be binding upon the successors and assigns of Guarantor, shall inure to the benefit of the Beneficiaries and its respective indorsees, transferees, successors and assigns. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Beneficiaries.

21. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OF NEW YORK.

22. No Third Party Beneficiaries. None of the provisions of this Guarantee shall be for the benefit or enforceable by any creditor of the Company. Except as expressly provided for herein, nothing in this Guarantee shall be deemed to create any right in any Person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

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IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

GWINNETT PRADO, L.P., as GUARANTOR,

by Prado Manager Inc., its sole general partner,

by /s/ D. Scott Hudgens, Jr.

Name: D. Scott Hudgens, Jr.
Title: President

Address for Notices:
c/o William A. Brogdon
Brogdon Consulting Inc.
325 Mall Blvd., Suite 5FF
Deluth, GA 30136
Telecopy: (770) 476-5137

MILL CREEK LAND, L.L.C.,

by Corporate Realty Consultants, Inc., its managing member,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

CORPORATE REALTY CONSULTANTS, INC.,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

Exhibit 10.58

EXECUTION COPY

GUARANTEE

GUARANTEE dated as of April 4, 1997, made by BEN CARTER COMPANIES, L.L.C., a Georgia limited liability company ("Guarantor"), in favor of Mill Creek Land, L.L.C., a Delaware limited liability company (the "Company") and CORPORATE REALTY CONSULTANTS, INC., a Delaware corporation (collectively, the "Beneficiaries"), pursuant to the Limited Liability Company Agreement dated as of the date hereof, between BUFORD ACQUISITION COMPANY, L.L.C., a Georgia limited liability company (the "Member"), and CORPORATE REALTY CONSULTANTS, INC., as the same may be amended, supplemented or modified from time to time (the "LLC Agreement").

WHEREAS, the parties to the LLC Agreement have entered into a venture to acquire and develop certain land located in Gwinnett County, Georgia;

WHEREAS, pursuant to the LLC Agreement, the parties thereto have agreed to make certain capital contributions to the Company as specified in Article III of the LLC Agreement; and

WHEREAS, as an inducement to the parties to enter into the LLC Agreement and as a requirement thereunder, each party thereof has agreed to have certain affiliates guarantee certain of its capital obligations.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereto agrees as follows:

1. Defined Terms. (a) Unless otherwise defined herein, capitalized terms used in this Guarantee shall have the meanings assigned to them in the LLC Agreement and the following terms have the following meanings:

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"Guarantee" means this Guarantee, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Obligations" means the due and punctual payment and performance of the obligations of the Member under Section 3.02(b) and 3.03(a) of the LLC Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section and paragraph references are to this Guarantee unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee. (a) Subject to the provisions of paragraph 2(b), the Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries, for the benefit of the Beneficiaries and their respective successors and assigns, the prompt and complete payment and performance by the Member when due of the Obligations. Guarantor further agrees to pay any and all expenses (including, without limitation, all reasonable fees and disbursements of counsel) which may be reasonably paid or incurred by the Beneficiaries in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, Guarantor under this Guarantee. This Guarantee shall remain in full force and effect until the Obligations have been satisfied or discharged in full.

(b) No payment or payments made by any Person other than the Guarantor or received or collected by the Company from the Member, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations have been satisfied or discharged in full.

3. Right of Set-Off. Upon the occurrence and during the continuance of any failure of the Member to make

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a capital contribution as and when required pursuant to Section 3.02(b) of the LLC Agreement, the Company is hereby irrevocably authorized at any time and from time to time without notice to Guarantor, any such notice being expressly waived by Guarantor to the extent permitted by applicable law, to set-off and appropriate and apply any and all sums of money and other property at any time held or owing by the Company to or for the credit or the account of Guarantor or the Member, or any part thereof in such amounts as the Company may elect, against and on account of the obligations and liabilities of Guarantor to the Company hereunder, and claims of every nature and description of the Company against Guarantor, whether arising hereunder, under the LLC Agreement, or otherwise, as the Company shall elect, whether or not the Company has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Company shall notify Guarantor promptly of any such set-off and the application made by the Company of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Company under this Section are in addition to other rights and remedies (which the Company may have under the LLC Agreement).

4. Limits on Subrogation. Notwithstanding anything to the contrary contained herein or in the LLC Agreement and notwithstanding any payment or payments made by Guarantor hereunder or pursuant to the LLC Agreement or any right of set-off of the Company against Guarantor, Guarantor shall not be entitled to be subrogated to any of the rights of the Beneficiaries against the Member or any collateral security or guarantee or right of offset held by any Beneficiaries for the payment of the Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from the Member in respect of payments made by Guarantor hereunder or under the LLC Agreement, until all amounts owing to the Company by the Member on account of the Obligations are paid in full. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by Guarantor in trust for the Beneficiaries, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to the Company in the exact form received by Guarantor (duly indorsed by Guarantor to the Company, if required), to be applied against the Obligations.

5. Amendments, etc. With Respect to the Obligations, Waiver of Rights. Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Guarantor and without notice

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to or further assent by Guarantor, any demand for payment of any of the Obligations made by the Company may be rescinded by the Company and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Company, and the LLC Agreements and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Company may deem advisable from time to time. When making any demand hereunder against the Guarantor, the Company may, but shall be under no obligation to, make a similar demand on the Member, and any failure by the Company to make any such demand or to collect any payments from the Member shall not relieve Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Company against Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof or reliance by the Beneficiaries upon this Guarantee or acceptance of this Guarantee; the Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Member and the Guarantor, on the one hand, and the Beneficiaries, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Member or the Guarantor with respect to the Obligations. Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the LLC Agreement, (b) any defense, set-off or counterclaim which may at any time be available to or be asserted by the Member against the Company or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Member or Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Member for the Obligations, or of Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against Guarantor, the Company may, but shall be under no obligation to, pursue such rights and remedies as it may

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have against the Member or any other Person, and any failure by the Company to pursue such other rights or remedies or to collect any payments from the Member or any such other Person or shall not relieve Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Company against Guarantor.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Beneficiaries upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Member or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Member or Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. Guarantor hereby agrees that payments hereunder will be paid to the Company without set-off or counterclaim in U.S. Dollars at the office of the Company.

9. Representations and Warranties. (a) Guarantor hereby represents and warrants that:

(i) it is a limited liability company duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation and has the power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged;

(ii) it has the power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guarantee, and has taken all necessary action to authorize its execution, delivery and performance of this Guarantee;

(iii) this Guarantee has been duly executed and delivered on behalf of Guarantor and constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally, general equitable principles (whether enforcement is sought by proceedings in equity or at

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law) and an implied covenant of good faith and fair dealing;

(iv) the execution, delivery and performance of this Guarantee will not violate any provision of any requirement of law or contractual obligation of Guarantor in any respect that, in the aggregate for all such violations, could reasonably be expected to have a material adverse effect on the Guarantor and will not result in or require the creation or imposition of any lien on any of the properties or revenues of Guarantor pursuant to any such requirement of law or contractual obligation of Guarantor;

(v) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person (including, without limitation, any stockholder or creditor of Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guarantee, other than those which have been duly obtained or made and are in full force and effect on the date of this agreement and except for those the absence of which in the aggregate, could not reasonably be expected to have a material adverse effect on the Guarantor;

(vi) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of Guarantor, threatened by or against Guarantor or against any of its properties or revenues (1) with respect to this Guarantee or any of the transactions contemplated hereby by (2) which could reasonably be expected to have a material adverse effect on the Guarantor.

10. Covenants; Further Assurances. Guarantor hereby covenants and agrees with the Beneficiaries that, from and after the date of this Guarantee until payment in full of the Obligations at any time and from time to time, upon the written request of the Company, and at the sole expense of Guarantor, Guarantor will promptly and fully execute and deliver such further instruments and documents and take such further actions as the Company may reasonably request for the purpose of obtaining or preserving the full benefits of this Guarantee and of the rights and powers herein granted.

11. Notices. All notices, requests and demands to or upon the Beneficiaries or Guarantor to be effective shall be in writing (or by telex, fax or similar electronic

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transfer confirmed in writing) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (1) when delivered by hand or (2) if given by mail, three days after being deposited in the mails by certified mail, return receipt requested, postage prepaid or (3) if by telex, fax or similar electronic transfer, when sent and receipt has been confirmed, addressed as follows:

(a) if to the Beneficiaries, at their address or transmission number for notices provided in the LLC Agreement; and

(b) if to Guarantor, at its address or transmission number for notices set forth under its signature below or to such other address as may be hereafter notified by the respective parties hereto.

The Beneficiaries and Guarantor may change their address and transmission numbers for notices by notice in the manner provided in this Section.

Guarantor agrees that any notice delivered to the Beneficiaries shall be deemed to be received by the Beneficiaries.

12. Counterparts. This Guarantee may be executed by counterpart, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

13. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. Integration. This Guarantee represents the entire agreement of Guarantor with respect to the subject matter hereof and there are no promises or representations by Guarantor or the Beneficiaries relative to the subject matter hereof not reflected or referred to herein.

15. Amendments in Writing; No Waiver, Cumulative Remedies. (a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Guarantor and the Beneficiaries; provided that any provision of this Guarantee may be waived by the Beneficiaries in a

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letter or agreement executed by the Beneficiaries or by telex or facsimile transmission from the Beneficiaries.

(b) The Beneficiaries shall not by any act (except by a written instrument pursuant to paragraph 15(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Beneficiaries any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Beneficiaries of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Beneficiaries would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

16. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

17. Submission to Jurisdiction; Waivers. (a) Guarantor hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Guarantee to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy

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thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Guarantor at its address referred to in Section 11 or at such other address of which the Beneficiaries shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service or process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Guarantor and the Beneficiaries hereby unconditionally and irrevocably waive, to the maximum extent not prohibited by law, any right they may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

18. Acknowledgments. Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee; and

(b) the Beneficiaries has no fiduciary relationship with or duty to it or the Member arising out of or in connection with this Guarantee, and the relationship between the Beneficiaries, on one hand, and the Guarantor and the Member, on the other hand, in connection herewith is solely that of debtor and creditor.

19. WAIVERS OF JURY TRIAL. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE AND FOR ANY COUNTERCLAIM THEREIN.

20. Successors and Assigns. This Guarantee shall be binding upon the successors and assigns of Guarantor, shall inure to the benefit of the Beneficiaries and its respective indorsees, transferees, successors and assigns. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Beneficiaries.

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21. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OF NEW YORK.

22. No Third Party Beneficiaries. None of the provisions of this Guarantee shall be for the benefit or enforceable by any creditor of the Company. Except as expressly provided for herein, nothing in this Guarantee shall be deemed to create any right in any Person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

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IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

BEN CARTER COMPANIES, L.L.C., as
GUARANTOR,

by /s/ Ben Carter Companies, L.L.C.

Name:
Title:

Address for Notices:
One Atlanta Plaza
950 E. Paces Ferry Rd.
Suite 900
Atlanta, GA 30326
Telecopy: (404) 869-7149

with a copy to:

Alfred G. Adams, Jr., Esq.
999 Peachtree Street, N.E.
Atlanta, GA 30309-3996
Telecopy: (404) 853-8806

MILL CREEK LAND, L.L.C.,

by Corporate Realty Consultants,
Inc.,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

CORPORATE REALTY CONSULTANTS, INC.,

by /s/ Corporate Realty Consultants, Inc.

Name:
Title:

EXHIBIT 10.59

SIMON PROPERTY GROUP, L.P.

1998 STOCK INCENTIVE PLAN

INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT ("Agreement"), effective the _____ day of_____, [1998] [1999] by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (formerly Corporate Property Investors, Inc.) (the "Company"), and HANS C. MAUTNER ("Employee").

BACKGROUND

By action of its Board of Directors and Stockholders, the Company has adopted the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "Plan"), under which the Company may grant stock options and other stock awards to employees of the Company. The Plan is administered by a committee ("Committee") appointed by Simon Property Group, L.P. (the "Partnership") that has authority to grant stock options to officers and other key employees of the Company and, subject to the provisions of the Plan, to determine the employees to whom and the time or times at which options will be granted, the number of shares to be covered by each option, the period of time and requisite conditions for exercising an option and the terms and provisions of the option agreements.

THE OPTION

The Committee has determined to grant a stock option to Employee, and Employee, by his execution of this Agreement, agrees to accept the stock option, subject to the following terms and conditions of the Plan:

SECTION 1. Grant of Option.

a. Number of Shares. The Company grants to Employee the right and option to purchase, subject to the terms and conditions of this Agreement and the Plan, a total of _____ shares of common stock of the Company, par value $.0001) per share ("Common Stock"), which shares are designated as shares granted under an incentive stock option (as that term is described in Section 1(d) below).

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b. Option Price. The purchase price of all such shares of Common Stock shall be $ per share.

c. "Option" Defined. The option granted hereby and all of Employee's rights under this Agreement and the Plan are referred to collectively as the "Option."

d. Tax Status of Option. The Option is designated as constituting an "incentive stock option" that is qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. Vesting of Options. [Such Option vests as to 1/3 of the total amount of shares of Common Stock covered by such Option on the anniversary of the date of grant in each of the years 1999-2001. In addition, such Option immediately vests as to all of the shares of Common Stock in the event of Employee's death during employment with the Company, Disability, retirement from the Company or any of its affiliates after attaining age 62 ("Retirement"), or discharge without Cause or the Employee's voluntary termination of employment for Good Reason, or upon a Change of Control (each such term as defined in Section 3 below).]1 [Such Option vests as to 1/2 of the total amount of shares of Common Stock covered by the Option on the anniversary of the date of grant in each of the years 2000-2001.]2

SECTION 3. Definitions. (a) "Cause", "Disability" and "Good Reason." For purposes of this Agreement, the terms "Cause", "Disability" and "Good Reason" shall have the meanings attributed to them in the Employee's Employment Agreement dated as of , 1998 ("Employment Agreement").

(b) "Change of Control". For purposes of this Agreement, the term "Change of Control" shall have the meaning attributed to it in Section 4.5 of the Plan.

SECTION 4. Termination of Option.

a. Termination for Cause or Resignation without Good Reason. If Employee's employment is terminated by the Company for Cause or he voluntarily resigns without Good Reason (other than as a result of death, Retirement or Disability) the Option to the extent unexercised shall expire on the date of such termination.

_____

1 To be used for options granted on the Effective Date of the Merger.

2 To be used for options granted on the first anniversary of the Effective Date of the Merger.

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b. Other Termination. If, before the Option vests as provided in Section 2 above, Employee's employment with the Company terminates as a result of death, Disability, Retirement, or discharge without Cause, or the Employee's voluntary termination of employment for Good Reason, the Option shall become vested in accordance with Section 2 and be exercised in accordance with Section 6.

SECTION 5. Exercise of Option.

a. Exercise Period - General. Subject to the provisions of Sections 5(b) below, Employee may exercise the Option to purchase the vested shares at any time (whether while serving as an employee of the Company or after ceasing to be an employee of the Company), and from time to time (but not as to less than 50 shares at any one time), on and after the date such shares have vested as provided in Section 2 above through and including _____ ___, [2008] [2009] [ten year anniversary] (the "Expiration Date").

b. Exercise Period - Death or Disability or Retirement. If Employee (i) voluntarily terminates employment for Good Reason, (ii) terminates employment due to a discharge without Cause, (iii) dies or incurs a Disability either while serving as an employee of the Company or after ceasing to be an employee of the Company while the Option is still outstanding, or (iv) terminates due to Retirement, the Option may be exercised with respect to the vested optioned shares by Employee or by the executor, administrator or personal representative of Employee's estate or other person entitled by law to Employee's rights under the Option at any time through and including the Expiration Date.

c. Exercise before the Expiration Date. Notwithstanding any other provision of this Agreement, in no event may the Option or any portion of the Option be exercised after _____ __, [2008] [ten year anniversary].

SECTION 6. Manner of Exercise; Notices. The Option shall be exercised by filing with the Partnership a written notice of Employee's intention to purchase such shares, specifying the number of shares (but not less than 50 shares at any one time) and the date that the purchase is to occur. Payment of the option price may be made (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee) or, with

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the consent of the Committee, by personal check (subject to collection), (ii) through the delivery of previously owned Common Stock that has been owned by Employee for at least six months and that has a fair market value equal to the option price, or (iii) with the consent of the Committee, by the promissory note and agreement of the Employee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine in its sole discretion; or (iv) by a combination of the foregoing. Full payment must be made for all shares to be purchased before the shares will be released to Employee. Payment in accordance with clause (i) above may be deemed to be satisfied, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the Employee's direction at the time of exercise, provided that the Committee may require the Employee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, and does not require any consent (as defined in Section 5.3 of the Plan).

The exercise notice shall be addressed to the [General Counsel of the Partnership at 115 West Washington Street, Indianapolis, Indiana 46204], or at such other address as the Company designates in writing to Employee. Any notice to Employee shall be sent to his address as shown in the records of the Company or at such other address as Employee designates in writing to the Company. Any such notice shall be deemed to have been duly given if it is personally delivered or registered and deposited, postage and registry fee prepaid, in a United States Post Office.

For purposes of this Section 6, the "fair market value" of any shares of Common Stock that are delivered in payment of the option price shall be equal to (i) the last sale price for Common Stock for the business day immediately preceding the date on which any portion of the Option is exercised as reported on the New York Stock Exchange, or, if Common Stock is not traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, or, if no sale price is reported for such day, the first preceding business day for which a sale price for Common Stock is reported.

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SECTION 7. Reload Option. If Employee delivers shares of Common Stock in payment of the option price of the Option, Employee shall be issued a new stock option (the "Reload Option"), under the Plan or any subsequently adopted Company stock incentive or stock option plan (collectively, the "Plans") that has Common Stock available for option grant, upon the following terms: (i) the number of option shares of Common Stock granted under the Reload Option shall be equal to the number of shares of Common Stock that were delivered in payment of the option price of the Option plus, if so provided by the Committee, the shares retained by the Company to satisfy any Federal, state or local tax withholding requirements in connection with the exercise of the Option; (ii) the option exercise price of the Reload Option shall be equal to the fair market value of the Common Stock on the day on which the Reload Option was granted, or, if Common Stock is not then traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded; (iii) the Reload Option shall have a term equal to the remaining term of the original Option to which it relates (subject to earlier termination as provided in the Plan and this Agreement); (iv) the Reload Option shall vest immediately, and (v) no Reload Option may be exercised within one year from the date on which the Reload Option was granted.

SECTION 8. Tax Provisions. At the request of Employee, the Company shall retain or accept a sufficient number of shares in connection with the receipt or exercise of the Option or a sale of the underlying shares to satisfy the Company's tax withholding obligations, if any, or Employee's tax liabilities with respect to such transactions.

SECTION 9. Adjustments upon Certain Changes in the Common Stock. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to the exercise of the Option, the Option exercise price, and the amount payable by the Employee as the exercise price, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated.

SECTION 10. Employee's Rights Prior to Issuance of Shares. Employee shall not be, nor shall Employee have any of the rights or privileges of, a stockholder of the Company with regard to any of the shares issuable upon exercise of the Option unless and until a physical stock certificate for such shares has been issued or such shares have been credited to Employee's account under a book entry or comparable system.

SECTION 11. Assignment or Transfer. The Option shall not be transferable by the Employee other than by will or the laws of descent and distribution and may be exercised during the Employee's lifetime only by the Employee. No assignment or transfer of this Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right herein whatsoever.

SECTION 12. Continued Employment. Employee shall have no duty or obligation to remain in the employ of the Company. Nothing in this Agreement shall be deemed to confer upon Employee any right to continue in the employ of the Company or to interfere in any way with the right of the Company to terminate the employment of Employee, which is at will, at any time, subject to the terms of his Employment Agreement.

SECTION 13. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective successors, representatives and assigns.

SECTION 14. Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of any of its provisions.

SECTION 15. Amendments. This Agreement may only be amended in writing and with the mutual consent of the Company and Employee.

SECTION 16. Applicable Law. This Agreement and any disputes arising under this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware and any applicable laws of the United States of America.

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IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of the day and year first above written.

ATTEST:

_____

SIMON PROPERTY GROUP, INC.

By_____

_____
Hans C. Mautner

EXHIBIT 10.60

SIMON PROPERTY GROUP, L.P.

1998 STOCK INCENTIVE PLAN

INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT ("Agreement"), effective the _____ day of _____, [1998] [1999] by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (formerly Corporate Property Investors, Inc.) (the "Company"), and MARK S. TICOTIN ("Employee").

BACKGROUND

By action of its Board of Directors and Stockholders, the Company has adopted the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "Plan"), under which the Company may grant stock options and other stock awards to employees of the Company. The Plan is administered by a committee ("Committee") appointed by Simon Property Group, L.P. (the "Partnership") that has authority to grant stock options to officers and other key employees of the Company and, subject to the provisions of the Plan, to determine the employees to whom and the time or times at which options will be granted, the number of shares to be covered by each option, the period of time and requisite conditions for exercising an option and the terms and provisions of the option agreements.

THE OPTION

The Committee has determined to grant a stock option to Employee, and Employee, by his execution of this Agreement, agrees to accept the stock option, subject to the following terms and conditions of the Plan:

SECTION 1. Grant of Option.

a. Number of Shares. The Company grants to Employee the right and option to purchase, subject to the terms and conditions of this Agreement and the Plan, a total of shares of common stock of the Company, par value $.0001 per share ("Common Stock"), which shares are designated as shares granted under an incentive stock option (as that term is described in Section 1(d) below).

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b. Option Price. The purchase price of all such shares of Common Stock shall be $ per share.

c. "Option" Defined. The option granted hereby and all of Employee's rights under this Agreement and the Plan are referred to collectively as the "Option."

d. Tax Status of Option. The Option is designated as constituting an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. Vesting of Options. [Such Option vests as to 1/3 of the total amount of shares of Common Stock covered by such Option on the anniversary of the date of grant in each of the years 1999-2001. In addition, such Option immediately vests as to all of the shares of Common Stock in the event of Employee's death during employment with the Company, Disability, retirement from the Company or any of its affiliates after attaining age 62 ("Retirement"), or discharge without Cause or the Employee's voluntary termination of employment for Good Reason, or upon a Change of Control (each such term as defined in Section 3 below).]1 [Such Option vests as to 1/2 of the total amount of shares of Common Stock covered by the Option on the anniversary of the date of grant in each of the years 2000-2001.]2

SECTION 3. Definitions. (a) "Cause", "Disability" and "Good Reason." For purposes of this Agreement, the terms "Cause", "Disability" and "Good Reason" shall have the meanings attributed to them in the Employee's Employment Agreement dated as of _____, 1998 ("Employment Agreement").

(b) "Change of Control". For purposes of this Agreement, the term "Change of Control" shall have the meaning attributed to it in Section 4.5 of the Plan.

SECTION 4. Termination of Option.

a. Termination for Cause or Resignation without Good Reason. If Employee's employment is terminated by the Company for Cause or he voluntarily resigns without Good Reason (other than as a result of death, Retirement or Disability) all unexercised rights under the Option shall expire on the date of such termination.

(1) To be used for options granted on the Effective Date of the Merger.

(2) To be used for options granted on the first anniversary of the Effective Date of the Merger.

b. Other Termination. If, before the Option vests as provided in Section 2 above, Employee's employment with the Company terminates as a result of death, Disability, Retirement, or discharge without Cause, or the Employee's voluntary termination of employment for Good Reason, the Option shall become vested in accordance with Section 2 and be exercised in accordance with Section 6.

SECTION 5. Exercise of Option.

a. Exercise Period - General. Subject to the provisions of Sections 5(b) below, Employee may exercise the Option to purchase the vested shares at any time (whether while serving as an employee of the Company or after ceasing to be an employee of the Company), and from time to time (but not as to less than 50 shares at any one time), on and after the date such shares have vested as provided in Section 2 above through and including _____ ___, [2008] [2009] [ten year anniversary] (the "Expiration Date"), notwithstanding that Employee may forfeit the favorable tax treatment afforded the Option if Employee exercises the Option later than three (3) months after such termination.

b. Exercise Period - Death or Disability or Retirement. If Employee (i) voluntarily terminates employment for Good Reason, (ii) terminates employment due to a discharge without Cause, (iii) dies or incurs a Disability either while serving as an employee of the Company or after ceasing to be an employee of the Company while the Option is still outstanding, or (iv) terminates due to Retirement, the Option may be exercised with respect to the vested optioned shares by Employee or by the executor, administrator or personal representative of Employee's estate or other person entitled by law to Employee's rights under the Option at any time through and including the Expiration Date.

c. Exercise before the Expiration Date. Notwithstanding any other provision of this Agreement, in no event may the Option or any portion of the Option be exercised after _____ __, [2008] [2009] [ten year anniversary].

SECTION 6. Manner of Exercise; Notices. The Option shall be exercised by filing with the Partnership a written notice of Employee's intention to purchase such shares, specifying the number of shares (but not less than 50 shares at any one time) and the date that the purchase is to occur. Payment of the option price may be made (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee) or, with

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the consent of the Committee, by personal check (subject to collection), (ii) through the delivery of previously owned Common Stock that has been owned by Employee for at least six months and that has a fair market value equal to the option price, or (iii) with the consent of the Committee, by the promissory note and agreement of the Employee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine in its sole discretion; or (iv) by a combination of the foregoing. Full payment must be made for all shares to be purchased before the shares will be released to Employee. Payment in accordance with clause (i) above may be deemed to be satisfied, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the Employee's direction at the time of exercise, provided that the Committee may require the Employee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, and does not require any consent (as defined in Section 5.3 of the Plan).

The exercise notice shall be addressed to the General Counsel of the Partnership at 115 West Washington Street, Indianapolis, Indiana 46204, or at such other address as the Company designates in writing to Employee. Any notice to Employee shall be sent to his address as shown in the records of the Company or at such other address as Employee designates in writing to the Company. Any such notice shall be deemed to have been duly given if it is personally delivered or registered and deposited, postage and registry fee prepaid, in a United States Post Office.

For purposes of this Section 6, the "fair market value" of any shares of Common Stock that are delivered in payment of the option price shall be equal to (i) the last sale price for Common Stock for the business day immediately preceding the date on which any portion of the Option is exercised as reported on the New York Stock Exchange, or, if Common Stock is not traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, or, if no sale price is reported for such day, the first preceding business day for which a sale price for Common Stock is reported.

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SECTION 7. Reload Option. If Employee delivers shares of Common Stock in payment of the option price of the Option, Employee shall be issued a new stock option (the "Reload Option"), under the Plan or any subsequently adopted Company stock incentive or stock option plan (collectively, the "Plans") that has Common Stock available for option grant, upon the following terms: (i) the number of option shares of Common Stock granted under the Reload Option shall be equal to the number of shares of Common Stock that were delivered in payment of the option price of the Option plus, if so provided by the Committee, the shares retained by the Company to satisfy any Federal, state or local tax withholding requirements in connection with the exercise of the Option; (ii) the option exercise price of the Reload Option shall be equal to the fair market value of the Common Stock on the day on which the Reload Option was granted, or, if Common Stock is not then traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded; (iii) the Reload Option shall have a term equal to the remaining term of the original Option to which it relates (subject to earlier termination as provided in the Plan and this Agreement); (iv) the Reload Option shall vest immediately, and (v) no Reload Option may be exercised within one year from the date on which the Reload Option was granted.

SECTION 8. Tax Provisions. At the request of Employee, the Company shall retain or accept a sufficient number of shares in connection with the receipt or exercise of the Option or a sale of the underlying shares to satisfy the Company's tax withholding obligations, if any, or Employee's tax liabilities with respect to such transactions.

SECTION 9. Adjustments upon Certain Changes in the Common Stock. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to the exercise of the Option, the Option exercise price, and the amount payable by the Employee as the exercise price, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated and provided further, that each Option shall not be adjusted in a manner that causes such Option to fail to continue to qualify as an

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incentive stock option within the meaning of Code Section 422.

SECTION 10. Employee's Rights Prior to Issuance of Shares. Employee shall not be, nor shall Employee have any of the rights or privileges of, a stockholder of the Company with regard to any of the shares issuable upon exercise of the Option unless and until a physical stock certificate for such shares has been issued or such shares have been credited to Employee's account under a book entry or comparable system.

SECTION 11. Assignment or Transfer. The Option shall not be transferable by the Employee other than by will or the laws of descent and distribution and may be exercised during the Employee's lifetime only by the Employee. No assignment or transfer of this Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right herein whatsoever.

SECTION 12. Continued Employment. Employee shall have no duty or obligation to remain in the employ of the Company. Nothing in this Agreement shall be deemed to confer upon Employee any right to continue in the employ of the Company or to interfere in any way with the right of the Company to terminate the employment of Employee, which is at will, at any time, subject to the terms of his Employment Agreement.

SECTION 13. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective successors, representatives and assigns.

SECTION 14. Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of any of its provisions.

SECTION 15. Amendments. This Agreement may only be amended in writing and with the mutual consent of the Company and Employee.

SECTION 16. Applicable Law. This Agreement and any disputes arising under this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware and any applicable laws of the United States of America.

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IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of the day and year first above written.

ATTEST:

_____

SIMON PROPERTY GROUP, INC.

By_____

_____
Mark S. Ticotin

EXHIBIT 10.61

SIMON PROPERTY GROUP, L.P.

1998 STOCK INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT ("Agreement"), effective the _____ day of _____, [1998] [1999] by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (formerly Corporate Property Investors, Inc.) (the "Company"), and HANS C. MAUTNER ("Employee").

BACKGROUND

By action of its Board of Directors and Stockholders, the Company has adopted the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "Plan"), under which the Company may grant stock options and other stock awards to employees of the Company. The Plan is administered by a committee ("Committee") appointed by Simon Property Group, L.P. (the "Partnership") that has authority to grant stock options to officers and other key employees of the Company and, subject to the provisions of the Plan, to determine the employees to whom and the time or times at which options will be granted, the number of shares to be covered by each option, the period of time and requisite conditions for exercising an option and the terms and provisions of the option agreements.

THE OPTION

The Committee has determined to grant a stock option to Employee, and Employee, by his execution of this Agreement, agrees to accept the stock option, subject to the following terms and conditions of the Plan:

SECTION 1. Grant of Option.

a. Number of Shares. The Company grants to Employee the right and option to purchase, subject to the terms and conditions of this Agreement and the Plan, a total of shares(1) of common stock of the Company, par value $.0001 per share ("Common Stock"), which shares are designated as shares granted under a nonqualified stock option (as that term is described in Section 1(d) below).

- -------- (1) 300,000 reduced by the number of incentive stock options granted.

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b. Option Price. The purchase price of all such shares of Common Stock shall be $ per share.

c. "Option" Defined. The option granted hereby and all of Employee's rights under this Agreement and the Plan are referred to collectively as the "Option."

d. Tax Status of Option. The Option is designated as constituting a "nonqualified stock option" that is not qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. Vesting of Options. [Such Option vests as to 1/3 of the total amount of shares of Common Stock covered by such Option on the anniversary of the date of grant in each of the years 1999- 2001. In addition, such Option immediately vests as to all of the shares of Common Stock in the event of Employee's death during employment with the Company, Disability, retirement from the Company or any of its affiliates after attaining age 62 ("Retirement"), or discharge without Cause or the Employee's voluntary termination of employment for Good Reason, or upon a Change of Control (each such term as defined in Section 3 below).] (1)[Such Option vests as to 1/2 of the total amount of shares of Common Stock covered by the Option on the anniversary of the date of grant in each of the years 2000-2001.](2)

SECTION 3. Definitions. (a) "Cause", "Disability" and "Good Reason." For purposes of this Agreement, the terms "Cause", "Disability" and "Good Reason" shall have the meanings attributed to them in the Employee's Employment Agreement dated as of _____, 1998 ("Employment Agreement").

(b) "Change of Control". For purposes of this Agreement, the term "Change of Control" shall have the meaning attributed to it in Section 4.5 of the Plan.

SECTION 4. Termination of Option.

a. Termination for Cause or Resignation without Good Reason. If Employee's employment is terminated by the Company for Cause or he voluntarily resigns without Good Reason (other than as a result of death, Retirement or Disability, all unexercised rights under the Option shall expire on the date of such termination.

_____

(1) To be used for options granted on the Effective Date of the Merger.
(2) To be used for options granted on the first anniversary of the Effective Date of the Merger.

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b. Other Termination. If, before the Option vests as provided in Section 2 above, Employee's employment with the Company terminates as a result of death, Disability, Retirement, or discharge without Cause, or the Employee's voluntary termination of employment for Good Reason, the Option shall become vested in accordance with Section 2 and be exercised in accordance with Section 6.

SECTION 5. Exercise of Option.

a. Exercise Period - General. Subject to the provisions of Sections 5(b) below, Employee may exercise the Option to purchase the vested shares at any time (whether while serving as an employee of the Company or after ceasing to be an employee of the Company), and from time to time (but not as to less than 50 shares at any one time), on and after the date such shares have vested as provided in Section 2 above through and including _____ ___, [2008] [2009] [ten year anniversary] (the "Expiration Date").

b. Exercise Period - Death or Disability or Retirement. If Employee (i) voluntarily terminates employment for Good Reason, (ii) terminates employment due to a discharge without Cause, (iii) dies or incurs a Disability either while serving as an employee of the Company or after ceasing to be an employee of the Company while the Option is still outstanding, or (iv) terminates due to Retirement, the Option may be exercised with respect to the vested optioned shares by Employee or by the executor, administrator or personal representative of Employee's estate or other person entitled by law to Employee's rights under the Option at any time through and including the Expiration Date.

c. Exercise before the Expiration Date. Notwithstanding any other provision of this Agreement, in no event may the Option or any portion of the Option be exercised after _____ __, [2008] [2009] [ten year anniversary].

SECTION 6. Manner of Exercise; Notices. The Option shall be exercised by filing with the Partnership a written notice of Employee's intention to purchase such shares, specifying the number of shares (but not less than 50 shares at any one time) and the date that the purchase is to occur. Payment of the option price may be made (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee) or, with the consent of the Committee, by personal check (subject to collection), (ii) through the delivery of previously owned Common Stock that has been owned by Employee for at least

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six months and that has a fair market value equal to the option price, or (iii) with the consent of the Committee, by the promissory note and agreement of the Employee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine in its sole discretion; or (iv) by a combination of the foregoing. Full payment must be made for all shares to be purchased before the shares will be released to Employee. Payment in accordance with clause (i) above may be deemed to be satisfied, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the Employee's direction at the time of exercise, provided that the Committee may require the Employee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, and does not require any consent (as defined in Section 5.3 of the Plan).

The exercise notice shall be addressed to the General Counsel of the Partnership at 115 West Washington Street, Indianapolis, Indiana 46204, or at such other address as the Company designates in writing to Employee. Any notice to Employee shall be sent to his address as shown in the records of the Company or at such other address as Employee designates in writing to the Company. Any such notice shall be deemed to have been duly given if it is personally delivered or registered and deposited, postage and registry fee prepaid, in a United States Post Office.

For purposes of this Section 6, the "fair market value" of any shares of Common Stock that are delivered in payment of the option price shall be equal to (i) the last sale price for Common Stock for the business day immediately preceding the date on which any portion of the Option is exercised as reported on the New York Stock Exchange, or, if Common Stock is not traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, or, if no sale price is reported for such day, the first preceding business day for which a sale price for Common Stock is reported.

SECTION 7. Reload Option. If Employee delivers shares of Common Stock in payment of the option price of the Option, Employee shall be issued a new stock option (the

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"Reload Option"), under the Plan or any subsequently adopted Company stock incentive or stock option plan (collectively, the "Plans") that has Common Stock available for option grant, upon the following terms: (i) the number of option shares of Common Stock granted under the Reload Option shall be equal to the number of shares of Common Stock that were delivered in payment of the option price of the Option plus, if so provided by the Committee, the shares retained by the Company to satisfy any Federal, state or local tax withholding requirements in connection with the exercise of the Option; (ii) the option exercise price of the Reload Option shall be equal to the fair market value of the Common Stock on the day on which the Reload Option was granted, or, if Common Stock is not then traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded; (iii) the Reload Option shall have a term equal to the remaining term of the original Option to which it relates (subject to earlier termination as provided in the Plan and this Agreement); (iv) the Reload Option shall vest immediately, and (v) no Reload Option may be exercised within one year from the date on which the Reload Option was granted.

SECTION 8. Tax Provisions. At the request of Employee, the Company shall retain or accept a sufficient number of shares in connection with the receipt or exercise of the Option or a sale of the underlying shares to satisfy the Company's tax withholding obligations, if any, or Employee's tax liabilities with respect to such transactions.

SECTION 9. Adjustments upon Certain Changes in the Common Stock. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to the exercise of the Option, the Option exercise price, and the amount payable by the Employee as the exercise price, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated.

SECTION 10. Employee's Rights Prior to Issuance of Shares. Employee shall not be, nor shall Employee have any of the rights or privileges of, a stockholder of the Company with regard to any of the shares issuable upon exercise of the Option unless and until a physical stock

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certificate for such shares has been issued or such shares have been credited to Employee's account under a book entry or comparable system.

SECTION 11. Assignment or Transfer. The Option shall not be transferable by the Employee other than by will or the laws of descent and distribution and may be exercised during the Employee's lifetime only by the Employee or by his or her guardian or legal representative, except that the Option may be transferred by gift to any member of the Optionee's immediate family or to a trust for the benefit of one or more of such immediate family members. "Immediate family" shall mean the Optionee's spouse, parents, children or grandchildren. Any transferee of the Option shall be subject to the terms and conditions of this Agreement. No such transfer of the Option shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of this Agreement. Except as described above, no assignment or transfer of this Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right herein whatsoever.

SECTION 12. Continued Employment. Employee shall have no duty or obligation to remain in the employ of the Company. Nothing in this Agreement shall be deemed to confer upon Employee any right to continue in the employ of the Company or to interfere in any way with the right of the Company to terminate the employment of Employee, which is at will, at any time, subject to the terms of his Employment Agreement.

SECTION 13. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective successors, representatives and assigns.

SECTION 14. Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of any of its provisions.

SECTION 15. Amendments. This Agreement may only be amended in writing and with the mutual consent of the Company and Employee.

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SECTION 16. Applicable Law. This Agreement and any disputes arising under this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware and any applicable laws of the United States of America.

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of the day and year first above written.

ATTEST:

_____

SIMON PROPERTY GROUP, INC.

By_____

_____
Hans C. Mautner

EXHIBIT 10.62

SIMON PROPERTY GROUP, L.P.

1998 STOCK INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT ("Agreement"), effective the _____ day of _____, [1998] [1999] by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (formerly Corporate Property Investors, Inc.) (the "Company"), and MARK S. TICOTIN ("Employee").

BACKGROUND

By action of its Board of Directors and Stockholders, the Company has adopted the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "Plan"), under which the Company may grant stock options and other stock awards to employees of the Company. The Plan is administered by a committee ("Committee") appointed by Simon Property Group, L.P. (the "Partnership") that has authority to grant stock options to officers and other key employees of the Company and, subject to the provisions of the Plan, to determine the employees to whom and the time or times at which options will be granted, the number of shares to be covered by each option, the period of time and requisite conditions for exercising an option and the terms and provisions of the option agreements.

THE OPTION

The Committee has determined to grant a stock option to Employee, and Employee, by his execution of this Agreement, agrees to accept the stock option, subject to the following terms and conditions of the Plan:

SECTION 1. Grant of Option.

a. Number of Shares. The Company grants to Employee the right and option to purchase, subject to the terms and conditions of this Agreement and the Plan, a total of shares(1) of common stock of the Company, par value $.0001 per share ("Common Stock"), which shares are designated as shares granted under a nonqualified stock option (as that term is described in Section 1(d) below).

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(1) 180,000 reduced by the number of incentive stock options granted.

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b. Option Price. The purchase price of all such shares of Common Stock shall be $ per share.

c. "Option" Defined. The option granted hereby and all of Employee's rights under this Agreement and the Plan are referred to collectively as the "Option."

d. Tax Status of Option. The Option is designated as constituting a "nonqualified stock option" that is not qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. Vesting of Options. [Such Option vests as to 1/3 of the total amount of shares of Common Stock covered by such Option on the anniversary of the date of grant in each of the years 1999- 2001. In addition, such Option immediately vests as to all of the shares of Common Stock in the event of Employee's death during employment with the Company, Disability, retirement from the Company or any of its affiliates after attaining age 62 ("Retirement"), or discharge without Cause or the Employee's voluntary termination of employment for Good Reason, or upon a Change of Control (each such term as defined in Section 3 below).] (1)[Such Option vests as to 1/2 of the total amount of shares of Common Stock covered by the Option on the anniversary of the date of grant in each of the years 2000-2001.](2)

SECTION 3. Definitions. (a) "Cause", "Disability" and "Good Reason." For purposes of this Agreement, the terms "Cause", "Disability" and "Good Reason" shall have the meanings attributed to them in the Employee's Employment Agreement dated as of , 1998 ("Employment Agreement").

(b) "Change of Control". For purposes of this Agreement, the term "Change of Control" shall have the meaning attributed to it in Section 4.5 of the Plan.

SECTION 4. Termination of Option.

a. Termination for Cause or Resignation without Good Reason. If Employee's employment is terminated by the Company for Cause or he voluntarily resigns without Good Reason (other than as a result of death, Retirement or Disability, all unexercised rights under the Option shall expire on the date of such termination.

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(1) To be used for options granted on the Effective Date of the Merger.
(2) To be used for options granted on the first anniversary of the Effective Date of the Merger.

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b. Other Termination. If, before the Option vests as provided in Section 2 above, Employee's employment with the Company terminates as a result of death, Disability, Retirement, or discharge without Cause, or the Employee's voluntary termination of employment for Good Reason, the Option shall become vested in accordance with Section 2 and be exercised in accordance with Section 6.

SECTION 5. Exercise of Option.

a. Exercise Period - General. Subject to the provisions of Sections 5(b) below, Employee may exercise the Option to purchase the vested shares at any time (whether while serving as an employee of the Company or after ceasing to be an employee of the Company), and from time to time (but not as to less than 50 shares at any one time), on and after the date such shares have vested as provided in Section 2 above through and including _____ ___, [2008] [2009] [ten year anniversary] (the "Expiration Date").

b. Exercise Period - Death or Disability or Retirement. If Employee (i) voluntarily terminates employment for Good Reason, (ii) terminates employment due to a discharge without Cause, (iii) dies or incurs a Disability either while serving as an employee of the Company or after ceasing to be an employee of the Company while the Option is still outstanding, or (iv) terminates due to Retirement, the Option may be exercised with respect to the vested optioned shares by Employee or by the executor, administrator or personal representative of Employee's estate or other person entitled by law to Employee's rights under the Option at any time through and including the Expiration Date.

c. Exercise before the Expiration Date. Notwithstanding any other provision of this Agreement, in no event may the Option or any portion of the Option be exercised after _____ __, [2008] [2009] [ten year anniversary].

SECTION 6. Manner of Exercise; Notices. The Option shall be exercised by filing with the Partnership a written notice of Employee's intention to purchase such shares, specifying the number of shares (but not less than 50 shares at any one time) and the date that the purchase is to occur. Payment of the option price may be made (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee) or, with the consent of the Committee, by personal check (subject to collection), (ii) through the delivery of previously owned Common Stock that has been owned by Employee for at least

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six months and that has a fair market value equal to the option price, or (iii) with the consent of the Committee, by the promissory note and agreement of the Employee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine in its sole discretion; or (iv) by a combination of the foregoing. Full payment must be made for all shares to be purchased before the shares will be released to Employee. Payment in accordance with clause (i) above may be deemed to be satisfied, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the Employee's direction at the time of exercise, provided that the Committee may require the Employee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, and does not require any consent (as defined in Section 5.3 of the Plan).

The exercise notice shall be addressed to the General Counsel of the Partnership at 115 West Washington Street, Indianapolis, Indiana 46204, or at such other address as the Company designates in writing to Employee. Any notice to Employee shall be sent to his address as shown in the records of the Company or at such other address as Employee designates in writing to the Company. Any such notice shall be deemed to have been duly given if it is personally delivered or registered and deposited, postage and registry fee prepaid, in a United States Post Office.

For purposes of this Section 6, the "fair market value" of any shares of Common Stock that are delivered in payment of the option price shall be equal to (i) the last sale price for Common Stock for the business day immediately preceding the date on which any portion of the Option is exercised as reported on the New York Stock Exchange, or, if Common Stock is not traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, or, if no sale price is reported for such day, the first preceding business day for which a sale price for Common Stock is reported.

SECTION 7. Reload Option. If Employee delivers shares of Common Stock in payment of the option price of the Option, Employee shall be issued a new stock option (the

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"Reload Option"), under the Plan or any subsequently adopted Company stock incentive or stock option plan (collectively, the "Plans") that has Common Stock available for option grant, upon the following terms: (i) the number of option shares of Common Stock granted under the Reload Option shall be equal to the number of shares of Common Stock that were delivered in payment of the option price of the Option plus, if so provided by the Committee, the shares retained by the Company to satisfy any Federal, state or local tax withholding requirements in connection with the exercise of the Option; (ii) the option exercise price of the Reload Option shall be equal to the fair market value of the Common Stock on the day on which the Reload Option was granted, or, if Common Stock is not then traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded; (iii) the Reload Option shall have a term equal to the remaining term of the original Option to which it relates (subject to earlier termination as provided in the Plan and this Agreement); (iv) the Reload Option shall vest immediately, and (v) no Reload Option may be exercised within one year from the date on which the Reload Option was granted.

SECTION 8. Tax Provisions. At the request of Employee, the Company shall retain or accept a sufficient number of shares in connection with the receipt or exercise of the Option or a sale of the underlying shares to satisfy the Company's tax withholding obligations, if any, or Employee's tax liabilities with respect to such transactions.

SECTION 9. Adjustments upon Certain Changes in the Common Stock. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to the exercise of the Option, the Option exercise price, and the amount payable by the Employee as the exercise price, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated.

SECTION 10. Employee's Rights Prior to Issuance of Shares. Employee shall not be, nor shall Employee have any of the rights or privileges of, a stockholder of the Company with regard to any of the shares issuable upon exercise of the Option unless and until a physical stock

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certificate for such shares has been issued or such shares have been credited to Employee's account under a book entry or comparable system.

SECTION 11. Assignment or Transfer. The Option shall not be transferable by the Employee other than by will or the laws of descent and distribution and may be exercised during the Employee's lifetime only by the Employee or by his or her guardian or legal representative, except that the Option may be transferred by gift to any member of the Optionee's immediate family or to a trust for the benefit of one or more of such immediate family members. "Immediate family" shall mean the Optionee's spouse, parents, children or grandchildren. Any transferee of the Option shall be subject to the terms and conditions of this Agreement. No such transfer of the Option shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of this Agreement. Except as described above, no assignment or transfer of this Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right herein whatsoever.

SECTION 12. Continued Employment. Employee shall have no duty or obligation to remain in the employ of the Company. Nothing in this Agreement shall be deemed to confer upon Employee any right to continue in the employ of the Company or to interfere in any way with the right of the Company to terminate the employment of Employee, which is at will, at any time, subject to the terms of his Employment Agreement.

SECTION 13. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective successors, representatives and assigns.

SECTION 14. Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of any of its provisions.

SECTION 15. Amendments. This Agreement may only be amended in writing and with the mutual consent of the Company and Employee.

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SECTION 16. Applicable Law. This Agreement and any disputes arising under this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware and any applicable laws of the United States of America.

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of the day and year first above written.

ATTEST:

_____

SIMON PROPERTY GROUP, INC.

By_____

_____
Mark S. Ticotin

EXHIBIT 10.63

EMPLOYMENT AGREEMENT

This employment agreement (this "Agreement") is entered into this day of , 1998, by and between CORPORATE PROPERTY INVESTORS, INC., a Delaware corporation and successor by merger to CORPORATE PROPERTY INVESTORS, a Massachusetts business trust (such entities collectively, the "Company") and HANS C. MAUTNER (the "Executive").

RECITALS

The Executive is currently the Chairman of the Board of Directors (the "Board") and Chief Executive Officer of the Company. The Company intends to merge with Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among the Company, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger"). The Company desires to retain the Executive as an officer of the Company following the Merger.

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

1. Employment, Term and Duties.

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

1.2 Term. The Executive's employment under this Agreement shall commence on the effective date of the Merger (the "Effective Date") and shall terminate on the last day of the month in which the fifth anniversary of the Effective Date occurs (the "Termination Date"), unless earlier terminated as provided in Section 4 below (the "Term").

1.3 Positions and Duties. During the Term, the Executive shall serve as Vice Chairman of the Company and shall be a member of the Executive Committee of the Company (the "Executive Committee"), which committee shall be composed of members appointed by the Board whose employment positions are at the level of Senior Executive Vice President or more senior in the Company. The parties hereto agree that the Executive Committee shall consist of the senior most officers of the Company and shall participate in substantially all major initiatives and decisions made in respect of the Company's day-to-day management and those matters delegated to it by the Board; provided, however, that nothing herein shall prejudice the rights and duties of the person serving as the Company's Chief Executive Officer ("CEO"), as determined by the Board in accordance with

the Company's by-laws. During the Term, the Executive shall report directly to the Co-Chairmen of the Board or the CEO. The parties hereto agree that the Executive, in his capacity as Vice Chairman, shall serve in the most senior position in the Company following the Co-Chairmen of the Board and the CEO. In connection therewith, the Executive's principal focus shall be to assist in the operation of the Company at its most senior level in a manner determined from time to time by the CEO or the Board of Directors. If elected by the Company's shareholders, the Executive shall be and serve as a director of the Company. Notwithstanding the foregoing, the Executive may engage in the following activities (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not (without the approval of the Company) substantially interfere with the performance of the Executive's duties and responsibilities hereunder: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach on a part-time basis at educational institutions and (iii) make investments in businesses or enterprises and manage his personal investments in accordance with the Company's business and ethics policy. The parties acknowledge that the Executive's participation (and continuing participation) as a director of the commercial corporations listed on Schedule I attached hereto have been approved by the Company. Notwithstanding the above, the Executive shall not be required to perform any duties and responsibilities which would be likely to result in a non-compliance with or violation of any applicable law or regulation.

2. Compensation and Other Benefits.

2.1 Base Compensation. As compensation for services rendered during the Term, the Company shall pay to the Executive a base salary (the "Base Salary") initially equal to $762,000 subject to increase from time to time by the Board. The Board shall review the Executive's annual Base Salary no less frequently than annually to determine whether any such increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Company as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

2.2 Annual Bonus. In addition to the Base Salary, the Executive shall be eligible to receive, for each calendar year or portion thereof occurring during the Term, a targeted annual bonus (the "Annual Bonus") in an amount up to one hundred thirty-five percent (135%) of the Executive's Base Salary for such calendar year or portion thereof. The amount of any such Annual Bonus shall be determined by the Compensation Committee of the Board (the "Committee") in accordance with the standard practice of such Committee relating to the incentive compensation program of the Company. The Annual Bonus shall be

paid to the Executive, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations, at such time or times as is in accordance with the then prevailing policy of the Company relating to incentive compensation payments.

2.3 Stock Options. As of the Effective Date, the Company shall grant Executive a stock option to acquire 237,500 shares of the Company's Common Stock pursuant to the Company's 1998 Stock Incentive Plan ("Stock Incentive Plan"). Such option shall have an option price equal to the fair market value of the Simon Common Stock on the Effective Date and shall vest in equal installments on the anniversary of the date of grant in years 1999-2001. As of the first anniversary of the Effective Date, the Company shall grant Executive a stock option to acquire 62,500 shares of Common Stock of Simon Property Group, Inc. pursuant to the Stock Incentive Plan. Such option shall have an option price equal to fair market value of the Common Stock of Simon Property Group, Inc. on the date of grant and shall vest in equal installments on the anniversary of such date in years 2000-2001. In the event of Executive's termination of employment prior to the first anniversary of the Effective Date for any reason other than for Cause or by the Executive without Good Reason, such option shall be granted as of the date of termination of employment and shall be fully vested as of the date of grant. The maximum number of such options which qualify as "incentive stock options" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), shall be granted as "incentive stock options" and the remainder of such options shall be non-qualified stock options. The terms, conditions and restrictions with regard to said stock options shall be evidenced by an Incentive Stock Option Agreement (as to the incentive stock options) and a Nonqualified Stock Option Agreement (as to the non-qualified stock options), substantially in the forms attached hereto as Exhibit C-1 and Exhibit C-2 respectively which shall be incorporated herein by reference and their terms, conditions and restrictions shall be considered a part of this Agreement.

2.4 Retirement and Savings Plans. During the Term, the Executive shall be eligible to participate as of the Effective Date in all incentive, pension, retirement, savings, 401(k) and other employee pension benefit plans and programs maintained by the Company from time to time for the benefit of senior executives and/or other employees.

2.5 Welfare Benefit Plans. During the Term, the Executive, the Executive's spouse, if any, and their eligible dependents, if any, shall be eligible to participate as of the Effective Date in and be covered under all the welfare benefit plans or programs maintained by the Company from time to time including, without limitation, all medical, hospitalization, dental, disability, life, estate and financial planning, accidental death and dismemberment and travel accident insurance

plans and programs including, without limitation, the split-dollar insurance arrangement between the Company and the Executive, in each case on terms no less favorable than as in effect for senior executive employees of the Company immediately prior to the Effective Date.

2.6 General Business Expenses. The Company shall pay or reimburse the Executive for all expenses that are consistent with the Company's policy and reasonably and necessarily incurred by the Executive during the Term in the performance of the Executive's duties under this Agreement. Such expenses shall include the cost of a car and driver and any and all Company-related business expenses arising out of activities at clubs at which the Executive is a member. Such payment shall be made upon presentation of such documentation as the Company has, as of the date hereof, customarily required of its senior executive employees prior to making such payments or reimbursements.

2.7 Vacation. During the Term, the Executive shall be entitled to five weeks of vacation per year. The Executive shall not be permitted to accumulate and carryover unused vacation time or pay from year to year except to the extent permitted in accordance with the Company's vacation policy for senior executives.

2.8 Fringe Benefits. In addition, during the Term, the Executive shall be entitled to use any aircraft owned by the Company for his personal use, provided such aircraft is not otherwise in use by the Company; and such other fringe benefits and perquisites as in effect and as provided from time to time to the senior executives of the Company. The Executive shall reimburse the Company for his personal use of the Company aircraft at a rate equal to the rate the Executive would pay for first class airfare for travel to the same destination on a commercial airline.

2.9 Office and Support Staff. Unless the Executive otherwise agrees in writing, during the Term the Executive shall be entitled to executive secretarial and other administrative assistance of a type and extent, and to an office or offices (with furnishings and other appointments) of a type and size, at least equal to that provided to the Executive immediately prior to the Effective Date.

2.10 Option Plan Participation. Notwithstanding anything herein to the contrary, the Executive shall not be entitled to any new grants of stock options or other awards (other than the grant provided in Section 2.3 hereof) under the Company's Stock Incentive Plan until January 1, 2002 unless the Committee otherwise determines.

3. Non-Competition.

3.1 Covenants Against Competition. The Executive acknowledges that as of the execution of this Employment Agreement (i) the Company is engaged in the business of shopping center and other retail project acquisition, operation and development (the "Business"); (ii) the Company's Business is conducted in various markets throughout the United States; (iii) his employment with the Company will have given him access to confidential information concerning the Company; and (iv) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Company. Accordingly, the Executive covenants and agrees as follows:

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

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

heretofore or hereafter (such information shall be referred to herein collectively as "Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Company, or (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Company. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

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

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

3.2 Rights and Remedies Upon Breach. If the Executive breaches, or threatens to commit a breach of, any of the provisions contained in Section 3.1 of this Agreement (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of

which is in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

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

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

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

4. Termination.

4.1 Termination Due to Death or Disability. The Company may terminate the Executive's employment hereunder due to Disability (as defined below). In the event of the Executive's death or a termination of the Executive's employment by the Company due to Disability, the Executive, his estate or his legal representative, as the case may be, shall be entitled to:

(a) (i) in the case of death, a death benefit in an amount equal to twenty-four months of monthly Base Salary at the rate in effect (as provided for by Section 2.1 of this Agreement but not beyond age 65) on the date of termination plus any amounts paid pursuant to the group and/or individual life insurance policies referred to in Section 2.5 of this Agreement, and (ii) in the case of Disability, an amount equal to twenty-four months of monthly Base Salary at the rate in effect plus any payments received under any long-term disability plan or policy maintained by the Company) for so long as the Executive is subject to a Disability, but not beyond age 65;

(b) any Base Salary accrued or any Annual Bonus for any calendar year prior to the calendar year in which death or Disability occurs that was earned but not yet paid as of the Date of Termination (as defined herein);

(c) a pro rata Annual Bonus for the calendar year in which death or Disability occurs (determined and payable in accordance with Section 2.2 of this Agreement);

(d) any accrued vacation pay;

(e) reimbursement for expenses incurred but not yet paid prior to such death or Disability;

(f) all outstanding options granted to Executive to purchase Common Stock under the Company's option plans (or under any option plan of any predecessor to the Company) shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to the Executive's termination of employment;

(g) in the case of death, any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provision of any applicable plans and programs of the Company; and

(h) in the case of Disability, (i) continuation of the Executive's health and welfare benefits (as described in Section 2.5 of this Agreement) at the level in effect (as provided for by Section 2.5) on the date of termination through the end of the three-year period following the termination of the Executive's employment (or, to the extent that any welfare benefit plan, program or arrangement in which the Executive participates provides for a longer continuation period, such longer period in accordance with such plan, program or arrangement) due to Disability (or the Company shall provide the economic equivalent thereof), and (ii) any other compensation and benefits as may be provided in accordance with the terms and provisions of any applicable plans and programs of the Company.

For purposes of this Section 4.1 and Section 2.3, "Disability" means the Executive's inability to render, for a period of six consecutive months, services hereunder by reason of permanent disability, as determined by the written medical opinion of an independent medical physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to such an independent medical physician, each shall appoint one medical physician and those two physicians shall appoint a third physician who shall make such determination. Notwithstanding the foregoing, if the Executive, in his sole discretion, shall so elect, the Executive shall be considered disabled for the purposes of this Agreement if the Executive is deemed disabled pursuant to the Company's long-term disability plan.

4.2 Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as defined below) as provided in this Section 4.2. If the Company terminates the Executive's employment hereunder for Cause, the Executive shall be entitled to:

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

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

(c) any accrued vacation pay;

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

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

In any case described in this Section 4.2, the Executive shall be given written notice authorized by a vote of at least a majority of the members of the Board of Directors that the Company intends to terminate the Executive's employment for Cause. Such written notice shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Executive's employment for Cause. The Executive shall be given the opportunity within 30 calendar days of the receipt of such notice to meet with the Board of Directors to defend such act or acts, or failure to act, and the Executive shall be given 15 business days after such meeting to correct such act or failure to act. Upon failure of the Executive, within such latter 15 day period, to correct such act or failure to act, the Executive's employment by the Company shall automatically be terminated under this Section 4.2 for Cause. Anything herein to the contrary notwithstanding, if, following a termination of the Executive's employment by the Company for Cause based upon the conviction of the Executive for a felony involving actual dishonesty as against the Company, such conviction is overturned on appeal, the Executive shall be entitled to the payments and the economic equivalent of the benefits that the Executive would have received as a result of a termination of the Executive's employment by the Company without Cause.

For purposes of this Section 4.2 and Section 2.3, "Cause" means (a) the Executive is convicted of a felony involving actual dishonesty as against the Company, or (b) the Executive, in carrying out his duties and responsibilities under this Agreement, voluntarily engages in conduct which is

demonstrably and materially injurious to the Company, monetarily or otherwise, unless such act, or failure to act, was believed by the Executive in good faith to be in the best interests of the Company.

4.3 Termination Without Cause or Termination For Good Reason. The Company may terminate the Executive's employment hereunder without Cause and the Executive may terminate his employment hereunder for Good Reason. If the Company terminates the Executive's employment hereunder without Cause, other than due to death or Disability, or if the Executive terminates his employment for Good Reason, the Executive shall be entitled to:

(a) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Base Salary and (y) the Executive's then Annual Bonus (but not less than the highest annual bonus paid to the Executive with respect to the three years preceding the date of the Executive's termination of employment); and

(b) the Company will contribute within 30 calendar days after the Termination Date an amount to the Amended and Restated Supplemental Executive Retirement Plan of Corporate Property Investors equal to 33% of the amount set forth in clause (2) of Section 4.3(a) above.

(c) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents (as defined herein) at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 2 if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect for senior executive employees and their Dependents generally at any time thereafter. "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Effective Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(d) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan or program of the Company providing medical benefits as are in effect on the date six months prior to the Effective Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable

to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (d) after the date he ceases to be a Dependent and (B)at all times after the expiration of the three-year period described in clause (c) above, the Executive shall pay for such coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Code;

(e) all outstanding options granted to Executive to purchase Common Stock under the Company's option plans (or under any option plan of any predecessor to the Company) shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(f) the Company will continue to pay any premiums due on split-dollar life insurance policies (if any) in effect on the life of the Executive for three years following the date of termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premium paid by the Company;

(g) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(h) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(i) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

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

(k) any accrued vacation pay;

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

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

For purposes of this Section 4.3 and Section 2.3, "Good Reason" means and shall be deemed to exist if, without the prior express written consent of the Executive, (a) the Executive is assigned any duties or responsibilities inconsistent in any material respect with the scope of the duties or responsibilities associated with the Executive's titles or positions, as set forth and described in Section 1.3 of this Agreement; (b) the Executive suffers a reduction in the duties, responsibilities or effective authority associated with his titles and positions, as set forth and described in Section 1.3 of this Agreement (including, without limitation, if the Executive Committee ceases to have the powers or reporting responsibilities described in Section 1.3 of this Agreement or if the Executive Committee is expanded beyond eight members); (c) the Executive is not appointed to, or is removed from, the offices or positions provided for in Section 1.3 of this Agreement; (d) the Executive's compensation is decreased by the Company, or the Executive's benefits under employee benefit or health or welfare plans or programs of the Company are in the aggregate materially decreased; (e) the Company fails to obtain the full assumption of this Agreement by a successor entity in accordance with Section 6.4 of this Agreement; (f) the Company fails to use its reasonable best efforts to maintain, or cause to be maintained, adequate directors and officers liability insurance coverage for the Executive; (g) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in the County of New York, New York, or, if mutually agreed in connection with the expansion of the Company's overseas operations, London, England; or (h) the Company purports to terminate the Executive's employment for Cause and such purported termination of employment is not effected in accordance with the requirements of this Agreement.

4.4 Voluntary Termination. The Executive may effect a Voluntary Termination of his employment hereunder. A "Voluntary Termination" shall mean a termination of employment by the Executive on his own initiative other than (a) a termination due to death or Disability, or (b) a termination for Good Reason. A Voluntary Termination shall not be, nor shall it be deemed to be, a breach of this Agreement and shall entitle the Executive to all of the rights and benefits which the Executive would be

entitled in the event of a termination of his employment by the Company for Cause.

4.5 Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided or maintained by the Company and for which the Executive may qualify, nor shall anything herein limit or otherwise prejudice such rights as the Executive may have under any other existing or future agreements with the Company. Except as otherwise expressly provided for in this Agreement, amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plans or programs of the Company at or subsequent to the date of termination shall be payable in accordance with such plans or programs. If the Company is unable, for any reason, to provide the Executive with the stock option grant described in Section 2.3 to which he is then entitled (either with respect to the option grant or the delivery of Company shares upon exercise of such options), it will take all necessary action to provide the Executive with the economic value thereof (including, if appropriate, through a cashless exercise program in respect of such stock options).

4.6 Stock Grant and Stock Options. In the event of any termination described in Sections 4.1, 4.2, 4.3 and 4.4 above, Executive's rights with regard to his stock grant, loan agreement and stock options shall be as set forth in the respective agreement containing the terms and conditions pertaining thereto.

4.7 Certain Additional Payments by the Company. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code or that any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Subject to the provisions of this Section 4.7, all determinations required to be made hereunder, including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by Arthur Andersen LLP or by another nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the "Accounting Firm") at the sole expense of the Company, which

shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the date of termination of the Executive's employment under this Agreement, if applicable, or such earlier time as is requested by the Company or the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, the Accounting Firm shall furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments, which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. If the Company exhausts its remedies pursuant hereto and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including (without limitation) accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith to contest effectively such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions hereof the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine, provided that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance, and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

If, after the receipt by the Executive of an amount advanced by the Company pursuant hereto, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant hereto, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

4.8 Payment. Except as otherwise provided in this Agreement, any payments to which the Executive shall be entitled under this Section 4, including, without limitation, any economic equivalent of any benefit, shall be made as promptly as possible following the date of termination. If the amount of any payment due to the Executive cannot be finally determined within 90 days after the Date of Termination, such amount shall be estimated on a good faith basis by the Company and the estimated amount shall be paid no later than 90 days after such Date of Termination. As soon as practicable thereafter, the final determination of the amount due shall be made and any adjustment requiring a payment to or from the Executive shall be made as promptly as practicable.

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

5. Indemnification.

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

6. Other Provisions.

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

(i) If to the Company to:

National City Center
115 West Washington Street
Indianapolis, IN 46204
Attn: General Counsel

With a copy to:

Frank A. Daniele, Esq.
Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019

If to the Executive, to:

Mr. Hans C. Mautner
1088 Park Avenue
New York, NY 10028

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

6.2 Entire Agreement. This Agreement, including the attached Schedules which are a part hereof for all purposes, contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

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

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

7. Resolution of Disputes.

7.1 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Executive and an executive officer of the Company who has authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of

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

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

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

8. Successors. This Agreement shall be binding upon and inure to the benefit of the Executive and his heirs,

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

9. No Mitigation or Set-Off. The provisions of this Agreement are not intended to, nor shall they be construed to, require that the Executive mitigate the amount of any payment provided for in this Agreement by seeking or accepting other employment, nor shall the amount of any payment provided for in this Agreement be reduced by any compensation earned by the Executive as a result of his employment by another employer or otherwise. The Company's obligations to make the payments to the Executive required under this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive.

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

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

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

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

14. As of the Effective Date, this Agreement shall supersede all prior employment and severance agreements between the Company (or its predecessors) and the Executive, including the Executive Agreement dated as of August 7, 1997.

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

CORPORATE PROPERTY INVESTORS, INC.

By:_____

Name:_____

Title:_____

_____

HANS C. MAUTNER

EXHIBIT 10.64

EMPLOYMENT AGREEMENT

This employment agreement (this "Agreement") is entered into this day of , 1998, by and between CORPORATE PROPERTY INVESTORS, INC., a Delaware corporation and successor by merger to CORPORATE PROPERTY INVESTORS, a Massachusetts business trust (such entities collectively, the "Company") and MARK S. TICOTIN (the "Executive").

RECITALS

The Executive is currently the President and Chief Operating Officer of the Company. The Company intends to merge with Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among the Company, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger"). The Company desires to retain the Executive as an officer of the Company following the Merger.

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

1. Employment, Term and Duties.

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

1.2 Term. The Executive's employment under this Agreement shall commence on the effective date of the Merger (the "Effective Date") and shall terminate on the last day of the month in which the fifth anniversary of the Effective Date occurs (the "Termination Date"), unless earlier terminated as provided in Section 4 below (the "Term"). Notwithstanding the foregoing, the Term shall automatically be extended for an additional term of one (1) year as of each December 31 occurring during the Term unless, prior to such December 31, the Company shall give the Executive notice that the Term shall not be extended in which event the Term shall expire on the Termination Date in effect as of the date of such notice. In the event that the Effective Date has not occurred by June 30, 1999, then this Agreement shall terminate and be of no further force and effect.

1.3 Positions and Duties. During the Term, the Executive shall serve as the sole Senior Executive Vice President of the Company and shall be a member of the Executive Committee of the Company (the "Executive Committee"), which committee shall be composed of members appointed by the Board whose employment positions are at the level of Senior Executive Vice President or more senior in the Company. The parties hereto agree that the

Executive Committee shall consist of the senior most officers of the Company and shall participate in substantially all major initiatives and decisions made in respect of the Company's day-to-day management and those matters delegated to it by the Board; provided, however, that nothing herein shall prejudice the rights and duties of the person serving as the Company's Chief Executive Officer ("CEO"), as determined by the Board in accordance with the Company's by-laws. During the Term, the Executive shall report directly to the CEO of the Company. The parties hereto agree that the Executive, in his capacity as Senior Executive Vice President, shall serve in the most senior position in the Company following the Co-Chairmen of the Board, the Vice Chairman, the CEO, the President and the Chief Operating Officer ("COO") of the Company. In connection therewith, the Executive's principal focus shall be to assist in the operation of the Company at its most senior level in a manner determined from time to time by the CEO or the Board of Directors. The Executive may engage in the following activities (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not (without the approval of the Company) substantially interfere with the performance of the Executive's duties and responsibilities hereunder: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach on a part-time basis at educational institutions and (iii) make investments in businesses or enterprises and manage his personal investments in accordance with the Company's business and ethics policy. The parties acknowledge that the Executive's participation (and continuing participation) as a director of the commercial corporations listed on Schedule I attached hereto have been approved by the Company. Notwithstanding the above, the Executive shall not be required to perform any duties and responsibilities which would be likely to result in a non-compliance with or violation of any applicable law or regulation.

2. Compensation and Other Benefits.

2.1 Base Compensation. As compensation for services rendered during the Term, the Company shall pay to the Executive a base salary (the "Base Salary") initially equal to $500,000, subject to increase from time to time by the Board. The Board shall review the Executive's annual Base Salary no less frequently than annually to determine whether any increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Company as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

2.2 Annual Bonus. In addition to the Base Salary, the Executive shall be eligible to receive, for each calendar year or portion thereof occurring during the Term, a targeted annual bonus (the "Annual Bonus") in an amount not less

than 100% of the Executive's Base Salary for such calendar year or portion thereof. The amount of any such Annual Bonus shall be determined by the Compensation Committee of the Board (the "Committee"), in accordance with the standard practice of such Committee relating to the incentive compensation program of the Company. The Annual Bonus shall be paid to the Executive, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations, at such time or times as is in accordance with the then prevailing policy of the Company relating to incentive compensation payments.

2.3 Stock Options. As of the Effective Date, the Company shall grant Executive a stock option to acquire 142,500 shares of the Company's Common Stock pursuant to the Company's 1998 Stock Incentive Plan ("Stock Incentive Plan"). Such option shall have an option price equal to the fair market value of the Simon Common Stock on the Effective Date and shall vest in equal installments on the anniversary of the date of grant in years 1999-2001. As of the first anniversary of the Effective Date, the Company shall grant Executive a stock option to acquire 37,500 shares of Common Stock of Simon Property Group, Inc. pursuant to the Stock Incentive Plan. Such option shall have an option price equal to fair market value of the Common Stock of Simon Property Group, Inc. on the date of grant and shall vest in equal installments on the anniversary of such date in years 2000-2001. In the event of Executive's termination of employment prior to the first anniversary of the Effective Date for any reason other than for Cause or by the Executive without Good Reason, such option shall be granted as of the date of termination of employment and shall be fully vested as of the date of grant. The maximum number of such options which qualify as "incentive stock options" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), shall be granted as "incentive stock options" and the remainder of such options shall be non-qualified stock options. The terms, conditions and restrictions with regard to said stock options shall be evidenced by an Incentive Stock Option Agreement (as to the incentive stock options) and a Nonqualified Stock Option Agreement (as to the non-qualified stock options), substantially in the forms attached hereto as Exhibit C-1 and Exhibit C-2 respectively which shall be incorporated herein by reference and their terms, conditions and restrictions shall be considered a part of this Agreement.

2.4 Retirement and Savings Plans. During the Term, the Executive shall be eligible to participate as of the Effective Date in all incentive, pension, retirement, savings, 401(k) and other employee pension benefit plans and programs maintained by the Company from time to time for the benefit of senior executives and/or other employees.

2.5 Welfare Benefit Plans. During the Term, the Executive, the Executive's spouse, if any, and their eligible , if any, shall be eligible to participate as of the

Effective Date in and be covered under all the welfare benefit plans or programs maintained by the Company from time to time including, without limitation, all medical, hospitalization, dental, disability, life, estate and financial planning, accidental death and dismemberment and travel accident insurance plans and programs including, without limitation, the split-dollar insurance arrangement between the Company and the Executive, in each case on terms no less favorable than as in effect for senior executive employees of the Company immediately prior to the Effective Date.

2.6 General Business Expenses. The Company shall pay or reimburse the Executive for all expenses that are consistent with the Company's policy and reasonably and necessarily incurred by the Executive during the Term in the performance of the Executive's duties under this Agreement. Such expenses shall include the cost of a car and driver and any and all Company-related business expenses arising out of activities at clubs at which the Executive is a member. Such payment shall be made upon presentation of such documentation as the Company has, as of the date hereof, customarily required of its senior executive employees prior to making such payments or reimbursements.

2.7 Vacation. During the Term, the Executive shall be entitled to five weeks of vacation per year. The Executive shall not be permitted to accumulate and carryover unused vacation time or pay from year to year except to the extent permitted in accordance with the Company's vacation policy for senior executives.

2.8 Fringe Benefits. In addition, during the Term, the Executive shall be entitled to use any aircraft owned by the Company for his personal use, provided such aircraft is not otherwise in use by the Company; and such other fringe benefits and perquisites as in effect and as provided from time to time to the senior executives of the Company. The Executive shall reimburse the Company for his personal use of the Company aircraft at a rate equal to the rate the Executive would pay for first class airfare for travel to the same destination on a commercial airline.

2.9 Office and Support Staff. Unless the Executive otherwise agrees in writing, during the Term the Executive shall be entitled to executive secretarial and other administrative assistance of a type and extent, and to an office or offices (with furnishings and other appointments) of a type and size, at least equal to that provided to the Executive immediately prior to the Effective Date.

2.10 Option Plan Participation. Notwithstanding anything herein to the contrary, the Executive shall not be entitled to any new grants of stock options or other awards

(other than the grant provided in Section 2.3 hereof) under the Company's Stock Incentive Plan until January 1, 2002 unless the Committee otherwise determines.

3. Non-Competition.

3.1 Covenants Against Competition. The Executive acknowledges that as of the execution of this Employment Agreement (i) the Company is engaged in the business of shopping center and other retail project acquisition, operation and development (the "Business"); (ii) the Company's Business is conducted in various markets throughout the United States; (iii) his employment with the Company will have given him access to confidential information concerning the Company; and (iv) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Company. Accordingly, the Executive covenants and agrees as follows:

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

(b) Confidential Information; Personal Relationships. The Executive acknowledges that the Company has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Executive agrees that, during and after the Restricted Period, without the prior written consent of the Board of Directors of the Company, the Executive shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all confidential matters relating to the Company's Business

including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Executive heretofore or hereafter (such information shall be referred to herein collectively as "Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Company, or (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Company. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

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

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

3.2 Rights and Remedies Upon Breach. If the Executive breaches, or threatens to commit a breach of, any of the provisions contained in Section 3.1 of this Agreement (the "Restrictive Covenants"), the Company shall have the following

rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

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

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

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

4. Termination.

4.1 Termination Due to Death or Disability. The Company may terminate the Executive's employment hereunder due to Disability (as defined below). In the event of the Executive's death or a termination of the Executive's employment by the Company due to Disability, the Executive, his estate or his legal representative, as the case may be, shall be entitled to:

(a) (i) in the case of death, a death benefit in an amount equal to twenty-four months of monthly Base Salary at the rate in effect (as provided for by Section 2.1 of this Agreement but not beyond age 65) on the date of termination plus any amounts paid pursuant to the group and/or individual life insurance policies referred to in Section 2.5 of this Agreement, and (ii) in the case of Disability, an amount equal to twenty-four months of monthly Base Salary at the rate in effect plus any payments received under any long-term disability plan or policy maintained by the Company) for so long as the Executive is subject to a Disability, but not beyond age 65;

(b) any Base Salary accrued or any Annual Bonus for any calendar year prior to the calendar year in which death

or Disability occurs that was earned but not yet paid as of the Date of Termination (as defined herein);

(c) a pro rata Annual Bonus for the calendar year in which death or Disability occurs (determined and payable in accordance with Section 2.2 of this Agreement);

(d) any accrued vacation pay;

(e) reimbursement for expenses incurred but not yet paid prior to such death or Disability;

(f) all outstanding options granted to Executive to purchase Common Stock under the Company's option plans (or under any option plan of any predecessor to the Company) shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(g) in the case of death, any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provision of any applicable plans and programs of the Company; and

(h) in the case of Disability, (i) continuation of the Executive's health and welfare benefits (as described in Section 2.5 of this Agreement) at the level in effect (as provided for by Section 2.5) on the date of termination through the end of the three-year period following the termination of the Executive's employment (or, to the extent that any welfare benefit plan, program or arrangement in which the Executive participates provides for a longer continuation period, such longer period in accordance with such plan, program or arrangement) due to Disability (or the Company shall provide the economic equivalent thereof), and (ii) any other compensation and benefits as may be provided in accordance with the terms and provisions of any applicable plans and programs of the Company.

For purposes of this Section 4.1 and Section 2.3, "Disability" means the Executive's inability to render, for a period of six consecutive months, services hereunder by reason of permanent disability, as determined by the written medical opinion of an independent medical physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to such an independent medical physician, each shall appoint one medical physician and those two physicians shall appoint a third physician who shall make such determination. Notwithstanding the foregoing, if the Executive, in his sole discretion, shall so elect, the Executive shall be considered disabled for the purposes of this Agreement if the

Executive is deemed disabled pursuant to the Company's long-term disability plan.

4.2 Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as defined below) as provided in this Section 4.2. If the Company terminates the Executive's employment hereunder for Cause, the Executive shall be entitled to:

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

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

(c) any accrued vacation pay;

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

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

In any case described in this Section 4.2, the Executive shall be given written notice authorized by a vote of at least a majority of the members of the Board of Directors that the Company intends to terminate the Executive's employment for Cause. Such written notice shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Executive's employment for Cause. The Executive shall be given the opportunity within 30 calendar days of the receipt of such notice to meet with the Board of Directors to defend such act or acts, or failure to act, and the Executive shall be given 15 business days after such meeting to correct such act or failure to act. Upon failure of the Executive, within such latter 15 day period, to correct such act or failure to act, the Executive's employment by the Company shall automatically be terminated under this Section 4.2 for Cause. Anything herein to the contrary notwithstanding, if, following a termination of the Executive's employment by the Company for Cause based upon the conviction of the Executive for a felony involving actual dishonesty as against the Company, such conviction is overturned on appeal, the Executive shall be entitled to the payments and the economic equivalent of the benefits that the Executive would have received as a result of a termination of the Executive's employment by the Company without Cause.

For purposes of this Section 4.2 and Section 2.3, "Cause" means (a) the Executive is convicted of a felony

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

4.3 Termination Without Cause or Termination For Good Reason. The Company may terminate the Executive's employment hereunder without Cause and the Executive may terminate his employment hereunder for Good Reason. If the Company terminates the Executive's employment hereunder without Cause, other than due to death or Disability, or if the Executive terminates his employment for Good Reason, the Executive shall be entitled to:

(a) the amount equal to the product of (1) three times (2) the sum of (x) the Executive's then Base Salary and (y) the Executive's then Annual Bonus (but not less than the highest annual bonus paid to the Executive with respect to the three years preceding the date of the Executive's termination of employment); and

(b) the Company will contribute within 30 calendar days after the Termination Date an amount to the Amended and Restated Supplemental Executive Retirement Plan of Corporate Property Investors equal to 33% of the amount set forth in clause (2) of Section 4.3(a) above.

(c) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the persons who from time to time thereafter are Dependents (as defined herein) at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 2 if the Executive's employment had not been terminated or, if more favorable to the Executive and the Dependents, as in effect for senior executive employees and their Dependents generally at any time thereafter. "Dependents", as of any date, means the members of the Executive's family who under the eligibility rules (as in effect on a date that is six months prior to the Effective Date) of the plans or programs of the Company (or any successor) which provide medical benefits, would, by virtue of such status as family members, be eligible for benefits under such plans or programs on such date.

(d) the Executive and the persons who from time to time thereafter are Dependents shall continue to be eligible to participate in and shall receive all benefits under any plan

or program of the Company providing medical benefits as are in effect on the date six months prior to the Effective Date or under any plan or program of a successor to the Company which provides medical benefits that are not less favorable to the Executive and the Dependents than such plans or programs of the Company until the date the Executive and the Dependents are all eligible for Medicare benefits (by reason of attaining the minimum age for such benefits without regard to whether an application has been made therefor); provided, however, that (A) in no event will a Dependent be eligible for benefits as described in this clause (d) after the date he ceases to be a Dependent and (B)at all times after the expiration of the three-year period described in clause (c) above, the Executive shall pay for such coverage at the same rate as is charged to other similarly situated individuals electing continuation coverage under Section 4980B of the Code;

(e) all outstanding options granted to Executive to purchase Common Stock under the Company's option plans (or under any option plan of any predecessor to the Company) shall, to the extent not already vested, become immediately fully vested and shall remain exercisable until the end of the original term of such option without regard to Executive's termination of employment;

(f) the Company will continue to pay any premiums due on split-dollar life insurance policies (if any) in effect on the life of the Executive for three years following the date of termination after which time the Company shall distribute such policy to the Executive without requiring the Executive to repay any premium paid by the Company;

(g) notwithstanding any provisions to the contrary under any outstanding recourse note issued under the Company's Employee Share Purchase Plan or any other agreement providing for the acceleration or prepayment of any such note payments under such note shall not be accelerated as a result of Executive's termination of employment but shall be due and payable in accordance with the terms of such note determined as if Executive's employment had not terminated;

(h) the Company will transfer any car made available to the Executive for his use by the Company to the Executive for no consideration provided that the Executive pays any and all transfer taxes and agrees to be solely responsible for insurance and the cost of insurance after the date of transfer; and

(i) the Executive shall be entitled to keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration; and

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

(k) any accrued vacation pay;

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

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

For purposes of this Section 4.3 and Section 2.3, "Good Reason" means and shall be deemed to exist if, without the prior express written consent of the Executive, (a) the Executive is assigned any duties or responsibilities inconsistent in any material respect with the scope of the duties or responsibilities associated with the Executive's titles or positions, as set forth and described in Section 1.3 of this Agreement; (b) the Executive suffers a reduction in the duties, responsibilities or effective authority associated with his titles and positions, as set forth and described in Section 1.3 of this Agreement (including, without limitation, if the Executive Committee ceases to have the powers or reporting responsibilities described in Section 1.3 of this Agreement or if the Executive Committee is expanded beyond eight members); (c) the Executive is not appointed to, or is removed from, the offices or positions provided for in Section 1.3 of this Agreement; (d) the Executive's compensation is decreased by the Company, or the Executive's benefits under employee benefit or health or welfare plans or programs of the Company are in the aggregate materially decreased; (e) the Company fails to obtain the full assumption of this Agreement by a successor entity in accordance with Section 6.4 of this Agreement; (f) the Company fails to use its reasonable best efforts to maintain, or cause to be maintained, adequate directors and officers liability insurance coverage for the Executive; (g) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than in the County of New York, New York; or (h) the Company purports to terminate the Executive's employment for Cause and such purported termination of employment is not effected in accordance with the requirements of this Agreement.

4.4 Voluntary Termination. The Executive may effect a Voluntary Termination of his employment hereunder. A "Voluntary Termination" shall mean a termination of employment by the Executive on his own initiative other than (a) a termination due to death or Disability, or (b) a termination for Good Reason. A Voluntary Termination shall not be, nor shall it be deemed to be, a breach of this Agreement and shall entitle the Executive to

all of the rights and benefits which the Executive would be entitled in the event of a termination of his employment by the Company for Cause.

4.5 Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided or maintained by the Company and for which the Executive may qualify, nor shall anything herein limit or otherwise prejudice such rights as the Executive may have under any other existing or future agreements with the Company. Except as otherwise expressly provided for in this Agreement, amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plans or programs of the Company at or subsequent to the date of termination shall be payable in accordance with such plans or programs. If the Company is unable, for any reason, to provide the Executive with the stock option grant described in Section 2.3 to which he is then entitled (either with respect to the option grant or the delivery of Company shares upon exercise of such options), it will take all necessary action to provide the Executive with the economic value thereof (including, if appropriate, through a cashless exercise program in respect of such stock options).

4.6 Stock Grant and Stock Options. In the event of any termination described in Sections 4.1, 4.2, 4.3 and 4.4 above, Executive's rights with regard to his stock grant, loan agreement and stock options shall be as set forth in the respective agreement containing the terms and conditions pertaining thereto.

4.7 Certain Additional Payments by the Company. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code or that any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Subject to the provisions of this Section 4.7, all determinations required to be made hereunder, including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by Arthur Andersen LLP or by another nationally recognized certified public accounting firm that is mutually selected by the Executive and the Company (the

"Accounting Firm") at the sole expense of the Company, which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the date of termination of the Executive's employment under this Agreement, if applicable, or such earlier time as is requested by the Company or the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, the Accounting Firm shall furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments, which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. If the Company exhausts its remedies pursuant hereto and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including (without limitation) accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith to contest effectively such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions hereof the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine, provided that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance, and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

If, after the receipt by the Executive of an amount advanced by the Company pursuant hereto, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant hereto, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

4.8 Payment. Except as otherwise provided in this Agreement, any payments to which the Executive shall be entitled under this Section 4, including, without limitation, any economic equivalent of any benefit, shall be made as promptly as possible following the date of termination. If the amount of any payment due to the Executive cannot be finally determined within 90 days after the Date of Termination, such amount shall be estimated on a good faith basis by the Company and the estimated amount shall be paid no later than 90 days after such Date of Termination. As soon as practicable thereafter, the final determination of the amount due shall be made and any adjustment requiring a payment to or from the Executive shall be made as promptly as practicable.

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

5. Indemnification.

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

6. Other Provisions.

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

(i) If to the Company to:

National City Center
115 West Washington Street
Indianapolis, IN 46204
Attn: General Counsel

With a copy to:

Frank A. Daniele, Esq.
Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019

(ii) If to the Executive, to:

Mr. Mark S. Ticotin
12 Collingswood Road
New City, NY 10956

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

6.2 Entire Agreement. This Agreement, including the attached Schedules which are a part hereof for all purposes, contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

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

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

7. Resolution of Disputes.

7.1 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Executive and an executive officer of the Company who has authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of

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

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

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

8. Successors. This Agreement shall be binding upon and inure to the benefit of the Executive and his heirs,

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

9. No Mitigation or Set-Off. The provisions of this Agreement are not intended to, nor shall they be construed to, require that the Executive mitigate the amount of any payment provided for in this Agreement by seeking or accepting other employment, nor shall the amount of any payment provided for in this Agreement be reduced by any compensation earned by the Executive as a result of his employment by another employer or otherwise. The Company's obligations to make the payments to the Executive required under this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive.

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

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

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

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

14. As of the Effective Date, this Agreement shall supersede all prior employment and severance agreements between the Company (or its predecessors) and the Executive, including the Executive Agreement dated as of August 7, 1997.

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

CORPORATE PROPERTY INVESTORS, INC.

By: ----------
Name: ----------
Title: ----------

MARK S. TICOTIN

Exhibit 10.65

CORPORATE PROPERTY INVESTORS

EXECUTIVE SEVERANCE POLICY

As Amended and Restated Effective as of August 11, 1998 1/

PREAMBLE

Corporate Property Investors establishes this Corporate Property Investors Executive Severance Policy (the "Policy") as of February 18, 1998, in order to provide severance benefits to selected executives on their Termination (as defined below).

Said Policy is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as described in Section 201(2) of the Employee Retirement Income Security Act of 1974, as amended.

SECTION 1. Definitions. As used in this Policy, the following terms have the following meanings:

"Annual Compensation" of an Employee shall mean the sum of (i) such Employee's annualized base salary for the year in which the Termination occurs and (ii) the highest annual bonus paid or awarded to such Employee by the Company with respect to any of the three calendar years preceding the Employee's Termination (regardless of the year in which actually paid).

"Cause" shall mean (i) the willful and continued failure of an Employee to perform substantially the Employee's duties owed to the Company after a written demand for substantial performance is delivered to the Employee which specifically identifies the nature of such non-performance, (ii) the willful engaging by the Employee

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1/ This Policy has been amended and restated to reflect the elimination of the cutback in benefits to avoid the excise tax imposed on excess parachute payments pursuant to Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended. This elimination of the cutback was approved by at least 75% of CPI's shareholders on August 10, 1998.

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in gross misconduct significantly and demonstrably injurious to the Company or (iii) conduct by the Employee in the course of his or her employment which is a felony or fraud that results in material harm to the Company or a third party.

"Class 1 Employee" shall mean an Employee who is an officer of Company with the title of Chairman, President, Senior Vice President, Vice President or Treasurer.

"Class 2 Employee" shall mean an Employee who is not a Class I Employee with the title of Assistant Controller, Assistant Secretary, Assistant Treasurer, Chief Information Officer, Director of Development, Executive Director of Leasing, Regional Marketing Manager or Regional Property Manager.

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

"Company" shall mean Corporate Property Investors and its successors and affiliates.

"Employee" shall mean a non-probationary salaried employee of the Company expected to work at least 30 hours per week in the normal work-week.

"Policy" means this Corporate Property Investors Executive Severance Policy as in effect from time to time.

"Service" of an Employee shall mean the number of anniversaries that have occurred since the date of initial hire of such Employee, as a salaried employee expected to work at least 30 hours per week in a normal work-week for the Company, plus one. For purposes of the foregoing, employment by Pembrook Management, Inc. shall be deemed to constitute employment by the Company.

"Termination" shall mean the termination of an Employee's employment with the Company other than (i) as the result of such Employee's death or disability (in the case of disability, to the extent such termination shall occur in accordance with the Company's Policy Regarding Absences from the Workplace as in effect on the date hereof, and as described in a memorandum dated June 8, 1995), (ii) as the result of such Employee's resignation, unless such resignation (A) shall have been requested by the Company, (B) shall have followed a reduction in such Employee's annualized base salary or (C) if such Employee's principal workplace is the Company's New York City headquarters, shall have followed the Company's requirement that such Employee

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relocate such Employee's principal workplace to a location outside of the Borough of Manhattan, New York or (iii) for Cause.

SECTION 2. Severance Payments Generally. An Employee shall not be entitled to receive any severance or other payments or benefits from the Company in connection with the Termination of such Employee's employment, except for:

(i) payment of vested and accrued pension, savings and vacation benefits, including payment for unused vacation days in accordance with the Company's vacation policy on the date hereof, and continuation of health insurance benefits to the extent required by applicable law;

(ii) payments pursuant to written contracts signed by such Employee and the Company; and

(iii) the payments described in this Policy, but only if such Employee executes a general release in the form of Exhibit A.

SECTION 3. Payments to Class 1 Employees. A Class 1 Employee with respect to whom Termination has occurred shall receive a cash payment as soon as practicable following such Termination equal to three times such Employee's Annual Compensation.

SECTION 4. Payments to Class 2 Employees. A Class 2 Employee with respect to whom Termination has occurred shall receive a cash payment as soon as practicable following such Termination equal to two times such Employee's Annual Compensation; provided, however, that if such Employee's Service is less than three, such Employee shall instead receive a cash payment equal to such Employee's Annual Compensation.

SECTION 5. Amendment and Termination. The Company may terminate or amend this Policy at any time and from time to time, for any reason or no reason; provided, however, that any such termination or amendment of this Policy that is adverse to the interests of any Employee under this Policy shall be effective only (i) as to any Employee first becoming an Employee after the date of such amendment or termination or (ii) as to any other Employee, as of February 18, 2001.

SECTION 6. Coordination with Written Contracts or other Plans. If at any time an Employee shall be entitled to payments in connection with the Termination of such

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Employee both under this Policy and (i) under a written contract between such Employee and the Company, then the terms of such contract, and not this Policy, shall apply, unless such contract expressly refers to this Section of this Policy and provides for a different result or (ii) another severance plan or policy established by the Company, then the terms of this Policy shall apply.

SECTION 7. Payment of Benefits. Severance Payments due under this Policy will be automatically paid following an Employee's Termination. If an Employee believes he is entitled to Severance Payments but does not receive such Severance Payments hereunder or he contests the amount of such payment, he or she may file a claim with the Company. If such claim is denied, the Employee will receive a full written explanation of such denial. The Employee may file an appeal of such denial with the Company within 60 days of receipt of the denial of the original claim. Within 60 days of receipt of the appeal, the Company will review the claim, and if it denies the appeal, will provide written notice of the denial within 60 days of the Company's receipt of the appeal. The Company shall have complete discretion to determine eligibility for Severance Payments hereunder and its decision will be binding.

SECTION 8. Statement of Company's Rights. An Employee's eligibility for benefits under this Policy shall not be considered a guarantee of continued or lifetime employment with the Company and shall not change the fact that an Employee shall be considered an Employee at will. An Employee's employment by the Company may be terminated by the Company whenever the Company, in its sole discretion, considers that to be in its best interest, subject to applicable law.

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SECTION 9. Enforceability. This Policy is intended to have binding legal effect on the Company, and an Employee's continued service as an Employee of the Company after the date hereof shall be deemed to be in reliance on this Policy and shall constitute consideration for this Policy. This Policy shall be construed in accordance with, and governed by, the laws of the State of New York.

IN WITNESS WHEREOF, this Policy has been adopted by the Company as of February 18, 1998.

CORPORATE PROPERTY INVESTORS

By: _____
President and Chief
Operating Officer

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EXHIBIT A

WAIVER AND RELEASE AGREEMENT

This Agreement ("Agreement") is between Corporate Property Investors (the "Company") and _____ (the "Employee"). In consideration for the Severance Payments described in the attached Policy, the Employee hereby agrees as follows:

a. Employee's resignation will be effective on his date of Termination. Employee acknowledges that effective as of such date, any right or authority on Employee's part to act as an agent or employee of the Company, in any manner whatsoever, shall be terminated.

b. Employee agrees to release and discharge the Company and any related company, and their respective agents, employees, directors and officers from any and all actions, causes of action, claims, awards, damages, demands or suits, at law or in equity, or liabilities of any kind or nature whatsoever, which Employee now has or hereafter may have against the Company or such other entities or individuals at any time in the past and at any time through his date of Termination. This release and discharge is specifically understood to apply to, but is not limited to, claims of wrongful discharge, claims of discriminatory treatment based upon any one or combination of the factors of sex, race, religion, sexual orientation, handicap, national origin and any and all other claims arising under federal, state or local law, whether such claims arise due to common law (whether arising in tort or contract) or by constitution, statute or ordinance. This release and discharge also includes a waiver of any rights or claims which Employee may have under the Age Discrimination in Employment Act, as amended, arising on or prior to the date of execution of this Agreement but does not include any such rights or claims arising after the date of this Agreement.

c. Employee acknowledges that he is entering into this Agreement voluntarily and of his own free will.

The parties hereto agree that this Agreement shall be governed by and construed in accordance with the laws of the State of New York. The parties further agree that should any part or provision of this Agreement be held unenforceable or in conflict with controlling law, the validity of the remaining parts and provisions shall be unaffected.

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Employee acknowledges that he was provided a copy of this Agreement on [ ], and that he has until [ ], to sign and return it to the Company. Employee shall have seven days from the date this Agreement is executed by the Employee to revoke this Agreement. It is agreed that this Agreement shall become effective and enforceable at end of the seven-day revocation period unless the Employee exercises his right to revoke this Agreement within such period. Employee is advised to consult with an attorney prior to executing this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

[EMPLOYEE]	CORPORATE PROPERTY INVESTORS
By:_____	By:_____
_____ (Date)	_____ (Date)

Exhibit 11.1

Simon DeBartolo Group, Inc.
Computation of Per Share Earnings
(Dollars in thousands)
(Unaudited)

	For the three months ended March 31,		For the year ended December 31,	
	1998	1997	1997	1996
Basic:				
Weighted averages shares outstanding	109,684,252	96,972,858	99,920,280	73,585,602
Net Income Available to Common Shareholders	23,948	8,233	107,989	72,561
Net Income Per Share	$ 0.22	$ 0.08	$ 1.08	$ 0.99
Diluted:				
Weighted averages shares outstanding	109,684,252	96,972,858	99,920,280	73,585,602
Net effect of dilutive stock options based upon the treasury stock method using the average market price	387,147	396,919	384,064	135,532
Total Diluted Shares	110,071,399	97,369,777	100,304,344	73,721,134
Net Income	23,948	8,233	107,989	72,561
Net Income per share	$ 0.22	$ 0.08	$ 1.08	$ 0.98

EXHIBIT 11.2

CORPORATE PROPERTY INVESTORS

COMPUTATION OF PER SHARE EARNINGS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED DECEMBER 31,	
	1998	1997	1997	1996
Basic:				
Weighted averages shares outstanding	25,353,000	26,066,000	25,835,000	22,045,000
Net Income Available to Common Shareholders	78,099	148,530	263,499	170,659
Net Income Per Share	$ 3.08	$ 5.70	$ 10.20	$ 7.74
Diluted:				
Weighted averages shares outstanding	25,353,000	26,066,000	25,835,000	22,045,000
Effect of Dilutive Securities:				
Convertible Preferred Shares	1,505,000	1,505,000	1,505,000	N/A
Employee Stock Options	237,000	--	8,000	--
Total Diluted Shares	27,095,000	27,571,000	27,348,000	22,045,000
Net Income	78,099	148,530	263,499	170,659
Effect of Dilutive Securities:				
Convertible Preferred Shares	3,428	3,428	13,712	N/A
	81,527	151,958	277,211	170,659
Diluted Net Income Per Share	$ 3.01	$ 5.51	$ 10.14	$ 7.74

Note: For the year ended December 31, 1996, the Convertible Preferred Shares were antidilutive and therefore not included in the calculation of Diluted Net Income Per Share.

EXHIBIT 11.3

CORPORATE REALTY CONSULTANTS

COMPUTATION OF PER SHARE EARNINGS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE YEAR ENDED MARCH 31,	
	1998	1997	1997	1996
Basic:				
Weighted averages shares outstanding	2,684,000	2,755,000	2,732,000	2,356,000
Net Income	(45)	(21)	1,177	(920)
Net Income Per Share	$ (0.02)	$ (0.01)	$ 0.43	$ (0.39)
Diluted:				
Weighted averages shares outstanding	2,684,000	2,755,000	2,732,000	2,356,000
Effect of Dilutive Securities: Employee Stock Options	24,000	--	1,000	--
Total Diluted Shares	2,708,000	2,755,000	2,733,000	2,356,000
Net Income	(45)	(21)	1,177	(920)
Diluted Net Income Per Share	$ (0.02)	$ (0.01)	$ 0.43	$ (0.39)

Exhibit 21.1

CORPORATE PROPERTY INVESTORS, INC.
SUBSIDIARIES

CPI-Braintree Corporation, a Delaware corporation
CPI-Burlington Corporation, a Delaware corporation
CPI-Cambridge Corporation, a Delaware corporation
CPI-Cobb Corporation, a Delaware corporation
CPI-Crystal Corporation, a Delaware corporation
CPI-Georgia Corporation, a Delaware corporation
CPI-Gwinnett Corporation, a Delaware corporation
CPI-Haywood Corporation, a Delaware corporation
CPI-Highland Corporation, a Delaware corporation
CPI-Livingston Corporation, a Delaware corporation
CPI-Metrocenter Corporation, a Delaware corporation
CPI-Northlake Corporation, a Delaware corporation
CPI-Rockaway Townsquare Corporation, a Delaware corporation
CPI-Roosevelt Field Corporation, a Delaware corporation
CPI-767 Corporation, a Delaware corporation
CPI-767 II Corporation, a Delaware corporation
Santa Rosa Plaza Corporation, a Delaware corporation
Town Center at Boca Raton, Inc. , a Delaware corporation
200 South Biscayne Corporation, a Delaware corporation
CPI-Countryside Corporation, a Delaware corporation
CPI-North Star Corporation, a Delaware corporation

Exhibit 21.2

CORPORATE REALTY CONSULTANTS, INC.
SUBSIDIARIES

767 Fifth Avenue Management, Inc. , a Delaware corporation
CRC Consultants, Inc. , a Delaware corporation
Peerage Realty Corp. , a Delaware corporation
Peerage Exchange Corp. , a Delaware corporation
Peerage 47th Street Corp. , a Delaware corporation
CRC-Nanuet Corporation, a Delaware corporation
Broadrose Properties, Inc. , a Delaware corporation
PPI Dover Corp. , a Delaware corporation

CRC is a 50% managing member of Mill Creek Land, L.L.C., a Delaware limited liability company.

CRC and its wholly owned subsidiary, 767 Fifth Avenue Management, Inc., are the sole general partners in 305-313 East 47th Street Associates, a New York general partnership.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Proxy Statement/Prospectus of our reports dated February 17, 1998 included in Simon DeBartolo Group, Inc.'s Form 10-K/A for the year ended December 31, 1997 and to the inclusion of our examination report dated August 12, 1998, on the pro forma combined condensed financial statements of Simon Property Group, Inc. and SPG Realty Consultants, Inc., as of and for the year ended December 31, 1997, and to all references to our Firm included in this Proxy Statement/Prospectus.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Indianapolis, Indiana
August 12, 1998

Exhibit 23.2

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated February 5, 1998 (except for the note, Commitments, Contingencies and Other Comments item (1), as to which the date is February 19, 1998) relating to Corporate Property Investors, Inc. and June 30, 1998 relating to Corporate Realty Consultants, Inc. included in the Proxy Statement of Simon DeBartolo Group, Inc. that is made part of the Registration Statement (Form S-4) with respect to the registration of 111,766,862 shares of Common Stock, 3,200,000 shares of Class B Common Stock and 4,000 shares of Class C Common Stock and Prospectus of Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. dated August 13, 1998.

/s/ Ernst & Young LLP

New York, New York
August 13, 1998

EXHIBIT 23.7

[LETTERHEAD OF J.P. MORGAN SECURITIES INC.]

CONSENT OF J.P. MORGAN SECURITIES INC.

We hereby consent to (i) the use of our opinion letter dated February 18, 1998 to the Board of Trustees of Corporate Property Investors, Inc.("CPI"), included as Annex D to the Proxy Statement/Prospectus which forms a part of the Registration Statement on Form S-4 relating to the proposed merger of a substantially wholly owned subsidiary of CPI and Simon DeBartolo Group, Inc., and (ii) the references to such opinion in such Proxy Statement/Prospectus. In giving such consent, we do not admit that we come within the category of person whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we hereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "experts" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

J.P. MORGAN SECURITIES INC.

By: /s/ JOHN R. PERKINS

Name: John R. Perkins
Title: Vice President

June 29, 1998

EXHIBIT 23.8

[LETTERHEAD OF LAZARD FRERES & CO. LLC]

CONSENT OF LAZARD FRERES & CO. LLC

We hereby consent to (I) the use of our opinion letter dated February 18, 1998 to the Board of Trustees of Corporate Property Investors ("CPI"), included as Annex C to the Proxy Statement/Prospectus which forms a part of the Registration Statement on Form S-4 relating to the proposed merger of a substantially wholly owned subsidiary of CPI and Simon DeBartolo Group, Inc., and (ii) the references to such opinion in such Proxy Statement/Prospectus. In giving such consent, we do not admit that we come within the category or persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we hereby admit that we are "experts" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Lazard Freres & Co. LLC

By: /s/ MATTHEW J. LUSTIG

Matthew J. Lustig
Managing Director

June 29, 1998

EXHIBIT 23.9

August 13, 1998

Board of Directors
Simon DeBartolo Group, Inc.
115 West Washington Street
Indianapolis, Indiana 46204

Dear Members of the Board:

We hereby consent to the use of our opinion letter dated February 19, 1998, to the Board of Directors of Simon DeBartolo Group, Inc. (the "Company"), included as Annex B to the Joint Proxy Statement/Prospectus which forms a part of the Registration Statement on Form S-4 relating to the proposed business combination between the Company, Corporate Property Investors, Inc., and Corporate Realty Consultants, Inc., and to the references therein to such opinion under the captions "THE PROPOSED MERGER AND RELATED MATTERS - Recommendation of the SDG Board of Directors; Reasons for the Merger" and "THE PROPOSED MERGER AND RELATED MATTERS - Opinion of Financial Advisor to SDG."

In giving such consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we thereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "experts" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED

Exhibit 24.1

POWER OF ATTORNEY

WHEREAS, Corporate Property Investors, Inc. ("CPI") proposes to issue shares of its Common Stock, par value $.0001 per share (the "Common Stock"), Class B Common Stock, par value $.0001 per share (the "Class B Common Stock"), and Class C Common Stock, par value $.0001 per share (the "Class C Common Stock" and, together with the Common Stock and the Class B Common Stock, the "CPI Common Stock") and Corporate Realty Consultants, Inc. ("CRC") proposes to issue shares of its Common Stock, par value $.0001 per share (the "CRC Common Stock") pursuant to the terms of an Agreement and Plan of Merger, dated as of February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors (predecessor to CPI) and CRC.

WHEREAS, CPI, and possibly CRC, propose to file with the Securities and Exchange Commission under the Securities Act of 1933, a Registration Statement on Form S-4 (the "Registration Statement") to register the CPI Common Stock and, possibly, the CRC Common Stock.

NOW THEREFORE, each person whose signature appears below hereby authorizes and appoints Hans C. Mautner, Mark S. Ticotin and Michael L. Johnson, and each of them acting individually, as such person's attorney-in-fact, with full power of substitution and resubstitution, to sign and file on such person's behalf individually and in each capacity stated below any and all amendments (including post-effective amendments) to the Registration Statement, which amendments may make such changes in the Registration Statement as such attorney-in-fact deems appropriate.

Signature	Title	Date
/s/ Hans C. Mautner Hans C. Mautner	Chairman of the Board, Chief Executive Officer and Director of CPI and CRC (Principal Executive Officer of CPI and CRC)	August 13, 1998
/s/ Michael L. Johnson Michael L. Johnson	Chief Financial Officer and Senior Vice President of CPI and CRC (Principal Financial Officer of CPI and CRC)	August 13, 1998
/s/ Daniel J. Cohen Daniel J. Cohen	Vice President and Controller of CPI and CRC (Principal Accounting Officer of CPI and CRC)	August 13, 1998
/s/ Abdlatif Y. Al-Hamad Abdlatif Y. Al-Hamad	Director of CPI	August 13, 1998
/s/ Saleh F. Alzouman Saleh F. Alzouman	Director of CPI	August 13, 1998
/s/ Robert E. Angelica Robert E. Angelica	Director of CPI	August 13, 1998
/s/ Gilbert Butler Gilbert Butler	Director of CPI	August 13, 1998
/s/ David P. Feldman David P. Feldman	Director of CPI and CRC	August 13, 1998
/s/ Andrea Geisser Andrea Geisser	Director of CPI and CRC	August 13, 1998
/s/ Damon Mezzacappa Damon Mezzacappa	Director of CPI	August 13, 1998
/s/ S. Lawrence Prendergast S. Lawrence Prendergast	Director of CPI	August 13, 1998
/s/ Daniel Rose Daniel Rose	Director of CPI	August 13, 1998
/s/ Dirk van den Bos Dirk van den Bos	Director of CPI	August 13, 1998
/s/ Jan H.W.R. van der Vlist Jan H.W.R. van der Vlist	Director of CPI	August 13, 1998

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0001063761
CORPORATE PROPERTY INVESTORS INC
1,000

YEAR	3-MOS
DEC-31-1997	DEC-31-1998
JAN-01-1997	JAN-01-1998
DEC-31-1997	MAR-31-1998
124,808	16,196
40,000	0
89,792	79,479
(18,429)	(18,165)
0	0
0	0
3,062,072	3,216,156
644,748	639,477
2,810,254	2,808,756
0	0
859,060	857,648
0	0
209,249	209,249
26,419	26,415
1,566,946	1,592,488
2,810,254	2,808,756
0	0
493,788	128,404
0	0
288,083	72,003
0	0
2,732	726
69,562	16,474
277,211	81,527
0	81,527
277,211	81,527
0	0
0	0
0	0
277,211	81,527
10.20	3.08
10.14	3.01

5
0001067173
CORPORATE REALTY CONSULTANTS INC
1,000

YEAR	3-MOS
DEC-31-1997	DEC-31-1998
JAN-01-1997	JAN-01-1998
DEC-31-1997	MAR-31-1998
4,147	3,900
0	0
1,567	1,580
0	0
0	0
0	0
32,146	32,513
10,613	10,842
46,063	41,012
0	0
36,818	38,181
0	0
0	0
268	268
4,048	3,734
46,063	47,208
0	0
6,214	4,065
0	0
5,811	986
0	0
0	0
1,365	338
1,847	(112)
670	(67)
1,177	(45)
0	0
0	0
0	0
1,177	(45)
0.43	0.02
0.43	0.02

EXHIBIT 99.2

____\1998

Form of
LETTER OF TRANSMITTAL
to accompany certificates formerly representing shares
of SDG Common Stock (as defined herein) of SIMON
DEBARTOLO GROUP, INC.

Surrendered in connection with the merger of a substantially wholly owned subsidiary of Corporate Property Investors, Inc. with and into Simon DeBartolo Group, Inc. ("SDG")

DESCRIPTION OF CERTIFICATES SURRENDERED

Certificate(s) formerly representing shares of SDG Common Stock (as defined herein) (Attach separate signed list if necessary.)

SDG COMMON STOCK

Name(s) and Address(es) of Registered Holder(s) (Please Fill in if Blank)	Certificate Number(s)	Total Number of Shares Represented by Certificate
	Totals:	

THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 5 AND 6)

Fill in ONLY if any new stock certificate(s) representing Simon Group Common Stock (as defined herein) is to be registered and, if applicable, a check for cash dividends is to be issued in a name OTHER than that set forth above.

Register the Simon Group Common Stock Certificate(s) and issue the check, if any, in the name of:

Name

(PLEASE PRINT)

Address

Please complete the Substitute Form W-9 included herein.
Tax I.D. or Social Security Number:

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTION 6)

Fill in ONLY if any new stock certificate(s) representing Simon Group Common Stock is to be registered and, if applicable, a check for cash dividends is to be issued in the name set forth above but DELIVERED to an address OTHER than that set forth above.

Mail the Simon Group Common Stock Certificate(s) and the check, if any, to:

Name

(PLEASE PRINT)

Address

PLEASE SIGN HERE AND ON SUBSTITUTE FORM W-9 BELOW

Signature(s): Dated:

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

Telephone No.:

Must be signed by the registered holder(s) exactly as the name(s) appears on the Certificate(s) or by the person(s) to whom the Certificate(s) surrendered has been assigned and transferred as evidenced by endorsements or stock powers transmitted herewith. If signing is by a trustee, executor, administrator, guardian, officer of a corporation, attorney-in-fact or other person acting in a fiduciary or representative capacity, please set forth full title and enclose proper documentary evidence of the appointment and authority of such person so to act. (See Instruction 3.)

MEDALLION SIGNATURE GUARANTEE
(REQUIRED ONLY IN CASES SPECIFIED IN INSTRUCTION 3)

Signature(s) Guaranteed by:

Title of Officer Signing this Guarantee (Please Print):

Name of Guaranteeing Firm (Please Print):

Address of Guaranteeing Firm (Please Print):

- ---

IMPORTANT TAX INFORMATION

In order to ensure compliance with federal income tax requirements, each holder of shares of SDG Common Stock is requested to provide the Exchange Agent with his or her correct TIN and to certify whether he or she is subject to backup federal income tax withholding by completing and sign the Substitute Form W-9 below.

Federal income tax law requires that a holder whose tendered Certificate(s) are accepted for exchange must provide the Exchange Agent (as payor) with his or her correct taxpayer identification number ("TIN"), which, in the case of a holder who is an individual, is his or her social security number. If the Exchange Agent is not provided with the correct TIN, the holder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, delivery to the holder of the Certificate(s) may be subject to back-up withholding. (If withholding results in overpayment of taxes, a refund may be obtained.) Exempt holders (including, among others, all corporations and certain foreign individuals) are not subject to these back-up withholding and reporting requirements.

Under federal income tax laws, payments that may be made by SDG on account of certificates of Simon Group Common Stock may be subject to back-up withholding at a rate of 31%. In order to prevent back-up withholding, each tendering holder must provide his or her correct TIN by completing the "Substitute Form W-9" referred to above, certifying that the TIN provided is correct (or that the holder is awaiting a TIN) and that: (i) the holder has not been notified by the Internal Revenue Service that he or she is subject to back-up withholding as a result of failure to report all interest or dividends; or (ii) the Internal Revenue Service has notified the holder that he or she is no longer subject to back-up withholding; or (iii) certify in accordance with the Guidelines that such holder is exempt from back-up withholding. If the Certificate(s) are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for information on which TIN to report.

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

TO BE COMPLETED BY ALL TENDERING HOLDERS

PAYOR'S NAME: [_]

SUBSTITUTE FORM W-9	Part 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER
DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE	PART 2--CHECK THE BOX IF YOU ARE NOT SUBJECT TO BACK-UP WITHHOLDING UNDER THE PROVISIONS OF SECTION 2406(a)(1)(C) OF THE INTERNAL REVENUE CODE BECAUSE (1) YOU HAVE NOT BEEN NOTIFIED THAT YOU ARE SUBJECT TO BACK-UP WITHHOLDING AS A RESULT OF FAILURE TO REPORT ALL INTEREST OR DIVIDENDS OR (2) THE INTERNAL REVENUE SERVICE HAS NOTIFIED YOU THAT YOU ARE NO LONGER SUBJECT TO BACK-UP WITHHOLDING. [_]	
PAYOR'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)		

CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

PART 3
CHECK IF AWAITING TIN
[_]

SIGNATURE _____ DATE _____

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (i) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (ii) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature _____ Date _____

Name (Please Print)

This Letter of Transmittal is to accompany certificates formerly representing shares of Common Stock, par value $0.0001 per share, of SDG ("SDG Common Stock"), Class B Common Stock, par value $0.0001 per share, of SDG ("SDG Class B Common Stock") and Class C Common Stock, par value $0.0001 per share, of SDG ("SDG Class C Common Stock" and together with SDG Common Stock and SDG Class B Common Stock, "SDG Equity Stock") in connection with the merger (the "Merger") of SPG Merger Sub, Inc. ("SPG Merger Sub"), a substantially wholly owned subsidiary of Corporate Property Investors, Inc. ("CPI"), with and into SDG.

By delivering certificates formerly representing shares of SDG Common Stock (the "Certificate(s)"), the registered holder of such certificates releases SDG, CPI, SPG Merger Sub, and their respective affiliates, directors, officers, employees, partners, agents, advisors and representatives, and their respective successors and assigns, from any and all claims arising from or in connection with the purchase or ownership of such SDG Common Stock or the exchange of such SDG Common Stock pursuant to the Merger Agreement (as defined herein).

This Letter of Transmittal should be promptly (i) completed and signed in the space provided and on the Substitute Form W-9 and (ii) mailed or delivered with your certificate(s) formerly representing shares of SDG Common Stock to First Chicago Trust Company of New York acting as exchange agent (the "Exchange Agent") at the following address:

By Mail:	By Overnight Courier:	By Hand:
First Chicago Trust Company of New York Tenders & Exchanges Suite 4660 P.O. Box 2565 Jersey City, NJ 07303-2565	First Chicago Trust Company of New York Tenders & Exchanges 14 Wall Street 8th Floor, Suite 4680 New York, NY 10005	First Chicago Trust Company of New York Tenders & Exchanges c/o The Depository Trust Company 55 Water Street, DTC TAD Vietnam Veterans Memorial Plaza New York, NY 10041

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. YOU MUST SIGN THIS FORM WHERE INDICATED BELOW.

PLEASE DO NOT SEND STOCK CERTIFICATES TO SIMON DEBARTOLO GROUP, INC.

Capitalized terms used in this Letter of Transmittal and not defined herein shall have the respective meanings ascribed to them in the Proxy Statement/Prospectus (as defined herein).

[ ]If any SDG Common Stock Certificate(s) which you own have been lost, stolen or destroyed, check this box and see Instruction 4. Please fill out the remainder of this Letter of Transmittal and indicate here the number of shares of each class of SDG Common Stock formerly represented by such Certificate(s). _____ shares of SDG Common Stock.

The undersigned has been advised that the stockholders of SDG representing more than 66-2/3% of the votes entitled to be cast by holders of Common Stock, par value $0.0001 per share, of SDG Common Stock, Class B Common Stock and Class C Common Stock have approved the Merger of SPG Merger Sub, Inc., a substantially wholly owned subsidiary of CPI, with and into SDG and that such Merger has been consummated and became effective on _____, 1998 (the "Effective Time").

Pursuant to the Agreement and Plan of Merger, dated as of February 18, 1998 (the "Merger Agreement") by and among SDG, Corporate Property Investors (predecessor to CPI and, renamed Simon Property Group, Inc. ("Simon Group") at the Effective Time) and Corporate Realty Consultants, Inc., the undersigned surrenders the enclosed Certificate(s), which immediately prior to the Merger represented shares of SDG Common Stock, SDG Class B Common Stock and SDG Class C Common Stock in exchange for shares of Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Common Stock"), Class B Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Class B Common Stock") and Class C Common Stock, par value $0.0001 per share, of Simon Group ("Simon Group Class C Common Stock") (collectively referred to as "Simon Group Equity Stock"), respectively.

It is understood that for a holder of a Certificate to receive certificates for Simon Group Common Stock, the Exchange Agent must receive (i) this Letter of Transmittal properly completed, (ii) Certificate(s) formerly representing such holder's shares of SDG Common Stock and (ii) any other documents required by this Letter of Transmittal. It is further understood that this Letter of Transmittal is subject to (a) the terms, conditions and limitations set forth in the Proxy Statement/Prospectus, dated _____ __, 1998, relating to the Merger (the "Proxy Statement/Prospectus"), receipt of which is hereby acknowledged by the undersigned, (b) the terms, conditions and limitations set forth in the Merger Agreement and (c) the instructions herein. The acceptance by the Exchange Agent on behalf of SDG of the Certificate(s), delivered pursuant to this Letter of Transmittal will constitute a binding agreement between the undersigned and SDG upon the terms and subject to the conditions of (a), (b) and (c) listed above.

The undersigned represents and warrants that the undersigned has full power and authority to surrender the Certificate(s) surrendered herewith or covered by an affidavit and indemnification for mutilated, lost, destroyed or stolen Certificate(s), free and clear of any liens, claims, charges or

encumbrances whatsoever. The undersigned understands and acknowledges that the method of delivery of the Certificate(s) and all other required documents is at the option and risk of the undersigned and that the risk of loss and title to such Certificate(s) shall pass only after the Exchange Agent has actually received the Certificate(s). All questions as to the surrender of Certificate(s) hereunder shall be determined by the Exchange Agent in its reasonable discretion, and such determination shall be binding and conclusive. No authority hereby conferred or agreed to be conferred hereby shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Unless otherwise indicated in the box entitled "Special Payment Instructions," please register any certificate for Simon Group Common Stock in the name of the registered holder(s) of the shares of SDG Common Stock appearing in the box entitled "Description of Shares Surrendered." In the event that the boxes entitled "Special Delivery Instructions" and "Special Delivery Instructions" are both completed, please register any certificates for Simon Group Common Stock in the name(s) of and mail such certificate to the person(s) so indicated.

INSTRUCTIONS

1. EXECUTION AND DELIVERY. This Letter of Transmittal or a facsimile hereof must be properly filled in, dated and signed in BOX IV, and must be delivered, together with all Certificate(s) for such shares of SDG Common Stock held by such holder, duly endorsed in blank or otherwise in form acceptable for transfer on the books of SDG.

THE METHOD OF DELIVERY OF ALL DOCUMENTS IS AT THE OPTION AND RISK OF THE HOLDERS, BUT IF SENT BY MAIL, REGISTERED MAIL, RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS SUGGESTED.

2. INADEQUATE SPACE. If there is insufficient space on this Letter of Transmittal to list all your Certificate(s), please attach a separate signed schedule containing the information in BOX I.

3. SIGNATURES ON THIS LETTER OF TRANSMITTAL; ASSIGNMENTS; GUARANTEE OF SIGNATURES. The signature (or signatures, in the case of Certificate(s) owned by two or more joint holders) on this Letter of Transmittal must correspond with the name(s) as written on the face of the Certificate(s) for the Certificate(s) submitted, without alteration, enlargement or any change whatsoever unless the shares of SDG Common Stock described in this Letter of Transmittal have been assigned by the registered holder(s), in which event this Letter of Transmittal should be signed in exactly the same form as the name of the last transferee indicated on the transfers attached to or endorsed on the Certificate(s).

If this Letter of Transmittal is signed by a person or person other than the registered owners of the Certificate(s) listed, the Certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered owner(s) appear on such Certificate(s).

If this Letter of Transmittal or any Certificate(s) or stock power(s) are signed by a trustee, executor administrator, guardian, officer of a corporation, attorney-in-fact or any other person acting in a representative or fiduciary capacity, the person signing must give such person's full title in such capacity and appropriate evidence of authority to act in such capacity must be forwarded with this Letter of Transmittal.

4. MUTILATED, LOST, STOLEN OR DESTROYED CERTIFICATE(S). If your Certificate(s) have been mutilated, lost, stolen or destroyed, please make note of this fact on this Letter of Transmittal and the appropriate forms for replacement will be sent to you. You will then be instructed as to the steps you must take in order to receive a stock certificate representing a share of Simon Group Common Stock.

5. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. If the section entitled "Special Payment Instructions" (BOX II) is completed, then signatures on this Letter of Transmittal must be guaranteed by a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents' Medallion Program (each an "Eligible Institution"). If the surrendered Certificate(s) are registered in the name of a person other than the signer of this Letter of Transmittal, or if the issuance is to be made to a person other than the registered owner(s), then the surrendered Certificate(s) must be endorsed or accompanied by duly executed stock power, in either case signed exactly as the name(s) of the registered owner(s) appear on such Certificate(s) or stock power(s), with the signatures on the Certificate(s) or stock power(s) guaranteed by an Eligible Institution as provided herein.

If the Certificate(s) are to be registered in the name of the registered holder(s) of a share of SDG Common Stock, but are to be sent to someone other than the registered holder(s) or to an address other than the address of the registered holder, it will be necessary to indicate such person or address in the section entitled "Special Delivery Instructions" (BOX III).

6. SUBSTITUTE FORM W-9. Each surrendering stockholder is required to provide the Exchanges Agent with such holder's correct TIN on the Substitute Form W-9, which is a part of this Letter of Transmittal, and to certify whether the stockholder is subject to backup withholding. Failure to provide such information or an adequate basis for exemption on the form may subject the surrendering stockholder to 31% Federal income tax withholding on payments made to such surrendering stockholder with respect to the certificate(s). If such holder is an individual, the TIN is his or her social security number. A holder must check the box in Part 2 of Substitute Form W-9 if such holder is subject to backup withholding. The box in Part 3 of the form should be checked if the surrendering holder has not been issued a TIN and has applied for a TIM or intends to apply for a TIN in the near future. If box 3 is checked, the surrendering holder must also complete the Certificate of Awaiting Taxpayer Identification Number in order to avoid backup withholding. Notwithstanding that the box i Part 3 is checked and the Certificate of Awaiting Taxpayer Identification Number is complete, the Exchange Agent will withhold 31% on all payments made prior to the time a properly certified TIN is provided to the Exchange Agent. However, such amount will be refunded to such surrendering holder if a TIN is provided to the Exchange Agent within 60 days.

7. TRANSFER TAXES. SDG will pay all transfer taxes, if any, applicable to the transfer of Certificate(s) to it. If, however, Certificate(s) not exchanged are to be delivered to, or are to be issued in the name of, any person other than the record holder, or if tendered certificates are recorded in the name of any person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed by any reason other than the transfer of Certificate(s) to SDG, then the amount of such transfer taxes (whether imposed on the record holder or any other person) will be payable by the tendering holder. If satisfactory evidence of payment of taxes or exemption from taxes is

not submitted with this Letter of Transmittal, the amount of transfer taxes will be billed directly to the tendering holder. Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter.

8. WAIVER OF CONDITIONS. SDG reserves the absolute right to amend or waive any of the specified conditions in the exchange offer in the case of any Certificate(s) surrendered.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions relating to the procedure for tendering, as well as requests for additional copies of the Proxy Statement/Prospectus or this Letter of Transmittal, may be directed to the Exchange Agent.

Exhibit 99.3

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Robert Angelica, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Robert E. Angelica

Robert E. Angelica

August 13, 1998

Exhibit 99.4

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Birch Bayh, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Birch Bayh

Birch Bayh

August 13, 1998

Exhibit 99.5

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, G. William Miller, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ G. William Miller

G. William Miller

August 13, 1998

Exhibit 99.6

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, J. Albert Smith, Jr., expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ J. Albert Smith, Jr.

J. Albert Smith, Jr.

August 13, 1998

Exhibit 99.7

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, David Simon, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ David Simon

David Simon

August 13, 1998

Exhibit 99.8

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Herbert Simon, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Herbert Simon

Herbert Simon

August 13, 1998

Exhibit 99.9

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Melvin Simon, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Melvin Simon

Melvin Simon

August 13, 1998

Exhibit 99.10

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Richard S. Sokolov, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Richard S. Sokolov

Richard S. Sokolov

August 13, 1998

Exhibit 99.11

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Frederick W. Petri, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Frederick W. Petri

Frederick W. Petri

August 13, 1998

Exhibit 99.12

Consent of Person About to Become a Director

(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Pieter S. van den Berg, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI and CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI's Board of Directors and CRC's Board of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Pieter S. van den Berg

Pieter S. van den Berg

August 13, 1998

Exhibit 99.13

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, Phillip J. Ward, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ Phillip J. Ward

Phillip J. Ward

August 13, 1998

Exhibit 99.14

Consent of Person About to Become a Director
(Pursuant to Rule 438 under the Securities Act of 1933, as amended)

In connection with a Form S-4 filed by Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. ("CRC") with the Securities and Exchange Commission (File Nos. 333- and 333-) (the "Registration Statement"), I, M. Denise DeBartolo York, expect to be elected to the Board of Directors of CPI and CRC, as described therein. As of the effective time of the Registration Statement, I will not be a member of the Board of Directors of CPI or CRC, and I am not required to sign the Registration Statement.

I hereby consent to being named in the Registration Statement as a future member of CPI and CRC's Boards of Directors, and to filing of the Registration Statement as contemplated by CPI and CRC.

/s/ M. Denise DeBartolo York

M. Denise DeBartolo York

August 13, 1998