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

FORM 10-Q

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

For the quarterly period ended September 30, 1999

SIMON PROPERTY GROUP, INC.	SPG REALTY CONSULTANTS, INC.
(Exact name of registrant as specified in its charter)	(Exact name of registrant as specified in its charter)
Delaware	Delaware
(State of incorporation or organization)	(State of incorporation or organization)
001-14469	001-14469-01
(Commission File No.)	(Commission File No.)
046268599	13-2838638
(I.R.S. Employer Identification No.)	(I.R.S. Employer Identification No.)
National City Center 115 West Washington Street, Suite 15 East Indianapolis, Indiana 46204	National City Center 115 West Washington Street, Suite 15 East Indianapolis, Indiana 46204
(Address of principal executive offices)	(Address of principal executive offices)
(317) 636-1600	(317) 636-1600
(Registrant's telephone number, including area code)	(Registrant's telephone number, including area code)

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

As of November 4, 1999, 173,479,710 shares of common stock, par value $0.0001 per share, 3,200,000 shares of Class B common stock, par value $0.0001 per share, and 4,000 shares of Class C common stock, par value $0.0001 per share of Simon Property Group, Inc. were outstanding, and were paired with 1,734,797 shares of common stock, par value $0.0001 per share, of SPG Realty Consultants, Inc.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS - Introduction

The following unaudited financial statements of Simon Property Group, Inc. and its paired-share affiliate, SPG Realty Consultants, Inc., are provided pursuant to the requirements of this Item. In the opinion of management, all adjustments necessary for fair presentation, consisting of only normal recurring adjustments, have been included. The financial statements presented herein have been prepared in accordance with the accounting policies described in Simon Property Group, Inc. and SPG Realty Consultants, Inc.'s combined annual report on Form 10-K for the year ended December 31, 1998 and should be read in conjunction therewith.

As described in Note 3 to the financial statements, Corporate Property Investors, Inc. was acquired by Simon DeBartolo Group, Inc. as of the close of business on September 24, 1998. Although Simon DeBartolo Group, Inc. became a subsidiary of Corporate Property Investors, Inc., the shareholders of Simon DeBartolo Group, Inc. became majority holders of the outstanding common stock of Corporate Property Investors, Inc. Accordingly, Simon DeBartolo Group, Inc. is the predecessor to Simon Property Group, Inc. for accounting and financial reporting purposes. In connection with the acquisition, Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. were renamed "Simon Property Group, Inc." and "SPG Realty Consultants, Inc.", respectively. See Note 1 to the financial statements for a description of the basis of presentation of the following unaudited financial statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED BALANCE SHEETS
(Unaudited and dollars in thousands, except per share amounts)

	September 30, 1999	December 31, 1998
ASSETS:		
Investment properties, at cost	$12,613,937	$11,850,014
Less -- accumulated depreciation	997,781	722,371
	11,616,156	11,127,643
Goodwill, net	40,787	58,134
Cash and cash equivalents	98,916	129,195
Tenant receivables and accrued revenue, net	263,402	218,581
Notes and advances receivable from Management Company and affiliate	139,738	115,378
Investment in partnerships and joint ventures, at equity	1,359,623	1,306,753
Investment in Management Company and affiliates	21,092	10,037
Other investment	44,542	50,176
Deferred costs and other assets	261,077	228,965
Minority interests, net	35,605	32,138
	$13,880,938	$13,277,000
LIABILITIES:		
Mortgages and other indebtedness	$ 8,541,721	$ 7,973,372
Accounts payable and accrued expenses	472,179	415,186
Cash distributions and losses in partnerships and joint ventures, at equity	31,494	29,139
Other liabilities	154,127	95,131
Total liabilities	9,199,521	8,512,828
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	1,004,973	1,015,634
LIMITED PARTNERS' PREFERRED INTERESTS IN THE SPG OPERATING PARTNERSHIP (Note 10)	86,154	--
PREFERRED STOCK OF SUBSIDIARY	339,530	339,329
SHAREHOLDERS' EQUITY:		
CAPITAL STOCK OF SIMON PROPERTY GROUP, INC.:		
Series A convertible preferred stock, 209,249 shares authorized, 53,271 and 209,249 issued and outstanding, respectively	68,073	267,393
Series B convertible preferred stock, 5,000,000 shares authorized, 4,844,331 issued and outstanding	450,523	450,523
Series C & D preferred stock (Note 10)	--	--
Common stock, $.0001 par value, 400,000,000 shares authorized, and 170,275,710 and 163,571,031 issued and outstanding, respectively	17	16
Class B common stock, $.0001 par value, 12,000,000 shares authorized, 3,200,000 issued and outstanding	1	1
Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding	--	--
CAPITAL STOCK OF SPG REALTY CONSULTANTS, INC.:		
Common stock, $.0001 par value, 7,500,000 shares authorized, 1,734,797 and 1,667,750 issued and outstanding, respectively	--	--
Capital in excess of par value	3,276,046	3,083,213
Accumulated deficit	(515,101)	(372,313)
Unrealized gain (loss) on long-term investment	(3,938)	126
Unamortized restricted stock award	(24,861)	(19,750)
Total shareholders' equity	3,250,760	3,409,209
	$13,880,938	$13,277,000

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited and dollars in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	1998	1999	1998
REVENUE:				
Minimum rent	$280,920	$194,623	$ 831,163	$565,557
Overage rent	12,307	2,290	40,333	22,773
Tenant reimbursements	156,514	101,927	433,352	283,898
Other income	21,430	23,498	66,422	60,742
Total revenue	47,171	322,338	1,371,270	932,970
EXPENSES:				
Property operating	76,172	55,600	216,679	155,858
Depreciation and amortization	93,402	61,107	272,927	177,725
Real estate taxes	48,151	31,428	139,194	90,387
Repairs and maintenance	15,365	12,424	52,253	35,974
Advertising and promotion	15,883	11,283	45,435	28,005
Provision for (recovery of) credit losses	2,043	(1,857)	6,837	1,598
Other	5,373	4,816	19,622	16,993
Total operating expenses	256,389	174,801	752,947	506,540
OPERATING INCOME	214,782	147,537	618,323	426,430
INTEREST EXPENSE	144,015	97,331	427,871	281,751
INCOME BEFORE MINORITY INTEREST	70,767	50,206	190,452	144,679
MINORITY INTEREST	(2,236)	(1,108)	(7,739)	(4,704)
LOSSES ON SALES OF ASSETS, NET	-	(64)	(9,308)	(7,283)
INCOME TAX BENEFIT OF SRC	-	-	3,374	-
INCOME BEFORE UNCONSOLIDATED ENTITIES	68,531	49,034	176,779	132,692
INCOME FROM UNCONSOLIDATED ENTITIES	18,594	3,817	45,072	8,797
INCOME BEFORE UNUSUAL AND EXTRAORDINARY ITEMS	87,125	52,851	221,851	141,489
UNUSUAL ITEM (Note 11)	(12,000)	-	(12,000)	-
EXTRAORDINARY ITEMS	(410)	(22)	(2,227)	7,002
INCOME BEFORE ALLOCATION TO LIMITED PARTNERS	74,715	52,829	207,624	148,491
LESS:				
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	15,590	15,789	41,255	45,368
PREFERRED DISTRIBUTIONS OF THE SPG OPERATING PARTNERSHIP	612	-	612	-
PREFERRED DIVIDENDS OF SUBSIDIARY	7,333	482	22,001	482
NET INCOME	51,580	36,558	143,756	102,641
PREFERRED DIVIDENDS	(8,745)	(7,592)	(27,905)	(22,260)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 42,435	$ 28,966	$ 115,851	$ 80,381
BASIC EARNINGS PER COMMON PAIRED SHARE:				
Income before extraordinary items	$ 0.25	$ 0.25	$ 0.68	$ 0.67
Extraordinary items	(0.01)	-	(0.01)	0.04
Net income	$ 0.24	$ 0.25	$ 0.67	$ 0.71
DILUTED EARNINGS PER COMMON PAIRED SHARE:				
Income before extraordinary items	$ 0.25	$ 0.25	$ 0.68	$ 0.67
Extraordinary items	(0.01)	-	(0.01)	0.04
Net income	$ 0.24	$ 0.25	$ 0.67	$ 0.71

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited and dollars in thousands)

	For the Nine Months Ended September 30, 1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 143,756	$ 102,641
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	281,361	185,798
Extraordinary items	2,227	(7,002)
Unusual item	12,000	--
Losses on sales of assets, net	9,308	7,283
Limited partners' interest in the Operating Partnerships	41,255	45,368
Preferred dividends of Subsidiary	22,001	482
Preferred distributions of the SPG Operating Partnership	612	--
Straight-line rent	(13,390)	(5,892)
Minority interest	7,739	4,704
Equity in income of unconsolidated entities	(45,072)	(8,797)
Income tax benefit of SRC	(3,374)	--
Changes in assets and liabilities--		
Tenant receivables and accrued revenue	(25,118)	(3,942)
Deferred costs and other assets	(25,802)	(10,516)
Accounts payable, accrued expenses and other liabilities	36,039	41,648
Net cash provided by operating activities	443,542	351,775
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(265,715)	(1,881,183)
Capital expenditures	(349,644)	(233,200)
Cash from acquisitions and consolidation of joint ventures, net	10,812	17,213
Change in restricted cash	-	6,868
Net proceeds from sales of assets	53,953	46,087
Investments in unconsolidated entities	(55,991)	(28,726)
Distributions from unconsolidated entities	191,561	164,914
Investments in and advances to Management Company and affiliate	(24,360)	(19,915)
Net cash used in investing activities	(439,384)	(1,927,942)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock, net	2,012	114,629
Minority interest distributions, net	(11,617)	(10,991)
Preferred dividends of Subsidiary	(22,001)	(482)
Preferred distributions of the SPG Operating Partnership	(612)	--
Preferred dividends and distributions to shareholders	(289,972)	(205,697)
Distributions to limited partners	(97,230)	(104,139)
Mortgage and other note proceeds, net of transaction costs	1,658,633	3,305,199
Mortgage and other note principal payments	(1,273,650)	(1,529,534)
Net cash provided by (used in) financing activities	(34,437)	1,568,985
DECREASE IN CASH AND CASH EQUIVALENTS	(30,279)	(7,182)
CASH AND CASH EQUIVALENTS, beginning of period	129,195	109,699
CASH AND CASH EQUIVALENTS, end of period	$ 98,916	$ 102,517

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited and dollars in thousands, except per share amounts)

	September 30, 1999	December 31, 1998
ASSETS:		
Investment properties, at cost	$12,606,369	$11,816,325
Less -- accumulated depreciation	996,550	710,012
	11,609,819	11,106,313
Goodwill, net	40,787	58,134
Cash and cash equivalents	96,057	127,626
Tenant receivables and accrued revenue, net	262,842	217,798
Notes and advances receivable from Management Company and affiliate	139,738	115,378
Note receivable from the SRC Operating Partnership	--	20,565
Investment in partnerships and joint ventures, at equity	1,353,871	1,303,251
Investment in Management Company and affiliates	21,092	10,037
Other investment	44,542	50,176
Deferred costs and other assets	256,718	227,713
Minority interests, net	36,176	32,138
	$13,861,642	$13,269,129
LIABILITIES:		
Mortgages and other indebtedness	$8,541,538	$ 7,972,381
Notes payable to the SRC Operating Partnership (Interest at 8%, due 2008)		17,907
Accounts payable and accrued expenses	470,606	411,259
Cash distributions and losses in partnerships and joint ventures, at equity	31,494	29,139
Other liabilities	153,320	95,326
Total liabilities	9,199,701	8,526,012
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE SPG OPERATING PARTNERSHIP	999,550	1,009,646
LIMITED PARTNERS' PREFERRED INTERESTS IN THE SPG OPERATING PARTNERSHIP (Note 10)	86,154	--
PREFERRED STOCK OF SUBSIDIARY	339,530	339,329
SHAREHOLDERS' EQUITY:		
Series A convertible preferred stock, 209,249 shares authorized, 53,271 and 209,249 issued and outstanding, respectively	68,073	267,393
Series B convertible preferred stock, 5,000,000 shares authorized, 4,844,331 issued and outstanding	450,523	450,523
Series C & D preferred stock (Note 10)	--	--
Common stock, $.0001 par value, 400,000,000 shares authorized, and 170,275,710 and 163,571,031 issued and outstanding, respectively	17	16
Class B common stock, $.0001 par value, 12,000,000 shares authorized, 3,200,000 issued and outstanding	1	1
Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding	--	--
Capital in excess of par value	3,261,669	3,068,458
Accumulated deficit	(514,777)	(372,625)
Unrealized gain (loss) on long-term investment	(3,938)	126
Unamortized restricted stock award	(24,861)	(19,750)
Total shareholders' equity	3,236,707	3,394,142
	$13,861,642	$13,269,129

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Unaudited and dollars in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	1998	1999	1998
REVENUE:				
Minimum rent	$280,931	$194,597	$ 830,590	$565,531
Overage rent	12,307	2,290	40,333	22,773
Tenant reimbursements	156,514	101,935	433,354	283,906
Other income	21,243	23,515	69,537	60,759
Total revenue	470,995	322,337	1,373,814	932,969
EXPENSES:				
Property operating	76,171	55,592	216,351	155,850
Depreciation and amortization	93,379	61,092	272,596	177,710
Real estate taxes	48,189	31,428	139,076	90,387
Repairs and maintenance	15,365	12,424	52,244	35,974
Advertising and promotion	15,883	11,283	45,435	28,005
Provision for (recovery of) credit losses	2,043	(1,857)	6,822	1,598
Other	5,290	4,812	19,719	16,989
Total operating expenses	256,320	174,774	752,243	506,513
OPERATING INCOME	214,675	147,563	621,571	426,456
INTEREST EXPENSE	144,090	97,329	428,148	281,749
INCOME BEFORE MINORITY INTEREST	70,585	50,234	193,423	144,707
MINORITY INTEREST	(2,236)	(1,108)	(7,739)	(4,704)
LOSSES ON SALES OF ASSETS	--	(64)	(4,188)	(7,283)
INCOME BEFORE UNCONSOLIDATED ENTITIES	68,349	49,062	181,496	132,720
INCOME FROM UNCONSOLIDATED ENTITIES	17,613	3,809	42,538	8,789
INCOME BEFORE UNUSUAL AND EXTRAORDINARY ITEMS	85,962	52,871	224,034	141,509
UNUSUAL ITEM (Note 11)	(12,000)	--	(12,000)	--
EXTRAORDINARY ITEMS	(410)	(22)	(2,227)	7,002
INCOME BEFORE ALLOCATION TO LIMITED PARTNERS	73,552	52,849	209,807	148,511
LESS:				
LIMITED PARTNERS' INTEREST IN THE SPG OPERATING PARTNERSHIP	15,262	15,795	42,802	45,374
PREFERRED DISTRIBUTIONS OF THE SPG OPERATING PARTNERSHIP	612	--	612	--
PREFERRED DIVIDENDS OF SUBSIDIARY	7,333	482	22,001	482
NET INCOME	50,345	36,572	144,392	102,655
PREFERRED DIVIDENDS	(8,745)	(7,592)	(27,905)	(22,260)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 41,600	$ 28,900	$ 116,487	$ 80,395
BASIC EARNINGS PER COMMON SHARE				
Income before extraordinary items	$ 0.24	$ 0.25	$ 0.69	$ 0.67
Extraordinary items	--	--	(0.01)	0.04
Net income	$ 0.24	$ 0.25	$ 0.68	$ 0.71
DILUTED EARNINGS PER COMMON SHARE:				
Income before extraordinary items	$ 0.24	$ 0.25	$ 0.69	$ 0.67
Extraordinary items	--	--	(0.01)	0.04
Net income	$ 0.24	$ 0.25	$ 0.68	$ 0.71

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited and dollars in thousands)

	For the Nine Months Ended September 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 144,392	$ 102,655
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	281,030	185,798
Extraordinary item	2,227	(7,002)
Unusual item	12,000	--
Losses on sales of assets	4,188	7,283
Limited partners' interest in the SPG Operating Partnership	42,802	45,374
Preferred dividends of Subsidiary	22,001	482
Preferred distributions of the SPG Operating Partnership	612	--
Straight-line rent	(13,392)	(5,892)
Minority interest	7,739	4,704
Equity in income of unconsolidated entities	(42,538)	(8,789)
Changes in assets and liabilities-		
Tenant receivables and accrued revenue	(25,239)	(5,516)
Deferred costs and other assets	(22,670)	(10,516)
Accounts payable, accrued expenses and other liabilities	33,853	41,648
Net cash provided by operating activities	447,005	350,229
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(265,715)	(1,881,183)
Capital expenditures	(347,358)	(233,200)
Cash from acquisitions and consolidation of joint ventures, net	10,812	17,213
Change in restricted cash	--	6,868
Net proceeds from sales of assets	42,000	46,087
Investments in unconsolidated entities	(55,991)	(28,726)
Note payment from the SRC Operating Partnership	20,565	--
Distributions from unconsolidated entities	191,442	164,914
Investments in and advances to Management Company and affiliate	(24,360)	(19,915)
Net cash used in investing activities	(428,605)	(1,927,942)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common, net	1,407	92,629
Minority interest distributions, net	(12,188)	(10,991)
Preferred dividends of Subsidiary	(22,001)	(482)
Preferred distributions of the SPG Operating Partnership	(612)	--
Preferred dividends and distributions to shareholders	(289,972)	(205,697)
Distributions to limited partners	(97,230)	(104,139)
Note payable to the SRC Operating Partnership	(15,164)	--
Mortgage and other note proceeds, net of transaction costs	1,658,633	3,305,199
Mortgage and other note principal payments	(1,272,842)	(1,529,534)
Net cash provided by (used in) financing activities	(49,969)	1,546,985
DECREASE IN CASH AND CASH EQUIVALENTS	(31,569)	(30,728)
CASH AND CASH EQUIVALENTS, beginning of period	127,626	109,699
CASH AND CASH EQUIVALENTS, end of period	$ 96,057	$ 78,971

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited and dollars in thousands, except per share amounts)

	September 30, 1999	December 31, 1998
ASSETS:		
Investment properties, at cost	$ 7,568	$ 33,689
Less -- accumulated depreciation	1,231	12,359
	6,337	21,330
Cash and cash equivalents	2,859	1,569
Note receivable from the SPG Operating Partnership (Interest at 8%, due 2008)	2,743	17,907
Tenant receivables	560	783
Investments in joint ventures, at equity	5,752	3,502
Other	4,359	1,510
	$ 22,610	$ 46,601
LIABILITIES:		
Mortgages and other indebtedness	$ 183	$ 991
Mortgage payable to the SPG Operating Partnership	--	20,565
Other liabilities	2,380	3,990
Minority interest	571	--
Total liabilities	3,134	25,546
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE SRC OPERATING PARTNERSHIP	5,423	5,988
SHAREHOLDERS' EQUITY:		
Common stock, $.0001 par value, 7,500,000 shares authorized, 1,734,797 and 1,667,750 issued and outstanding, respectively	--	--
Capital in excess of par value	29,483	29,861
Accumulated deficit	(15,430)	(14,794)
Total shareholders' equity	14,053	15,067
	$ 22,610	$ 46,601

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited and dollars in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	1998	1999	1998
REVENUE:				
Minimum rent	$ 152	$ 678	$ 1,596	$ 2,625
Tenant reimbursements	--	165	210	635
Other income	289	469	1,155	791
Total revenue	441	1,312	2,961	4,051
EXPENSES:				
Property operating	1	624	707	1,718
Depreciation and amortization	23	237	331	701
Merger-related costs	--	4,093	--	4,093
Administrative and other	217	549	1,053	1,765
Total operating expenses	241	5,503	2,091	8,277
OPERATING INCOME (LOSS)	200	(4,191)	870	(4,226)
INTEREST EXPENSE	(18)	(337)	(3,841)	(1,013)
LOSS ON SALES OF ASSETS, NET	--	--	(5,120)	--
INCOME TAX BENEFIT	--	3	3,374	193
INCOME (LOSS) BEFORE UNCONSOLIDATED ENTITIES	182	(4,525)	(4,717)	(5,046)
INCOME FROM UNCONSOLIDATED ENTITIES	981	124	2,534	398
INCOME (LOSS) BEFORE ALLOCATION TO LIMITED PARTNERS	1,163	(4,401)	(2,183)	(4,648)
LESS -- LIMITED PARTNERS' INTEREST IN THE SRC OPERATING PARTNERSHIP	(328)	6	1,547	6
NET INCOME (LOSS)	$ 835	$ (4,395)	$ (636)	$ (4,642)
EARNINGS PER COMMON SHARE:				
BASIC	$ 0.48	$ (6.56)	$ (0.37)	$ (7.79)
DILUTED	$ 0.48	$ (6.56)	$ (0.37)	$ (7.79)
WEIGHTED AVERAGE SHARES OUTSTANDING:				
BASIC	1,734,714	669,614	1,719,499	596,072
DILUTED	1,735,422	669,614	1,719,499	596,072

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited and dollars in thousands)

	For the Nine Months Ended September 30, 1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (636)	$ (4,642)
Adjustments to reconcile net loss to net cash provided by operating activities--		
Depreciation and amortization	331	701
Loss on sales of assets, net	5,120	--
Limited partners' interest in SRC Operating Partnership	(1,547)	6
Straight-line rent	2	--
Equity in income of unconsolidated entities	(2,534)	(398)
Income tax benefit	(3,374)	--
Changes in assets and liabilities--		
Tenant receivables and other assets	(3,487)	719
Deferred taxes	--	(190)
Other liabilities	891	3,762
Net cash used in operating activities	(5,234)	(42)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(515)	(1,565)
Investments in unconsolidated entities	--	(3,921)
Net proceeds from sales of assets	11,953	--
Note payment from the SPG Operating Partnership	15,164	--
Distributions from unconsolidated entities	119	19,151
Net cash provided by investing activities	26,721	13,665
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock, net	605	14,097
Minority interest contributions	571	--
Contributions from limited partners	--	8,000
Distributions to shareholders	--	(1,059)
Mortgage and other note proceeds, net of transaction costs	--	2,408
Mortgage and other note principal payments	(21,373)	(17,670)
Net cash provided by (used in) financing activities	(20,197)	5,776
INCREASE IN CASH AND CASH EQUIVALENTS	1,290	19,399
CASH AND CASH EQUIVALENTS, beginning of period	1,569	4,147
CASH AND CASH EQUIVALENTS, end of period	$ 2,859	$ 23,546

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.

Notes to Unaudited Condensed Financial Statements

(Dollars in thousands, except per share amounts and where indicated as in billions)

Note 1 - Basis of Presentation

The accompanying combined financial statements include Simon Property Group, Inc. ("SPG") and subsidiaries and its paired-share affiliate SPG Realty Consultants, Inc. ("SRC" and together with SPG, the "Companies") and its subsidiary. All significant intercompany amounts have been eliminated. The combined balance sheets and statements of operations and cash flows reflect the purchase of Corporate Property Investors, Inc. ("CPI") and related transactions (the "CPI Merger") as of the close of business on September 24, 1998. Operating results prior to the completion of the CPI Merger represent the operating results of Simon DeBartolo Group, Inc. and subsidiaries ("SDG"), the predecessor to SPG for financial reporting purposes.

The accompanying consolidated financial statements for SPG include the accounts of SPG and its subsidiaries. All significant intercompany amounts have been eliminated. SPG's primary subsidiary is Simon Property Group, L.P. (the "SPG Operating Partnership"), formerly known as Simon DeBartolo Group, L.P. ("SDG, LP"). The balance sheets and statements of operations and cash flows reflect the purchase of CPI as of the close of business on September 24, 1998. Operating results prior to the CPI Merger represent the operating results of SDG.

The accompanying consolidated financial statements of the paired share affiliate, SRC, include the accounts of SPG Realty Consultants, L.P. (the "SRC Operating Partnership"). Because the cash contributed to SRC and the SRC Operating Partnership in exchange for shares of common stock and units of partnership interests ("Units") in connection with the CPI Merger represented equity transactions, SRC, unlike CPI, is not subject to purchase accounting treatment. The separate statements of SRC represent the historical results of Corporate Realty Consultants, Inc. ("CRC"), the predecessor to SRC, for all periods prior to the CPI Merger. Minority interest on the SRC balance sheet as of September 30, 1999 represents an 8.5% outside interest in clixnmortar.com.

The SRC Operating Partnership and the SPG Operating Partnership are hereafter referred to as the "Operating Partnerships" and, together with the Companies, as "Simon Group".

The accompanying financial statements are unaudited; however, they have been prepared in accordance with generally accepted accounting principles for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. The results for the interim period ended September 30, 1999 are not necessarily indicative of the results to be obtained for the full fiscal year. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported periods. Actual results could differ from these estimates.

Outstanding common shares of SPG are paired with 1/100th of a common share of SRC (together "Paired Shares"). Likewise Units in the SPG Operating Partnership are paired with Units in the SRC Operating Partnership ("Paired Units"). SPG is a self-administered and self-managed, paired-share real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), and 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 September 30, 1999, Simon Group owned or held an interest in 253 income-producing properties in the United States, which consisted of 163 regional malls, 77 community shopping centers, four specialty retail centers, five office and mixed-use properties and four value-oriented super-regional malls in 36 states (the "Properties"), and four assets in Europe. Simon Group also owned interests in one value-oriented super-regional mall, two community shopping centers, one outlet center and one asset in Europe under construction and thirteen parcels of land held for future development. In addition, Simon Group holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company" -See Note 8). Simon Group holds substantially all of the economic interest in, and the Management Company holds substantially all of the voting stock of, DeBartolo Properties Management, Inc. ("DPMI"), which provides architectural, design, construction and other services to substantially all of the Properties, as well as certain other regional malls and community shopping centers owned by third parties. The Companies owned 72.2% and 71.6% of the Operating Partnerships at September 30, 1999 and December 31, 1998, respectively.

Properties which are wholly-owned or owned less than 100% and are controlled by the Operating Partnerships are accounted for using the consolidated method of accounting. Control is demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the partnership without the consent of the limited partner and the inability of the limited partner to replace the general partner. Investments in partnerships and joint ventures which represent noncontrolling ownership interests and the investment in the Management Company are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for net equity in income (loss) and cash contributions and distributions.

Net operating results of the Operating Partnerships are allocated to the Companies based first on the Companies' preferred unit preference, if applicable, and then on their remaining ownership interests in the Operating Partnerships during the period. The Companies' remaining weighted average ownership interests in the Operating Partnerships for the three-month and nine-month periods ended September 30, 1999 were 72.3% and 72.2%, respectively. SPG's remaining weighted average ownership interest in the SPG Operating Partnership for the three-month and nine-month periods ended September 30, 1998 were 64.5% and 63.8%, respectively. Prior to the CPI Merger, SRC owned its assets directly.

SRC is taxed as a C Corporation, and thus is subject to income taxes on its earnings. SRC follows the liability method of accounting for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". The valuation allowance related to SRC's tax accounts is adjusted as necessary based on management's expectations of SRC's ability to utilize its tax benefit carryforwards.

Note 2 - NED Acquisition

Effective August 27, 1999, a limited liability company ("Mayflower") formed by Simon Group and three other investors acquired a portfolio of ten regional malls from New England Development Company ("NED") for approximately $1.3 billion (the "NED Acquisition"). Simon Group assumed management responsibilities for the portfolio, which includes approximately 7.3 million square feet of gross leasable area "(GLA"). Simon Group's 49.1% ownership interest in Mayflower is accounted for using the equity method of accounting. All ten of the regional malls are owned 100% by Mayflower, with the exception of Crystal Mall, in which Mayflower owns a noncontrolling 50% interest and Simon Group holds a direct noncontrolling 50% ownership interest. Mayflower's purchase price includes the assumption of approximately $738,622 of mortgage indebtedness; $441,815 in cash; and the issuance of 729,675 Paired Units valued at approximately $20,795; 1,485,410 7% Convertible Preferred Units in the SPG Operating Partnership valued at approximately $41,591; and 1,485,410 8% Redeemable Preferred Units in the SPG Operating Partnership valued at approximately $44,562. Simon Group's $162,700 share of the cash portion of the purchase price was financed using the Credit Facility (See Note 9). Please refer to Note 10 for additional information regarding the preferred Units issued and refer to Note 14 for additional transactions involving NED which occurred, and are anticipated to occur, after September 30, 1999.

Note 3 - CPI Merger

For financial reporting purposes, as of the close of business on September 24, 1998, the CPI Merger was consummated pursuant to the Agreement and Plan of Merger dated February 18, 1998, among SDG, CPI and CRC.

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

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

To finance the cash portion of the CPI Merger consideration, $1.4 billion was borrowed under a new senior unsecured medium term bridge loan (the "Merger Facility"), which bears interest at a base rate of LIBOR plus 65 basis points and matured in three mandatory amortization payments (on June 22, 1999, March 24, 2000 and September 24, 2000) (See Note 9). An additional $237,000 was also borrowed under the SPG Operating Partnership's existing Credit Facility. In connection with the CPI Merger, CPI was renamed "Simon Property Group, Inc." and CPI's paired share affiliate, CRC was renamed "SPG Realty Consultants, Inc." In addition, SDG and SDG, LP were renamed "SPG Properties, Inc.", and "Simon Property Group, L.P.", respectively.

Upon completion of the CPI Merger, SPG transferred substantially all of the CPI assets acquired, which consisted primarily of 23 regional malls, one community center, two office buildings and one regional mall under construction (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately $153,100) and liabilities assumed (except that SPG remains a co-obligor with respect to the Merger Facility) of approximately $2.3 billion to the SPG Operating Partnership or one or more subsidiaries of the SPG Operating Partnership in exchange for 47,790,550 limited partnership interests and 5,053,580 preferred partnership interests in the SPG Operating Partnership. The preferred partnership interests carry the same rights and equal the number of preferred shares issued and outstanding as a direct result of the CPI Merger. Likewise, the net assets of SRC, with a carrying value of approximately $14,755, were transferred to the SRC Operating Partnership in exchange for partnership interests.

The Companies accounted for the merger between SDG and the CPI merger subsidiary as a reverse purchase in accordance with Accounting Principles Board Opinion No. 16. Although paired shares of the former CPI and CRC were issued to SDG common stock holders and SDG became a substantially wholly owned subsidiary of CPI following the CPI Merger, CPI is considered the business acquired for accounting purposes. SDG is considered the acquiring company because the SDG common stockholders became majority holders of the common stock of SPG. The value of the consideration paid by SDG has been allocated to the estimated fair value of the CPI assets acquired and liabilities assumed which resulted in goodwill of $41,987, as adjusted. Goodwill is being amortized over the estimated life of the Properties acquired, which is 35 years. Accumulated amortization of goodwill as of September 30, 1999 and December 31, 1998 was $1,200 and $414, respectively.

SDG, LP contributed $14,000 cash to CRC and $8,000 cash to the SRC Operating Partnership on behalf of the SDG common stockholders and the limited partners of SDG, LP to obtain the beneficial interests in common stock of CRC, which were paired with the shares of common stock issued by SPG, and to obtain Units in the SRC Operating Partnership so that the limited partners of SDG, LP would hold the same proportionate interest in the SRC Operating Partnership that they hold in SDG, LP. The cash contributed to CRC and the SRC Operating Partnership in exchange for an ownership interest therein have been appropriately accounted for as capital infusion or equity transactions. The assets and liabilities of CRC have been reflected at historical cost. Adjusting said assets and liabilities to fair value would only have been appropriate if the SDG stockholders' beneficial interests in CRC exceeded 80%.

Pro Forma

The following unaudited pro forma summary financial information excludes any extraordinary items and combines the consolidated results of operations of SPG and SRC as if the CPI Merger had occurred as of January 1, 1998, and was carried forward through September 30, 1998. Preparation of the pro forma summary information was based upon assumptions deemed appropriate by management. The pro forma summary information is not necessarily indicative of the results which actually would have occurred if the CPI Merger had been consummated at January 1, 1998, nor does it purport to represent the results of operations for future periods.

	Nine Months Ended September 30, 1998
Revenue	$ 1,243,104
Net income before allocation to limited partners (1)	$ 173,389
Net income available to common shareholders	$ 85,542
Net income per Paired Share (1)	$ 0.52
Net income per Paired Share - assuming dilution	$ 0.52
Weighted average number of Paired Shares of common stock outstanding	164,868,865
Weighted average number of Paired Shares of common stock outstanding - assuming dilution	165,237,311

(1) Includes a net gain on the sales of assets of $37,973, or $0.16 on a basic earnings per Paired Share basis.

Note 4 - Reclassifications

Certain reclassifications of prior period amounts have been made in the financial statements to conform to the 1999 presentation. These reclassifications have no impact on the net operating results previously reported.

Note 5 - Per Share Data

Basic earnings per share is based on the weighted average number of shares of common stock outstanding during the period and diluted earnings per share is based on the weighted average number of shares of common stock outstanding combined with the incremental weighted average shares that would have been outstanding if all dilutive potential common shares would have been converted into shares at the earliest date possible. The weighted average number of shares used in the computation for the three-month periods ended September 30, 1999 and 1998 was 173,471,352 and 117,149,600, respectively. The weighted average number

of shares used in the computation for the nine-month periods ended September 30, 1999 and 1998 was 171,949,877 and 112,956,863, respectively. The diluted weighted average number of shares used in the computation for the three-month periods ended September 30, 1999 and 1998 was 173,542,183 and 117,474,932, respectively. The diluted weighted average number of shares used in the computation for the nine-month periods ended September 30, 1999 and 1998 was 172,088,607 and 113,325,309, respectively.

Combined basic and diluted earnings per share is presented in the financial statements based upon the weighted average number of Paired Shares outstanding, giving effect to the CPI Merger as of the close of business on September 24, 1998. Management believes this presentation provides the shareholders with the most meaningful presentation of earnings for a single interest in the combined entities.

Neither series of convertible preferred stock issued and outstanding during the comparative periods had a dilutive effect on earnings per share. Paired Units held by limited partners in the Operating Partnerships may be exchanged for Paired Shares, on a one-for-one basis in certain circumstances. If exchanged, the Paired Units would not have a dilutive effect. The increase in weighted average shares outstanding under the diluted method over the basic method in every period presented for the Companies is due entirely to the effect of outstanding stock options. Basic earnings and diluted earnings were the same for all periods presented.

Note 6 - Cash Flow Information

Cash paid for interest, net of amounts capitalized, during the nine months ended September 30, 1999 was $411,510 as compared to $256,611 for the same period in 1998. Accrued and unpaid distributions were $3,428 at December 31, 1998, and represented distributions payable on SPG's 6.5% Series A Convertible Preferred Stock. There were no accrued and unpaid distributions outstanding at September 30, 1999. See Notes 2, 3, 7 and 10 for information about non-cash transactions during the nine months ended September 30, 1999.

Note 7 - Other Acquisitions, Disposals and Development

In addition to the NED Acquisition, during the first nine months of 1999 Simon Group acquired the remaining ownership interests in four Properties for a total of approximately $147,500, including the assumption of approximately $48,500 of mortgage indebtedness. These purchases were funded primarily with borrowings from the Credit Facility. Each of the Properties purchased were previously accounted for using the equity method of accounting and are now accounted for using the consolidated method of accounting.

On April 15, 1999, Simon Group sold the Three Dag Hammarskjold office building and land (the former headquarters of CPI) in New York, New York for $21,253, resulting in a loss of $5,155. The SRC Operating Partnership, which owned the building, used its $11,753 portion of the net proceeds primarily to repay the remaining $10,565 mortgage payable to the SPG Operating Partnership. The SPG Operating Partnership used its portion of the net proceeds along with the note repayment from the SRC Operating Partnership to pay down the outstanding balance on the Credit Facility. Also in the second quarter of 1999, one community shopping center was sold for $4,200, resulting in a loss of $4,188. In addition, on June 18, 1999, Simon Group sold its partnership interests in the management company of the Charles Hotel in Cambridge, Massachusetts and related land, resulting in a gain of $35. The net proceeds of approximately $28,500 were used to reduce the outstanding borrowings on the Credit Facility.

In January of 1999, the approximately $150,000 Shops at Sunset Place opened in South Miami, Florida. Simon Group owns a noncontrolling 37.5% interest in this 510,000 square-foot destination-oriented retail and entertainment project. In August of 1999, Simon Group opened the approximately $246,000 Mall of Georgia, an approximately 1.6 million square-foot regional mall, and the adjacent 441,000 square-foot $38,000 community shopping center, Mall of Georgia Crossing in Buford (Atlanta), Georgia. Simon Group funded 85% of the capital requirements of these projects and has a noncontrolling 50% ownership interest in each of these Properties after the return of its equity and a 9% preferred return thereon. In September of 1999, the approximately $216,000 Concord Mills opened in Concord (Charlotte), North Carolina. Simon Group owns a noncontrolling 37.5% interest in this 1.4 million square-foot value-oriented super regional mall.

Also during the third quarter of 1999, Simon Group launched a new program designed to take advantage of new retail opportunities of the digital age. Elements of the strategy include digitizing the existing assets of the Properties by implementing internet web sites for each of the Properties, creating products that leverage the digitalization of consumers and Simon merchants through an enhanced broadband network called TenantConnect.net and incubating concepts that leverage the physical and virtual worlds through a venture creation firm called clixnmortar.com, a subsidiary of the SRC Operating Partnership. Simon Group's investment in the program during the first nine months of 1999 is approximately $4,000.

Note 8 - Investment in Unconsolidated Entities

Partnerships and Joint Ventures

Summary financial information of Simon Group's investment in partnerships and joint ventures accounted for using the equity method of accounting and a summary of Simon Group's investment in and share of income from such partnerships and joint ventures follow:

BALANCE SHEETS	September 30, 1999	December 31, 1998
Assets:		
Investment properties at cost, net	$5,542,915	$4,290,795
Cash and cash equivalents	156,851	173,778
Tenant receivables	128,539	140,579
Other assets	126,185	103,481
Total assets	$5,954,490	$4,708,633
Liabilities and Partners' Equity:		
Mortgages and other indebtedness	$3,841,200	$2,861,589
Accounts payable, accrued expenses and other liabilities	241,704	227,677
Total liabilities	4,082,904	3,089,266
Partners' equity	1,871,586	1,619,367
Total liabilities and partners' equity	$5,954,490	$4,708,633
Simon Group's Share of:		
Total assets	$2,418,794	$1,910,021
Partners' equity	$ 667,151	$ 568,998
Add: Excess Investment (See below)	660,978	708,616
Simon Group's Net Investment in Joint Ventures	$1,328,129	$1,277,614

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
STATEMENTS OF OPERATIONS	1999	1998	1999	1998
Revenue:				
Minimum rent	$133,510	$108,924	$386,002	$306,486
Overage rent	5,715	426	14,236	8,236
Tenant reimbursements	64,196	51,775	183,882	138,433
Other income	12,476	5,985	30,233	17,205
Total revenue	215,897	167,110	614,353	470,360
Operating Expenses:				
Operating expenses and other	75,330	59,044	217,943	166,547
Depreciation and amortization	38,076	33,324	109,141	94,949
Total operating expenses	113,406	92,368	327,084	261,496
Operating Income	102,491	74,742	287,269	208,864
Interest Expense	58,646	45,569	155,862	130,747
Extraordinary Losses-Debt Extinguishment	--	2,060	--	2,102
Net Income	43,845	27,113	131,407	76,015
Third Party Investors' Share of Net Income	26,225	21,811	79,740	55,841
Simon Group's Share of Net Income	17,620	5,302	51,667	20,174
Amortization of Excess Investment (See below)	(5,347)	(3,636)	(17,010)	(9,038)
Income from Unconsolidated Entities	$ 12,273	$ 1,666	$ 34,657	$ 11,136

As of September 30, 1999 and December 31, 1998, the unamortized excess of Simon Group's investment over its share of the equity in the underlying net assets of the partnerships and joint ventures ("Excess Investment") was $660,978 and $708,616, respectively. This Excess Investment is being amortized generally over the life of the related Properties. Amortization included in income from unconsolidated entities for the three-month periods ended September 30, 1999 and 1998 was $5,347 and $3,636, respectively. Amortization included in income from unconsolidated entities for the nine-month periods ended September 30, 1999 and 1998 was $17,010 and $9,038, respectively.

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

The Management Company

The Management Company, including its consolidated subsidiaries, provides management, leasing, development, accounting, legal, marketing and management information systems services to five wholly-owned Properties, 25 Properties held as joint venture interests, Melvin Simon & Associates, Inc., and certain other nonowned properties. Certain subsidiaries of the Management Company provide architectural, design, construction, insurance and other services primarily to certain of the Properties. The Management Company also invests in other businesses to provide other synergistic services to the Properties. Simon Group's share of consolidated net income (loss) of the Management Company, after intercompany profit eliminations, was $6,321 and $2,151 for the three-month periods ended September 30, 1999 and 1998, and was $10,415 and ($2,339) for the nine-month periods ended September 30, 1999 and 1998, respectively.

European Investment

The SPG Operating Partnership and the Management Company have a 25% ownership interest in European Retail Enterprises, B.V. ("ERE") and Groupe BEG, S.A. ("BEG"), respectively, which are being accounted for using the equity method of accounting. BEG and ERE are fully integrated European retail real estate developers, lessors and managers. Simon Group's total investment in ERE and BEG at September 30, 1999 was approximately $37,500, with commitments for an additional $25,000, subject to certain performance and other criteria, including Simon Group's approval of development projects. The agreements with BEG and ERE are structured to allow Simon Group to acquire an additional 25% ownership interest over time. As of September 30, 1999, BEG and ERE had two Properties open in Poland and two in France, and one additional Property opened in Poland in October of 1999.

Note 9 - Debt

At September 30, 1999, Simon Group had combined consolidated debt of $8,541,721, of which $6,199,768 was fixed-rate debt and $2,341,953 was variable-rate debt. Simon Group's pro rata share of indebtedness of the unconsolidated joint venture Properties as of September 30, 1999 was $1,647,025. As of September 30, 1999, Simon Group had interest-rate protection agreements related to $437,999 of its combined consolidated indebtedness. The agreements are generally in effect until the related variable-rate debt matures. Simon Group's hedging activity did not materially impact interest expense in the comparative periods.

In January of 1999, Simon Group retired the $21,910 mortgage on North East Mall, which bore interest at 10% and had a stated maturity of September 2000, using cash from working capital. The paydown included a $1,774 prepayment charge, which was recorded as an extraordinary loss. In June of 1999, a new $17,709 mortgage was placed on North East Mall bearing interest at 6.74%, with a stated maturity of May 2002. The net proceeds were added to working capital.

On February 4, 1999, the SPG Operating Partnership completed the sale of $600,000 of senior unsecured notes. These notes included two $300,000 tranches. The first tranche bears interest at 6.75% and matures on February 4, 2004 and the second tranche bears interest at 7.125% and matures on February 4, 2009. The SPG Operating Partnership used the net proceeds of approximately $594,000 primarily to retire the $450,000 initial tranche of the Merger Facility and to pay $142,000 on the outstanding balance of the Credit Facility.

On July 1, 1999, the SPG Operating Partnership retired mortgage indebtedness of approximately $165,000 on three Properties generating an extraordinary loss of $304. This payoff was financed primarily with the Credit Facility.

Effective August 25, 1999, the SPG Operating Partnership completed the refinancing of its $1.25 billion unsecured revolving credit facility (the "Credit Facility"). The terms of the Credit Facility are essentially unchanged, with the exception that the maturity date was extended from September 27, 1999 to August 25, 2002, with an additional one-year extension available at the option of the SPG Operating Partnership.

Note 10 - Shareholders' Equity

The following table summarizes the changes in the Companies' shareholders' equity since December 31, 1998.

	SPG Preferred Stock	SPG Common Stock	SRC Common Stock	Unrealized Gain (Loss) on Investment (1)
Balance at December 31, 1998	$ 717,916	$ 17	$ 0	$ 126
Conversion of 155,978 shares of Series A Preferred Stock into 5,926,440 Paired Shares (2)	(199,320)	1		
Common stock issued as dividend (153,890 Paired Shares) (2)				
Stock incentive program (541,361 Paired Shares, net of forfeitures)				
Amortization of stock incentive				
Stock options exercised (82,988 Paired Shares)				
Adjustment to the limited partners' interests in the Operating Partnerships				
Distributions				
Subtotal	518,596	18	--	126
Comprehensive Income:				
Unrealized loss on investment (1)				(4,064)
Net income				
Total Comprehensive Income	--	--	--	(4,064)
Balance at September 30, 1999	$ 518,596	$ 18	$ 0	$ (3,938)

	Capital in Excess of Par Value	Accumulated Deficit	Unamortized Restricted Stock Award	Total Shareholders' Equity
Balance at December 31, 1998	$3,083,213	$ (372,313)	$ (19,750)	$ 3,409,209
Conversion of 155,978 shares of Series A Preferred Stock into 5,926,440 Paired Shares (2)	199,319			--
Common stock issued as dividend (153,890 Paired Shares) (2)	4,030			4,030
Stock incentive program (541,361 Paired Shares, net of forfeitures)	13,727		(13,082)	645
Amortization of stock incentive			7,971	7,971
Stock options exercised (82,988 Paired Shares)	2,013			2,013
Adjustment to the limited partners' interests in the Operating Partnerships	(26,256)			(26,256)
Distributions		(286,544)		(286,544)
Subtotal	3,276,046	(658,857)	(24,861)	3,111,068
Comprehensive Income:				
Unrealized loss on investment (1)				(4,064)
Net income		143,756		143,756
Total Comprehensive Income	--	143,756	--	139,692
Balance at September 30, 1999	$3,276,046	$ (515,101)	$ (24,861)	$ 3,250,760

(1) Amounts consist of the Companies' pro rata share of the unrealized gain (loss) resulting from the change in market value of 1,408,450 shares of common stock of Chelsea GCA Realty, Inc. ("Chelsea"), a publicly traded REIT. The investment in Chelsea is being reflected in the accompanying combined balance sheets as other investment.

(2) On February 26, 1999, 150,000 shares of SPG's Series A Convertible Preferred Stock were converted into 5,699,304 Paired Shares. On March 1, 1999 another 152,346 Paired Shares were issued to the holders of the converted shares in lieu of the cash dividends allocable to these preferred shares. Additionally, on May 10, 1999 another 5,978 shares of SPG's Series A Convertible Preferred Stock were converted into 227,136 Paired Shares, with another 1,544 Paired Shares issued in lieu of the cash dividends allocable to those preferred shares. At September 30, 1999, 53,271 shares of Series A Convertible Preferred Stock remained outstanding.

Limited Partners' Preferred Interests in the SPG Operating Partnership

As described in Note 2, in connection with the NED Acquisition, on August 27, 1999, the SPG Operating Partnership issued two new series of preferred Units as a portion of the consideration for the Properties acquired. The SPG Operating Partnership authorized 2,700,000, and issued 1,485,410, 7.00% Cumulative Convertible Preferred Units (the "7.00% Preferred Units") having a liquidation value of $28.00 per Unit. The 7.00% Preferred Units accrue cumulative dividends at a rate of $1.96 annually, which is payable quarterly in arrears. The 7.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into either a like number of shares of 7.00% Cumulative Convertible Preferred Stock of SPG with terms substantially identical to the 7.00% Preferred Units or Paired Units at a ratio of 0.75676 to one provided that the closing stock price of SPG's Paired Shares exceeds $37.00 for any three consecutive trading days prior to the conversion date. The SPG Operating Partnership may redeem the 7.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in Paired Units. In the event of the death of a holder of the 7.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the SPG Operating Partnership may be required to redeem the 7.00% Preferred Units at liquidation value payable at the option of the SPG Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or Paired Shares.

The SPG Operating Partnership also authorized 2,700,000, and issued 1,485,410, 8.00% Cumulative Redeemable Preferred Units (the "8.00% Preferred Units") having a liquidation value of $30.00. The 8.00% Preferred Units accrue cumulative dividends at a rate of $2.40 annually, which is payable quarterly in arrears. The 8.00% Preferred Units are each paired with one 7.00% Preferred Unit or with the Units into which the 7.00% Preferred Units may be converted. The SPG Operating Partnership may redeem the 8.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in either new preferred units of the SPG Operating Partnership having the same terms as the 8.00% Preferred Units, except that the distribution coupon rate would be reset to a then determined market rate, or in Paired Units. The 8.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into 8.00% Cumulative Redeemable Preferred Stock of SPG with terms substantially identical to the 8.00% Preferred Units. In the event of the death of a holder of the 8.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the SPG Operating Partnership may be required to redeem the 8.00% Preferred Units owned by such holder at their liquidation value payable at the option of the SPG Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or Paired Shares.

Preferred Stock

Also in connection with the NED Acquisition, on August 27, 1999, SPG authorized two new series of preferred stock to be available for issuance upon conversion by the holders or redemption by the SPG Operating Partnership of the 7.00% Preferred Units or the 8.00% Preferred Units, as described above. SPG authorized 2,700,000 shares of Series C 7.00% Cumulative Convertible Preferred Stock and 2,700,000 shares of Series D 8.00% cumulative redeemable Preferred Stock. Each of these new series of preferred stock have terms which are substantially identical to the respective series of Preferred Units. None of such shares were issued or outstanding through September 30, 1999.

The Simon Property Group 1998 Stock Incentive Plan

At the time of the CPI Merger, Simon Group adopted The Simon Property Group 1998 Stock Incentive Plan (the "1998 Plan"). The 1998 Plan provides for the grant of equity-based awards during the ten-year period following its adoption, in the form of options to purchase Paired Shares ("Options"), stock appreciation rights ("SARs"), restricted stock grants and performance unit awards (collectively, "Awards"). Options may be granted which are qualified as "incentive stock options" within the meaning of Section 422 of the Code and Options which are not so qualified. During 1999, 560,358 Paired Shares of restricted stock were awarded to executives related to 1998 performance. As of September 30, 1999, 1,828,586 Paired Shares of restricted stock, net of forfeitures, were deemed earned and awarded under the 1998 Plan. Approximately $2,604 and $2,852 relating to these programs were amortized in the three-month periods ended September 30, 1999 and 1998, respectively and approximately $7,971 and $7,299 relating to these programs were amortized in the nine-month periods ended September 30, 1999 and 1998, respectively. The cost of restricted stock grants, which is based upon the stock's fair market value at the time such stock is earned, awarded and issued, is charged to shareholders' equity and subsequently amortized against earnings of Simon Group over the vesting period.

Note 11 - Commitments and Contingencies

Litigation

Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. On September 3, 1998, a complaint was filed in the Court of Common Pleas in Cuyahoga County, Ohio, captioned Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. The plaintiffs were all principals or affiliates of The Richard E. Jacobs Group, Inc. ("Jacobs"). The plaintiffs alleged in their complaint that the SPG Operating Partnership engaged in malicious prosecution, abuse of process, defamation, libel, injurious falsehood/unlawful disparagement, deceptive trade practices under Ohio law, tortious interference and unfair competition in connection with the SPG Operating Partnership's acquisition by tender offer of shares in the Retail Property Trust ("RPT"), a Massachusetts business trust, and certain litigation instituted in September, 1997, by the SPG Operating Partnership against Jacobs in federal district court in New York. On September 17, 1999, the parties mutually agreed to dismiss, with prejudice, the lawsuit brought by Jacobs. No consideration was paid to Jacobs by the SPG Operating Partnership in connection with this dismissal.

Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. On October 16, 1996, a complaint was filed in the Court of Common Pleas of Mahoning County, Ohio, captioned Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. The named defendants are SD Property Group, Inc., an indirect 99%-owned subsidiary of SPG, and DeBartolo Properties Management, Inc., a subsidiary of the Management Company, and the plaintiffs are 27 former employees of the defendants. In the complaint, the plaintiffs alleged that they were recipients of deferred stock grants under the DeBartolo Realty Corporation ("DRC") Stock Incentive Plan (the "DRC Plan") and that these grants immediately vested under the DRC Plan's "change in control" provision as a result of the DRC Merger. Plaintiffs asserted that the defendants' refusal to issue them approximately 542,000 shares of DRC common stock, which is equivalent to approximately 370,000 Paired Shares computed at the 0.68 exchange ratio used in the DRC Merger, constituted a breach of contract and a breach of the implied covenant of good faith and fair dealing under Ohio law. Plaintiffs sought damages equal to such number of shares of DRC common stock, or cash in lieu thereof, equal to all deferred stock ever granted to them under the DRC Plan, dividends on such stock from the time of the grants, compensatory damages for breach of the implied covenant of good faith and fair dealing, and punitive damages. The plaintiffs and the defendants each filed motions for summary judgment. On October 31, 1997, the Court of Common Pleas entered a judgment in favor of the defendants granting their motion for summary judgment. The plaintiffs appealed this judgment to the Seventh District Court of Appeals in Ohio. On August 18, 1999, the District Court of Appeals reversed the summary judgement order in favor of the defendants entered by the Common Pleas Court and granted plaintiffs' cross motion for summary judgement, remanding the matter to the Common Pleas Court for the determination of plaintiffs' damages. The defendants petitioned the Ohio Supreme Court asking that they exercise their discretion to review and reverse the Appellate Court decision. Briefs have been filed by both parties. The Ohio Supreme Court has not yet determined whether it will take the matter up on appeal. As a result of the Appellate Court's decision, Simon Group recorded a $12.0 million loss related to this litigation in the accompanying combined statements of operations as an unusual item.

Roel Vento et al v. Tom Taylor et al. An affiliate of Simon Group is a defendant in litigation entitled Roel Vento et al v. Tom Taylor et al., in the District Court of Cameron County, Texas, in which a judgment in the amount of $7,800 was entered against all defendants. This judgment includes approximately $6,500 of punitive damages and is based upon a jury's findings on four separate theories of liability including fraud, intentional infliction of emotional distress, tortious interference with contract and civil conspiracy arising out of the sale of a business operating under a temporary license agreement at Valle Vista Mall in Harlingen, Texas. Simon Group appealed the verdict and on May 6, 1999, the Thirteenth Judicial District (Corpus Christi) of the Texas Court of Appeals issued an opinion reducing the trial court verdict to $3,384 plus interest. Simon Group filed a petition for a writ of certiorari to the Texas Supreme Court requesting that they review and reverse the determination of the Appellate Court. The Texas Supreme Court has not yet determined whether it will take the matter up on appeal. Management, based upon the advice of counsel, believes that the ultimate outcome of this action will not have a material adverse effect on Simon Group.

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

Long-term Contract

On September 30, 1999, Simon Group entered into a 10-year contract with Enron Energy Services, a subsidiary of Enron and a leading provider of energy outsourcing services, for Enron to supply or manage all of the energy commodity requirements throughout Simon Group's portfolio. The contract includes electricity, natural gas and maintenance of energy conversion assets and electrical systems including lighting. Simon Group currently expends approximately $150 million annually in overall energy consumption and related services.

Note 12 - Related Party Transactions

Until April 15, 1999, when the Three Dag Hammarskjold building was sold, the SRC Operating Partnership received a substantial amount of its rental income from the SPG Operating Partnership for office space under lease. During the period prior to the CPI Merger, such rent was received from CPI.

Note 13 - New Accounting Pronouncements

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

SFAS 133 will be effective for Simon Group beginning with the 2001 fiscal year and may not be applied retroactively. Management does not expect the impact of SFAS 133 to be material to the financial statements. However, SFAS 133 could increase volatility in earnings and other comprehensive income.

On April 3, 1998, the Accounting Standards Executive Committee issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activities ("SOP 98-5"), which is effective for fiscal years beginning after December 15, 1998. The Companies have assessed the impact of this pronouncement and determined the impact to be immaterial to the financial statements.

Note 14 - Subsequent Events

Mall of America

Effective October 15, 1999, the SPG Operating Partnership and its affiliated Management Company acquired a noncontrolling 27.5% ownership interest in Mall of America in Minneapolis, Minnesota, and adjacent land, for approximately $170,000, including the assumption of its $85,800 pro rata share of a $312,000 mortgage; the issuance of 1,000,000 shares of 8% Redeemable Preferred Stock in SPG with a face value of $25,000 and $60,258 in cash. Simon Group is entitled to 50% of the economic benefits of Mall of America. Simon Group funded the majority of the cash portion of the purchase price with the Credit Facility.

Additional NED Transactions

On October 26, 1999, Mayflower acquired an additional regional mall from NED for approximately $222,850, which included the assumption of approximately $158,508 of mortgage indebtedness; $34,996 in cash; and the issuance of 200,212 Paired Units valued at approximately $5,706; 407,574 7% Convertible Preferred Units in the SPG Operating Partnership valued at approximately $11,412; and 407,574 8% Redeemable Preferred Units in the SPG Operating Partnership valued at approximately $12,228. In conjunction with this transaction, Simon Group acquired a regional mall from NED for approximately $66,312, including the assumption of approximately $37,068 of mortgage indebtedness; $1,214 in cash; and the issuance of 191,240 Paired Units valued at approximately $5,450; 389,310 7% Convertible Preferred Units in the SPG Operating Partnership valued at approximately $10,900; and 389,310 8% Redeemable Preferred Units in the SPG Operating Partnership valued at approximately $11,680. It is anticipated that Mayflower will acquire ownership interests in two additional regional malls from NED by the end of 1999 for approximately $175,000.

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

SIMON PROPERTY GROUP, INC. AND SPG REALTY CONSULTANTS, INC. COMBINED

Certain statements made in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of 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, among other things, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and the terms and availability of financing; adverse changes in the real estate markets including, among other things, competition with other companies and technology; risks of real estate development and acquisition; governmental actions and initiatives; substantial indebtedness; conflicts of interests; maintenance of REIT status; risks related to the "year 2000 issue"; and environmental/safety requirements.

Overview

As described in Note 2 to the financial statements, effective August 27, 1999, Mayflower, a limited liability company in which Simon Group has a noncontrolling 49.1% interest, acquired a portfolio of ten regional malls from NED for approximately $1.3 billion. Simon Group assumed management responsibilities for the portfolio, which includes approximately 7.3 million square feet of GLA. The purchase price includes the assumption of approximately $738.6 million of mortgage indebtedness; $441.8 million in cash; and the issuance of 729,675 Paired Units valued at approximately $20.8 million and 2,970,820 preferred Units in the SPG Operating Partnership valued at approximately $86.2 million. Simon Group's $162.7 million share of the cash portion of the purchase price was financed using the Credit Facility.

In addition, on October 26, 1999, Mayflower acquired an additional regional mall from NED for approximately $222.8 million, which included the assumption of approximately $158.5 million of mortgage indebtedness; $35.0 million in cash; and the issuance of 200,212 Paired Units valued at approximately $5.7 million and 815,148 preferred Units in the SPG Operating Partnership valued at approximately $23.6 million. Concurrent with this transaction, Simon Group acquired a regional mall from NED for approximately $66.3 million, including the assumption of approximately $37.1 million of mortgage indebtedness; $1.2 million in cash and the issuance of 191,240 Paired Units valued at approximately $5.4 million and 778,620 preferred Units in the SPG Operating Partnership valued at approximately $22.6 million. It is anticipated that Mayflower will acquire two additional regional malls from NED by the end of 1999 for approximately $175 million.

On September 30, 1999, Simon Group entered into a 10-year contract with Enron Energy Services, a subsidiary of Enron and a leading provider of energy outsourcing services, for Enron to supply or manage all of the energy commodity requirements throughout Simon Group's portfolio. The contract includes electricity, natural gas and maintenance of energy conversion assets and electrical systems including lighting. This alliance is designed to reduce operating costs for Simon Group's tenants, as well as deliver incremental profit to Simon Group. Simon Group currently expends approximately $150 million annually in overall energy consumption and related services.

Also during the third quarter of 1999, Simon Group launched a new program designed to take advantage of new retail opportunities of the digital age. Elements of the strategy include digitizing the existing assets of the Properties by implementing internet web sites for each of the Properties, creating products that leverage the digitalization of consumers and Simon merchants through an enhanced broadband network called TenantConnect.net and incubating concepts that leverage the physical and virtual worlds through a venture creation firm called clixnmortar.com, a subsidiary of the SRC Operating Partnership. Among the programs being tested for implementation are FastFrog.com, which allows consumers to create an electronic wishlist on their own personalized internet web site for any gift-giving occasion, which can then be emailed to potential gift buyers, and YourSherpa.com, which allows shoppers to scan items from any retailer in a given regional mall and then pay through a single channel, instead of at each individual retailer, and have their selections gift-wrapped and delivered and TenantConnect.net which implements a high speed broadband network in the Properties. Simon Group's investment in the program during the first nine months of 1999 is approximately $4 million.

For financial reporting purposes, as of the close of business on September 24, 1998, the operating results include the CPI Merger described in Note 3 to the financial statements. As a result, the 1999 consolidated results of operations include an additional 17 regional malls, two office buildings (one of which was sold on April 15, 1999) and one community center, with an additional six regional malls being accounted for using the equity method of accounting.

The following Property acquisitions, sales and opening (the "Property Transactions"), also impacted Simon Group's consolidated results of operations in the comparative periods. On January 26, 1998, Simon Group acquired 100% of Cordova Mall for approximately $87.3 million. In March of 1998, Simon Group opened the approximately $13.3 million Muncie Plaza. On May 5, 1998, Simon Group acquired the remaining 50.1% interest in Rolling Oaks Mall for 519,889 shares of SPG's common stock, valued at approximately $17.2 million. Effective June 1, 1998, Simon Group sold The Promenade for $33.5 million. Effective June 30, 1998, Simon Group sold Southtown Mall for $3.3 million. On December 7, 1998, Simon Group obtained a controlling 90% interest in The Arboretum community center for approximately $40.5 million. On January 29, 1999, Simon Group acquired the remaining 15% ownership interests in Lakeline Mall and Lakeline Plaza for approximately $21.8 million. On March 1, 1999 Simon Group acquired the remaining 50% ownership interests in Century III Mall for approximately $57.0 million. On May 20, 1999, Simon Group sold Cohoes Commons for $4.2 million. On June 28, 1999 Simon Group purchased the remaining 50% interest in Haywood Mall for approximately $68.8 million. (See Liquidity and Capital Resources for additional information on 1999 acquisitions and dispositions.)

Results of Operations

For the Three Months ended September 30, 1999 vs. the Three Months Ended September 30, 1998

Total revenue increased $148.8 million or 46.2% for the three months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily the result of the CPI Merger ($113.1 million) and the Property Transactions ($16.1 million). Excluding these items, total revenues increased $19.7 million or 6.1%, primarily due to a $7.0 million increase in minimum rents, a $7.9 million increase in overage rent and a $9.2 million increase in tenant reimbursements, partially offset by a $4.4 million decrease in miscellaneous income, which includes a $2.5 million brokerage fee received in 1998 in connection with the sale of the General Motors Building. The 3.6% comparable increase in minimum rent results from increased occupancy levels, the replacement of expiring tenant leases with renewal leases at higher minimum base rents, and increased rents from Simon Group's marketing initiative, Simon Brand Ventures ("SBV"). The increase in overage rent is primarily the result of the negative impact in 1998 ($4.2 million) of a temporary change in the timing in which overage rents were recognized promulgated by EITF 98-9, which was later rescinded, and an overall increase in tenant sales.

Total operating expenses increased $81.6 million or 46.7% for the three months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily the result of the CPI Merger ($69.0 million) and the Property Transactions ($8.8 million). Excluding these transactions, total operating expenses increased $3.8 million or 2.2%.

Interest expense increased $46.7 million, or 48.0% for the three months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily a result of the CPI Merger ($39.0 million), the Property Transactions ($5.8 million), and the NED Acquisition ($0.9 million). Excluding these transactions, interest expense increased $1.0 million.

Please see Note 11 to the financial statements for a description of the $12.0 million loss from litigation recorded as an unusual item during the period.

Income from unconsolidated entities increased from $3.8 million in 1998 to $18.6 million in 1999, resulting from a $10.6 million increase in income from unconsolidated partnerships and joint ventures and a $4.2 million increase in income from the Management Company.

Income before allocation to limited partners was $74.7 million for the three months ended September 30, 1999, which reflects an increase of $21.9 million over the same period in 1998, primarily for the reasons discussed above. Income before allocation to limited partners was allocated to the Companies based on SPG's direct ownership of Ocean County Mall and certain net lease assets, and the Companies' preferred Unit preferences and weighted average ownership interests in the Operating Partnerships during the period. In addition, SRC recognizes an income tax provision (benefit) on its pro rata share of the earnings (losses) of the SRC Operating Partnership.

Preferred distributions of the SPG Operating Partnership represent distributions of preferred Units issued in connection with the NED Acquisition (See Note 2 to the financial statements). Preferred distributions of subsidiary represent distributions on preferred stock of SPG Properties, Inc. (formerly "Simon DeBartolo Group, Inc." prior to the CPI Merger), a 99.999% owned subsidiary of SPG.

For the Nine Months ended September 30, 1999 vs. the Nine Months Ended September 30, 1998

Total revenue increased $438.3 million or 47.0% for the nine months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily the result of the CPI Merger ($350.2 million) and the Property Transactions

($33.4 million). Excluding these items, total revenues increased $54.7 million or 5.9%, primarily due to a $28.6 million increase in minimum rent, a $7.3 million increase in overage rents and a $22.2 million increase in tenant reimbursements, partially offset by a $3.4 million decrease in miscellaneous income, which includes a $2.5 million brokerage fee received in 1998 in connection with the sale of the General Motors Building. The 5.1% comparable increase in minimum rent results from increased occupancy levels, the replacement of expiring tenant leases with renewal leases at higher minimum base rents and increased rents from SBV. The $7.3 million increase in overage rents is primarily the result of the $5.6 million negative impact in 1998 from EITF 98-9 discussed above. The $22.0 million increase in tenant reimbursements is partially offset by a $16.6 million increase in recoverable expenses.

Total operating expenses increased $246.4 million or 48.6% for the nine months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily the result of the CPI Merger ($207.1 million) and the Property Transactions ($20.1 million). Excluding these transactions, total operating expenses increased $19.2 million or 3.8%, primarily due to a $16.6 million increase in recoverable expenses, which was offset by an increase in tenant reimbursements, as described above.

Interest expense increased $146.1 million, or 51.9% for the nine months ended September 30, 1999, as compared to the same period in 1998. This increase is primarily a result of the CPI Merger ($123.4 million), the Property Transactions ($12.5 million), the NED Acquisition ($0.9 million) and incremental interest on borrowings under the Credit Facility to acquire a noncontrolling joint venture interest in twelve regional malls and two community centers (the "IBM Properties") in February 1998 ($2.2 million). Excluding these transactions, interest expense increased $7.1 million.

The $3.4 million income tax benefit in 1999 represents SRC's pro rata share of the SRC Operating Partnership's current year losses and the realization of tax carryforward benefits for which a valuation allowance was previously provided.

Income from unconsolidated entities increased $36.3 million for the nine months ended September 30, 1999, as compared to the same period in 1998, resulting from a $23.5 million increase in income from unconsolidated partnerships and joint ventures and a $12.8 million increase in income from the Management Company. The increase in income from unconsolidated partnerships and joint ventures is primarily due to the CPI Merger ($10.0 million) and the IBM Properties ($4.9 million).

Please see Note 11 to the financial statements for a description of the $12.0 million loss from litigation recorded as an unusual item during the period.

The $2.2 million extraordinary loss in 1999 is the result of refinancing indebtedness. The $7.0 million extraordinary gain in 1998 is the result of a gain on forgiveness of debt ($5.2 million) and the write-off of the premium on such indebtedness ($1.8 million).

Income before allocation to limited partners was $207.6 million for the nine months ended September 30, 1999, which reflects an increase of $59.1 million over the same period in 1998, primarily for the reasons discussed above. Income before allocation to limited partners was allocated to the Companies based on SPG's direct ownership of Ocean County Mall and certain net lease assets, and the Companies' preferred Unit preferences and weighted average ownership interests in the Operating Partnerships during the period. In addition, SRC recognizes an income tax provision (benefit) on its pro rata share of the earnings (losses) of the SRC Operating Partnership.

Preferred distributions of the SPG Operating Partnership represent distributions of preferred Units issued in connection with the NED Acquisition (See Note 2 to the financial statements). Preferred distributions of subsidiary represent distributions on preferred stock of SPG Properties, Inc. (formerly "Simon DeBartolo Group, Inc." prior to the CPI Merger), a 99.999% owned subsidiary of SPG.

Liquidity and Capital Resources

As of September 30, 1999, Simon Group's balance of cash and cash equivalents was approximately $98.9 million. In addition to its cash balance, Simon Group had a borrowing capacity on the Credit Facility of $570.5 million available after outstanding borrowings and letters of credit at September 30, 1999. Simon Group also has access to public equity and debt markets. The SPG Operating Partnership has a shelf registration statement currently effective, under which $250 million in debt securities may be issued.

Management anticipates that cash generated from operations 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.

On February 26, 1999, 150,000 shares of SPG's Series A Convertible Preferred stock were converted into 5,699,304 Paired Shares. On March 1, 1999, another 152,346 Paired Shares were issued to the holders of the converted shares in lieu of the cash dividends allocable to these preferred shares. Additionally, on May 10, 1999 another 5,978 shares of SPG's Series A Convertible Preferred stock were converted into 227,136 Paired Shares, with another 1,544 Paired Shares issued in lieu of the cash dividends allocable to those preferred shares. At September 30, 1999, 53,271 shares of Series A Convertible Preferred stock remained outstanding.

Sensitivity Analysis

Simon Group's future earnings, cash flows and fair values relating to financial instruments are dependent upon prevalent market rates of interest, such as LIBOR. Based upon consolidated indebtedness and interest rates at September 30, 1999, a 0.25% increase in the market rates of interest would decrease earnings and cash flows over the next twelve months by approximately $4.5 million and $5.2 million, respectively, and would decrease the fair value of debt by approximately $160 million. A 0.25% decrease in the market rates of interest would increase earnings and cash flows over the next twelve months by approximately $4.5 million and $5.2 million, respectively, and would increase the fair value of debt by approximately $175 million.

Financing and Debt

At September 30, 1999, Simon Group had consolidated debt of $8,542 million, of which $6,200 million is fixed-rate debt bearing interest at a weighted average rate of 7.3% and $2,342 million is variable-rate debt bearing interest at a weighted average rate of 6.2%. As of September 30, 1999, Simon Group had interest rate protection agreements related to $438 million of consolidated variable-rate debt. Simon Group's interest rate protection agreements did not materially impact interest expense or weighted average borrowing rates for the nine months ended September 30, 1999 or 1998.

Scheduled principal payments of the Companies' share of consolidated indebtedness over the next five years is $5,058 million, with $3,313 million thereafter. Simon Group's combined ratio of consolidated debt-to-market capitalization was 57.9% and 51.2% at September 30, 1999 and December 31, 1998, respectively. Approximately 6.1% of this 6.7% increase is a result of the decrease in the market price of the Companies' Paired Shares.

In January of 1999 Simon Group retired the $22 million mortgage on North East Mall, which bore interest at 10% and had a stated maturity of September 2000, using cash from working capital. The paydown included a $1.8 million prepayment charge, which was recorded as an extraordinary loss. In June of 1999, a new $17.7 million mortgage was placed on North East Mall bearing interest at 6.74%, with a stated maturity of May 2002. The net proceeds were added to working capital.

On February 4, 1999, the SPG Operating Partnership completed the sale of $600 million of senior unsecured notes. These notes included two $300 million tranches. The first tranche bears interest at 6.75% and matures on February 4, 2004 and the second tranche bears interest at 7.125% and matures on February 4, 2009. The SPG Operating Partnership used the net proceeds of approximately $594 million primarily to retire the $450 million initial tranche of the Merger Facility and to pay $142 million on the outstanding balance of the Credit Facility.

Effective August 25, 1999, the SPG Operating Partnership completed the refinancing of its $1.25 billion unsecured revolving credit facility (the "Credit Facility"). The terms of the Credit Facility are essentially unchanged, with the exception that the maturity date was extended from September 27, 1999 to August 25, 2002, with an additional one-year extension available at the option of the SPG Operating Partnership.

Acquisitions

In addition to the NED Acquisition described previously, during the first nine months of 1999 Simon Group acquired the remaining ownership interests in four Properties for a total of approximately $147.5 million, including the assumption of approximately $48.5 million of mortgage indebtedness. These purchases were funded primarily with borrowings from the Credit Facility. Each of the Properties purchased were previously accounted for using the equity method of accounting and are now accounted for using the consolidated method of accounting.

Additionally, on October 15, 1999, Simon Group and its affiliated Management Company acquired a noncontrolling 27.5% ownership interest in Mall of America in Minneapolis, Minnesota, and adjacent land, for approximately $170 million. The purchase price includes the assumption of $85.8 million pro rata share of a $312.0 million mortgage; the issuance of 1,000,000 shares of 8% Redeemable Preferred Stock in SPG with a face value of $25 million and $60.3 million in cash. Simon Group is entitled to 50% of the economic benefits of Mall of America. Simon Group funded the majority of the cash portion of the purchase price with the Credit Facility.

Management continues to review and evaluate a limited number of individual property and portfolio acquisition opportunities. Management believes, however, that due to the rapid consolidation of the regional mall business over the past three years, coupled with the current status of the capital markets, that acquisition activity in the near term will be a less significant component of the Company's growth strategy. Management believes that funds on hand, and amounts available under the Credit Facility, together with the net proceeds of public and private offerings of debt and equity securities are sufficient to finance likely acquisitions. No assurance can be given that Simon Group will not be required to, or will not elect to, even if not required to, obtain funds from outside sources, including through the sale of debt or equity securities, to finance significant acquisitions, if any.

Dispositions

On April 15, 1999, Simon Group sold the Three Dag Hammarskjold office building and land (the former headquarters of CPI) in New York, New York for $21.3 million, resulting in a loss of $5.2 million. The SRC Operating Partnership, which owned the building, used its $11.8 million portion of the net proceeds primarily to repay the remaining $10.6 million mortgage payable to the SPG Operating Partnership. The SPG Operating Partnership used its portion of the net proceeds along with the note repayment from the SRC Operating Partnership to pay down the outstanding balance on the Credit Facility.

Also in the second quarter of 1999, one community shopping center was sold for $4.2 million, resulting in a loss of $4.2 million. In addition, Simon Group sold its partnership interests in the management company of the Charles Hotel in Cambridge, Massachusetts and related land, resulting in a minimal gain. The net proceeds of approximately $28.5 million, were used to reduce the outstanding borrowings on the Credit Facility.

Portfolio Restructuring. In addition to the Property sales described above, Simon Group is continuing to evaluate the potential sale of its remaining non-retail holdings, along with a number of retail assets that are no longer aligned with Simon Group's strategic criteria. If these assets are sold, management expects the sale prices will not differ materially from the carrying value of the related assets.

Development, Expansions and Renovations. Simon Group is involved in several development, expansion and renovation efforts.

In January of 1999, The Shops at Sunset Place, a 510,000 square-foot destination-oriented retail and entertainment project, opened in South Miami, Florida. Simon Group owns 37.5% of this approximately $150 million specialty center. The approximately $246 million Mall of Georgia, an approximately 1.6 million square foot regional mall project, opened on August 13, 1999. Adjacent to the regional mall, the approximately $38 million Mall of Georgia Crossing is an approximately 441,000 square-foot community shopping center project, which also opened in August of 1999. Simon Group funded 85% of the capital requirements of these projects and has a noncontrolling 50% ownership interest in each of them after the return of its equity and a 9% return thereon. On September 17, 1999, the approximately $216 million Concord Mills, a 1.4 million square foot value-oriented super regional mall, opened in Concord (Charlotte), North Carolina. Simon Group owns 37.5% of this approximately $216 million Property.

Construction also continues on the following projects, which have an aggregate construction cost of approximately $466 million, of which Simon Group's share is approximately $265 million:

- Orlando Premium Outlets marks Simon Group's first project to be constructed in the partnership with Chelsea GCA Realty. This 433,000 square-foot upscale outlet center is scheduled for completion in the summer of 2000 in Orlando, Florida.

- Arundel Mills is scheduled to open in the fall of 2000. Simon Group has a 37.5% ownership interest in this approximately 1.4 million square-foot value-oriented super-regional mall project.

- Simon Group has two community center projects under construction: The Shops at North East Mall and Waterford Lakes Town Center at a combined 1,316,000 square feet of GLA, which are each scheduled to open in November of 1999.

A key objective of Simon Group is to increase the profitability and market share of its Properties through strategic renovations and expansions. Simon Group's share of projected costs to fund all renovation and expansion projects in 1999 is approximately $300 million, which includes approximately $190 million incurred in the first nine months of 1999. It is anticipated that the cost of these projects will be financed principally with the Credit Facility, project-specific indebtedness, access to debt and equity markets, and cash flows from operations. Simon Group currently has four major expansion and/or redevelopment projects under construction with targeted 1999 completion dates. Included in combined investment properties at September 30, 1999 is approximately $396.9 million of construction in progress, with another $231.6 million in the unconsolidated joint venture investment properties.

Distributions. The Companies declared a distribution of $0.505 per Paired Share in each of the first three quarters of 1999. The current annual distribution rate is $2.02 per Paired Share. Future distributions will be determined based on actual results of operations and cash available for distribution. In addition, preferred distributions of $65.53 per share of SPG's Series A preferred stock and $4.875 per share of SPG's Series B preferred stock were declared during the first nine months of 1999.

Investing and Financing Activities

Cash used in investing activities for the nine months ended September 30, 1999 of $439.4 million is the result of acquisitions of $265.7 million, capital expenditures of $349.6 million, investments in unconsolidated joint ventures of $56.0 million, and $24.4 million of investments in and advances to the Management Company, partially offset by distributions from unconsolidated entities of $191.6 million; net proceeds from the sales of assets of $54.0 million; and cash of $10.8 million from the consolidations of Haywood Mall, Century III Mall, Lakeline Mall and Lakeline Plaza. Capital expenditures includes development costs of $74.0 million, renovation and expansion costs of approximately $221.2 million and tenant costs and other operational capital expenditures of approximately $54.4 million. Acquisitions, including transaction costs, includes $166.5 million for the NED Acquisition and $69.0 million, $24.0 million and $6.3 million for the remaining interests in Haywood Mall, Century III Mall and Lakeline Mall and Plaza, respectively. Investments in unconsolidated joint ventures is primarily $15.7 million in Florida Mall, $11.2 million in Orlando Premium Outlots, $11.2 million in BEG and ERE and $6.3 million in Mall of Georgia. Distributions from unconsolidated entities includes $46.5 million, $34.7 million, $28.0 million, $14.7 million and $12.5 million from Gwinnett Place, Town Center at Cobb, Westchester Mall, Concord Mills and the IBM Properties, respectively. Net proceeds from the sales of assets is made up of $28.5 million, $21.3 million and $4.2 million from the sales of the partnership interests in the management company of the Charles Hotel and related land, the Three Dag Hammarskjold office building and Cohoes Center, respectively.

Cash used in financing activities for the nine months ended September 30, 1999 was $34.4 million and primarily includes net distributions of $419.4 million, partially offset by net borrowings of $385.0 million.

EBITDA--Earnings from Operating Results before Interest, Taxes, Depreciation and Amortization

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

Total EBITDA for the Properties increased from $908.0 million for the nine months ended September 30, 1998 to $1,287.7 million for the same period in 1999, representing a 41.8% increase. This increase is primarily attributable to the CPI Merger ($291.3 million), the IBM Properties ($14.4 million), the NED Acquisition ($8.9 million) and the other Properties opened or acquired during 1998 and 1999 ($13.4 million), partially offset by a decrease from Properties sold in the comparative periods ($2.4 million). Excluding these items, EBITDA increased $54.0 million, or 5.9%, resulting from aggressive leasing of new and existing space and increased operating efficiencies. During this period operating profit margin increased from 64.7% to 64.8%.

FFO-Funds from Operations

FFO, as defined by the National Association of Real Estate Investment Trusts, means the consolidated net income of Simon Group and its subsidiaries without giving effect to 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 Simon Group'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 performance. Simon Group'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. Beginning January 1, 2000, the revised NAREIT definition of FFO will not permit the exclusion of unusual items.

The following summarizes FFO of Simon Group and reconciles combined income before unusual and extraordinary items to FFO for the periods presented:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	1998	1999	1998
(In thousands)				
FFO of Simon Group	$ 180,001	$ 123,584	$ 508,529	$ 348,448
Reconciliation:				
Income Before Unusual and Extraordinary Items	$ 87,125	$ 52,851	$ 221,851	$ 141,489
Plus:				
Depreciation and amortization from combined consolidated Properties	93,182	60,877	272,263	177,038
Simon Group's share of depreciation and amortization and extraordinary items from unconsolidated affiliates	17,900	19,646	59,191	50,754
Loss on the sale of real estate	--	64	9,308	7,283
Less:				
Minority interest portion of depreciation, amortization and extraordinary items	(1,516)	(1,780)	(3,566)	(5,374)
Preferred distributions (including preferred distributions of a subsidiary and to preferred unitholders)	(16,690)	(8,074)	(50,518)	(22,742)
FFO of Simon Group	$ 180,001	$ 123,584	$ 508,529	$ 348,448
FFO Allocable to the Companies	$ 130,865	$ 79,841	$ 370,224	$ 222,575

Portfolio Data

The following operating statistics give effect to the CPI Merger and the NED Acquisition for 1999 only. Statistics include all other Properties except Richmond Town Square, which is in the final stages of an extensive redevelopment.

Aggregate Tenant Sales Volume. For the nine months ended September 30, 1999 compared to the same period in 1998, total reported retail sales at mall and freestanding GLA owned by Simon Group ("Owned GLA") in the regional malls increased $3,167 million or 49.0% from $6,457 million to $9,624 million, primarily as a result of the CPI Merger ($2,183 million), the NED Acquisition ($473 million), increased productivity of our existing tenant base and an overall increase in occupancy. Retail sales at Owned GLA affect revenue and profitability levels because they determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) the tenants can afford to pay.

Occupancy Levels. Occupancy levels for Owned GLA at mall and freestanding stores in the regional malls increased from 87.7% at September 30, 1998, to 88.5% at September 30, 1999. Owned GLA has increased 7.9 million square feet from September 30, 1998, including the CPI Merger, to September 30, 1999, primarily as a result of the NED Acquisition (4.2 million) and Property openings (3.0 million).

Average Base Rents. Average base rents per square foot of mall and freestanding Owned GLA at regional malls increased 15.3%, from $23.20 at September 30, 1998 to $26.75 at September 30, 1999. Of this increase, $2.63 is a result of the CPI Merger and NED Acquisition.

Inflation

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

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

Year 2000 Costs

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

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

Status of Project Through October 31, 1999

IT Component. Simon Group's primary operating, financial accounting and billing systems and Simon Group's standard primary desktop software have been determined to be Year 2000 ready. Simon Group's information services department has also completed its assessment of other "mission critical" applications within Simon Group and has implemented solutions to those applications in order for them to be Year 2000 ready. Vendor testing has occurred for mission critical applications, but Simon Group continues to perform its own tests on certain applications in an effort to assure Year 2000 readiness.

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

Excluding the Properties recently acquired from NED in each phase of the project, Phase (1) and Phase (2) are complete and Phase (3) is in process. The assessment of compliance status of key tenants is approximately 91% complete, the assessment of compliance status of key third party service providers is approximately 96% complete, the assessment of compliance status of critical inventoried components at the Properties is approximately 91% complete and the assessment of compliance status of non-critical inventoried components at the Properties is approximately 90% complete. Where Year 2000 issues have been identified with Non-IT Components, plans have been implemented, or will be implemented before year-end, which Simon Group expects will address those Year

2000 issues. Implementation of contingency and replacement plans (Phase (5)) is ongoing and will continue throughout 1999 to the extent Year 2000 issues are identified. Testing (Phase (6)) has been completed. Testing at 12 Properties recently acquired from NED is expected to be completed by November 15, 1999. Simon Group believes that mission critical Non-IT Components have been identified at those 12 Properties and plans have been implemented, or will be implemented before year-end, which Simon Group expects will address those mission critical issues.

Contingency Plans (Phase 4). The development of contingency plans (Phase (4)) is complete. Included within Simon Group's contingency plans is a requirement that Simon Group's home office and each Property be manned by on-site personnel beginning December 31, 1999 and continuing through the first business day of January 2000 to recognize and immediately address, to the extent possible, any Year 2000 issues arising out of any IT Component at Simon Group's home office and any Non-IT Component at the Properties.

Costs. Simon Group estimates that it will spend approximately $1.5 million in incremental costs for its Year 2000 project. This amount includes expenses incurred beginning January 1997 and continuing through the beginning of 2000 for any repairs or replacements necessary to correct noncompliant systems. Costs incurred through September 30, 1999 are estimated at approximately $600 thousand, including approximately $100 thousand in the nine-month period ended September 30, 1999. Such amounts are expensed as incurred. These estimates do not include the costs expended by Simon Group following the 1996 merger with DeBartolo Realty Corporation for software, hardware and related costs necessary to upgrade its primary operating, financial accounting and billing systems, which allowed those systems to, among other things, become Year 2000 compliant.

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

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

Seasonality

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

Item 3. Qualitative and Quantitative Disclosure About Market Risk

Reference is made to Item 2 of this Form 10-Q under the caption "Liquidity and Capital Resources".

Part II - Other Information

Item 1: Legal Proceedings

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

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 Certificate of Powers, Designations, Preferences and Rights of the 7.00% Series C Cumulative Convertible Preferred Stock, $0.0001 Par Value

3.1a Certificate of Correction Filed to Correct Certain Errors in Certificate of Powers, Designations, Preferences and Rights of the 7.00% Series C Cumulative Convertible Preferred Stock, $0.0001 Par Value

3.2 Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series D Cumulative Redeemable Preferred Stock, $0.0001 Par Value

3.2a Certificate of Correction Filed to Correct Certain Errors in Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series D Cumulative Redeemable Preferred Stock, $0.0001 Par Value

3.3 Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series E Cumulative Redeemable Preferred Stock, $0.0001 Par Value

(b) Reports on Form 8-K

One report on Form 8-K was filed during the current period.

On August 17, 1999 under Item 5 - Other Events, SPG reported that it made available additional ownership and operational information concerning the Companies, the Operating Partnerships, and the properties owned or managed as of June 30, 1999, in the form of a Supplemental Information Package. A copy of the package was included as an exhibit to the 8-K filing.

SIGNATURE

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

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.

/s/ John Dahl

John Dahl,
Senior Vice President and Chief
Accounting Officer
(Principal Accounting Officer)

Date: November 10, 1999

5
This schedule contains summary financial information extracted from
SEC Form 10-Q and is qualified in its entirety by reference to such financial
statements.

0001063761
SIMON PROPERTY GROUP, INC.
1,000

9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
96,057
0
262,842
0
0
0
12,606,369
(996,550)
13,861,642
0
8,541,538
0
518,596
18
2,718,093
13,861,642
0
1,373,814
0
745,421
0
6,822
428,148
212,034
212,034
212,034
0
(2,227)
0
144,392
.68
.68

Receivables are stated net of allowances.
The Company does not report using a classified balance sheet.
Includes limited partner's interest in the SPG Operating Partnership,
limited partners' preferred interest in the SPG Operating Partnership and
preferred stock of subsidiary of $999,550; $86,154 and $339,530,
respectively.

5
This schedule contains summary financial information extracted from
SEC Form 10-Q and is qualified in its entirety by reference to such financial
statements.

0001067173
SPG REALTY CONSULTANTS, INC.
1,000

9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
2,859
0
560
0
0
0
7,568
(1,231)
22,610
0
183
0
0
0
14,053
22,610
0
2,961
0
2,091
0
0
3,841
(5,557)
(3,374)
(2,183)
0
0
0
(636)
(.37)
(.37)

Receivables are stated net of allowance.
The Company does not report using a classified balance sheet.
Includes limited partner's interest in the SRC Operating Partnership
of $5,423.

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Exhibit 3.1

SIMON PROPERTY GROUP, INC.

CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
SERIES C 7.00% CUMULATIVE CONVERTIBLE PREFERRED STOCK,
$.0001 PAR VALUE

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

The following resolution was duly adopted by the Board of Directors (the "Board of Directors") of SIMON PROPERTY GROUP, INC., a Delaware corporation (the "Corporation"), pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware:

WHEREAS, the Board of Directors of the Corporation is authorized, within the limitations and restrictions stated in the Restated Certificate of Incorporation of the Corporation to provide by resolution or resolutions for the issuance of shares of preferred stock of the Corporation, in one or more series with 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;

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation and its stockholders to designate a new series of preferred stock of the Corporation; and

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid, to authorize and fix the terms of a series of preferred stock and the number of shares constituting such series;

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series C 7.00% Cumulative Convertible Preferred Stock" (the "7.00% Cumulative Convertible Preferred Stock"). The authorized number of shares of 7.00% Cumulative Convertible Preferred Stock shall be 1,500,000, with par value $.0001 per share.

SECTION 2. Ranking. The 7.00% Cumulative Convertible Preferred Stock shall, with respect to the payment of dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, rank: (i) senior to the holders of Common Stock, par value $.0001 per share, of the Corporation (the "Common Stock") and any other class or series of stock of the Corporation which by its terms rank junior to the 7.00% Cumulative Convertible Preferred Stock either as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation (such Common Stock and such other class or series of stock, collectively, the "Junior Stock"), (ii) pari passu with any other preferred stock which is not by its terms junior or senior to the 7.00% Cumulative Convertible Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, and in all respects shall rank pari passu with the 6.50% Series A Convertible Preferred Stock, 6.50% Series B Convertible Preferred Stock, 6.50% Series A Excess Preferred Stock, 6.50% Series B Excess Preferred Stock, and 8.75% Series B Cumulative Redeemable Preferred Stock which are the only preferred stock of the Corporation authorized as of the date hereof ("Parity Stock") and (iii) junior to any other preferred stock which by its terms is senior to the shares of 7.00% Cumulative Convertible Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation ("Senior Stock").

SECTION 3. Dividends. (a) The holders of shares of 7.00% Cumulative Convertible Preferred 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 an annual cash dividend equal to 7.00% of the Liquidation Preference (as defined herein), payable in equal quarterly installments on or about the last day of March, June, September and December of each year. Dividends shall be payable to holders of record as they appear on the stock register of the Corporation 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.

(b) Dividends on the shares of 7.00% Cumulative Convertible Preferred Stock, without any additional return on unpaid dividends, will accumulate, whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared or paid when due. All such dividends accumulate from the first date of issuance of any such shares of 7.00% Cumulative Convertible Preferred Stock. Dividends on the shares of 7.00% Cumulative Convertible Preferred Stock shall cease to accumulate on such shares on the date of their earlier conversion or redemption.

(c) If any shares of 7.00% Cumulative Convertible Preferred Stock are outstanding, then, except as provided in the following sentence, no dividends shall be declared or paid or set apart for payment on any Parity Stock or Junior Stock for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on the shares of 7.00% Cumulative Convertible Preferred Stock for all past dividend periods and the then current dividend period. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the shares of 7.00% Cumulative Convertible Preferred Stock and any Parity Stock, all dividends declared upon the shares of 7.00% Cumulative Convertible Preferred Stock and any other Parity Stock shall be declared pro rata so that the amount of dividends declared per share of 7.00% Cumulative Convertible Preferred Stock and such other Parity Stock shall in all cases bear to each other the same ratio that accrued dividends per share of 7.00% Cumulative Convertible Preferred Stock and such other series of Parity Stock bear to each other.

(d) Except as provided in subparagraph (c) above, unless full cumulative dividends on the 7.00% Cumulative Convertible 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 dividend periods and the then current dividend period, no dividends (other than in Junior Stock) shall be declared, set aside for payment or paid and no other dividend shall be declared or made upon any Junior Stock, nor shall any Junior Stock 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 Junior Stock) by the Corporation (except by conversion into or exchange for Junior Stock).

SECTION 4. Liquidation Preference. (a) Each share of 7.00% Cumulative Convertible Preferred Stock shall be entitled to a liquidation preference of $28.00 per share of 7.00% Cumulative Convertible Preferred Stock ("Liquidation Preference").

(b) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of 7.00% Cumulative Convertible Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, after and subject to the payment in full of all amounts required to be distributed to the holders of Senior Stock, but before any payment shall be made to the holders of Junior Stock, an amount equal to the aggregate Liquidation Preference of the 7.00% Cumulative Convertible Preferred Stock held by such holder, plus an amount equal to accrued and unpaid dividends thereon, if any. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution after payment in full of amounts required to be paid or distributed to holders of Senior Stock shall be insufficient to pay the holders of the 7.00% Cumulative Convertible Preferred Stock the full amount to which they shall be entitled, the holders of the 7.00% Cumulative Convertible Preferred Stock and the holders of any series of Parity Stock shall share ratably with other holders of Parity Stock in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect to the Parity Stock held by each of the said holders upon such distribution if all amounts payable on or with respect to said Parity Stock 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 7.00% Cumulative Convertible Preferred Stock shall not be entitled to any further participation in any distribution of the assets of the Corporation.

SECTION 5. Redemption. (a) General. The shares of 7.00% Cumulative Convertible Preferred Stock are not redeemable prior to August 27, 2009.

(b) Redemption at the Option of the Corporation. (i) On and after August 27, 2009, the Corporation may, at its option, at any time, redeem the shares of 7.00% Cumulative Convertible Preferred Stock, in whole or in part, at the Liquidation Preference, plus accrued and unpaid dividends thereon, if any, to and including the date of redemption (the "Redemption Price"). The Redemption Price is payable in cash or (other than the portion thereof consisting of accrued and unpaid dividends, which shall be payable in cash) in Common Stock at the Current Per Share Market Price, as of the Redemption Date (as defined below) of the Common Stock to be issued.

(ii) Provided that no later than the Redemption Date the Corporation shall have (A) set apart the funds necessary to pay the accrued and unpaid dividends on all the 7.00% Cumulative Convertible Preferred Stock then called for redemption and (B) reserved for issuance a sufficient number of authorized Common Stock, the Corporation may give the holders of shares of 7.00% Cumulative Convertible Preferred Stock written notice ("Redemption Notice") of a redemption pursuant to Section 5(b) (a "Redemption") not more than 70 nor less than 40 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). The shares of 7.00% Cumulative Convertible Preferred Stock for which the Redemption Price has been paid shall no longer be deemed outstanding from and after the date of payment and all rights with respect to such shares shall forthwith cease and terminate. In case fewer than all of the outstanding shares of 7.00% Cumulative Convertible Preferred Stock are called for redemption, such shares shall be redeemed pro rata, as nearly as practicable, among all holders of shares of 7.00% Cumulative Convertible Preferred Stock. On or before the Redemption Date, a holder of shares of 7.00% Cumulative Convertible Preferred Stock shall have the conversion right set forth in Section 6 hereof notwithstanding anything in this Section 5 to the contrary.

SECTION 6. Conversion. (a) Provided that the Closing Price of the Paired Shares on any three (3) consecutive trading days occurring after August 27, 1999 is greater than the then Threshold Value (as defined below), each share of 7.00% Cumulative Convertible Preferred Stock shall be convertible at the option of the holder, at any time on and after August 27, 2004, upon no less than 15 business days prior written notice to the Corporation, in whole or in part, unless previously redeemed, pursuant to Section 6(b) below.

(b) Each share of 7.00% Cumulative Convertible Preferred Stock that the holder elects to convert will be converted into 0.75676 shares of Common Stock (as adjusted from time to time pursuant to Section 6(c) hereof, the "Conversion Factor"). The "Threshold Value" initially shall be $37.00 but shall be subject to adjustment pursuant to Section 6(d) hereof. At the time of such conversion, the holder shall be entitled to receive with respect to the shares so converted a cash payment in an amount equal to accrued and unpaid dividends thereon.

(c) Adjustments to the Conversion Factor. (i) Adjustments for Dividends and Distributions. In case the Corporation shall at any time or from time to time after the original issuance of the shares of 7.00% Cumulative Convertible Preferred Stock declare a dividend, or make a distribution, on the outstanding Paired Shares, in either case, in additional Paired Shares, or effect a subdivision, combination, consolidation or reclassification of the outstanding Paired Shares into a greater or lesser number of Paired Shares, then, and in each such case, the Conversion Factor in effect immediately prior to such event or the record date therefor, whichever is earlier, shall be adjusted by multiplying such Conversion Factor by a fraction, (A) the numerator of which is the number of Paired Shares that were outstanding immediately after such event and (B) the denominator of which is the number of Paired Shares outstanding immediately prior to such event. An adjustment made pursuant to this Section 6(c) shall become effective in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of Paired Shares entitled to receive such dividend or distribution, or in the case of any such subdivision, reclassification, consolidation or combination, at the close of business on the day upon which such partnership action becomes effective.

(ii) Adjustment for Issuances. In case the Corporation shall, at any time after August 27, 1999, issue (other than upon the exercise of options, rights or convertible securities) Paired Shares at a price per share less than 95% of the Current Per Share Market Price, then, and in each such case, the Conversion Factor in effect immediately prior to such issuance shall be adjusted so as to be equal to an amount determined by multiplying the Conversion Factor in effect immediately prior to such event by a fraction of which (A) the numerator shall be (x) the number of Paired Shares outstanding at the close of business on the date immediately preceding such issuance plus (y) the number of Paired Shares so issued and (B) the denominator shall be (x) the number of Paired Shares outstanding immediately preceding such issuance plus (y) the number of Paired Shares which the aggregate consideration receivable by the Corporation in connection with such issuance would purchase at such Current Per Share Market Price. For purposes of this Section 6(c)(ii), the aggregate consideration receivable by the Corporation in connection with the issuance for cash for Paired Shares shall be deemed to be equal to the gross offering price (before deduction of customary underwriting discounts or commissions and expenses payable to third parties) of all such securities being issued.

(iii) Issuance of Options, Warrants or Other Rights. In case the Corporation shall issue rights to subscribe for or purchase, or options or warrants to purchase, any Paired Shares (or securities convertible into Paired Shares) at a price per Paired Share (or having a conversion price per Paired Share) less than 95% of the Current Per Share Market Price, the Conversion Factor in effect immediately prior thereto shall be adjusted so that it shall equal the price determined by multiplying the Conversion Factor in effect immediately prior thereto by a fraction, of which (A) the numerator shall be (x) the number of Paired Shares outstanding on the date immediately preceding such issuance plus (y) the total number of additional Paired Shares offered for subscription or issuable upon exercise of such options or warrants (or into which the convertible securities so offered are convertible) and (B) the denominator of which shall be (x) the number of Paired Shares outstanding at the close of business on the date immediately preceding such issuance plus (y) the number of Paired Shares which the aggregate offering price of the total number of Paired Shares so offered for subscription or issuable upon exercise of such options or warrants (or the aggregate conversion price of the convertible securities so offered) would purchase at such the Current Per Share Market Price. Such adjustment shall be made successively whenever any rights, options or warrants are issued; provided, however, that in the event that all Paired Shares offered for subscription or purchase are not delivered (or securities convertible into Paired Shares are not delivered) upon the exercise of such rights, options or warrants, upon the expiration of such rights, options or warrants the Conversion Factor shall be readjusted to the Conversion Factor 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, options or warrants been made based upon the number of Paired Shares (or securities convertible into Paired Shares) actually delivered upon the exercise of such rights, options or warrants rather than upon the number of Paired Shares offered for subscription or purchase. In determining whether any rights, options or warrants entitle the holders to subscribe for or purchase Paired Shares at less than 95% of such Current Per Share Market Price, and in determining the aggregate offering price of such rights, options or warrants (or the aggregate conversion price of the convertible securities), there shall be taken into account any consideration received by the Corporation for such rights, options or warrants (or convertible securities) and receivable by the Corporation upon the exercise or conversion thereof, the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors. Notwithstanding the foregoing, this Section 6(c)(iii) shall not apply to the issuance of a right, option or warrant to purchase Paired Shares pursuant to any employee stock option or similar plan adopted by the Board of Directors of the Corporation.

(iv) Adjustment for Consolidation, Merger, Reorganization or Recapitalization, etc. In case of any consolidation, merger or reorganization of the Corporation with or into another Entity or the sale of all or substantially all of the assets of the Corporation to another Entity (other than a consolidation, merger or sale which is treated as a liquidation pursuant to Section 4 hereof or any recapitalization of the Corporation), each share of 7.00% Cumulative Convertible Preferred Stock shall, in the case of such sale, thereafter be convertible into the kind and amount of shares of stock or other securities or property to which a holder of the number of shares of Common Stock deliverable upon conversion of such shares of 7.00% Cumulative Convertible Preferred Stock would have been entitled upon such sale and, in the case of such consolidation, merger or reorganization or recapitalization, the holder of each share of 7.00% Cumulative Convertible Preferred Stock will, insofar as practicable, receive a security or securities in the surviving entity or the recapitalized entity, as the case may be, comparable to the share of 7.00% Cumulative Convertible Preferred Stock which, among other comparable provisions, insofar as may be practicable, shall be convertible into securities comparable to the Common Stock but shall, following such merger, consolidation or reorganization, be immediately convertible following such merger, consolidation or reorganization notwithstanding the requirements set forth in Section 6(b) hereof; and, in such case, other appropriate adjustments (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 6 set forth with respect to the rights and interests thereafter of the holders of the shares of 7.00% Cumulative Convertible Preferred Stock, to the end that the provisions set forth in this Section 6 (including provisions with respect to changes in and other adjustments of the Conversion Factor) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of the shares of 7.00% Cumulative Convertible Preferred Stock.

(d) Adjustments to the Threshold Value. (i) In case the Corporation shall at any time or from time to time after August 27, 1999 declare a dividend, or make a distribution, on the outstanding Paired Shares, in either case, in additional Paired Shares, or effect a subdivision, combination, consolidation or reclassification of the outstanding Paired Shares into a greater or lesser number of Paired Shares, then, and in each such case, the Threshold Value in effect immediately prior to such event or the record date therefor, whichever is earlier, shall be adjusted by multiplying such Threshold Value by a fraction, (A) the numerator of which is the number of Paired Shares that were outstanding immediately prior such event and (B) the denominator of which is the number of Paired Shares outstanding immediately after to such event.

(ii) The Threshold Value shall also be equitably adjusted to reflect the effect of an issuance which would result in an adjustment to the Conversion Factor under Section 6(c)(iv).

(iii) An adjustment made pursuant to this Section 6(d) shall become effective in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of Paired Shares entitled to receive such dividend or distribution, or in the case of any such subdivision, reclassification, recapitalization, consolidation or combination, at the close of business on the day upon which such corporate action becomes effective.

(e) No adjustment in the Conversion Factor or the Threshold Value shall be required unless such adjustment would require an increase or decrease of at least 0.25% of the Conversion Factor or the Threshold Value, as applicable; provided, that any adjustments which by reason of this Section 6(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(f) No fractional shares of Common Stock or scrip representing fractions of shares of Common Stock shall be issued upon conversion of a share of 7.00% Cumulative Convertible Preferred Stock. If a fractional share of Common Stock is otherwise deliverable to a converting holder upon a conversion of shares of 7.00% Cumulative Convertible Preferred Stock, the Corporation shall in lieu thereof pay to the person entitled thereto an amount in cash equal to the current value of such fractional interest, calculated to the nearest 1/1000th of a share, to be computed using the Current Per Share Market Price of a Paired Share on the date of conversion.

(g) Whenever the Conversion Factor is adjusted pursuant to Section 6(c) or the Threshold Value is adjusted pursuant to Section 6(d), the Corporation shall promptly mail to the holders of shares of 7.00% Cumulative Convertible Preferred Stock at their addresses as shown on the books of the Corporation a notice stating that the Conversion Factor and/or the Threshold Value, as the case may be, has been adjusted, the effective date of such adjustment and the new Conversion Factor or Threshold Value.

SECTION 7. No Right to Certain Dividends or Distributions. (a) Any holder of shares of 7.00% Cumulative Convertible Preferred Stock whose shares are redeemed pursuant to Section 5 hereto or converted pursuant to Section 6 hereto, prior to being entitled to receive any shares of Common Stock upon the occurrence of any such event, will be required to execute and deliver to the Corporation a Dividend Proration Agreement substantially in the form of Annex I hereto.

(b) 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 7.00% Cumulative Convertible Preferred Stock which shall have been redeemed for or converted into shares of Common Stock pursuant to the provisions of Sections 5 or 6, as applicable, shall forthwith upon such redemption or conversion be repaid to the Corporation by the transfer agent or such other depositary.

SECTION 8. Restrictions on Transfer. The shares of 7.00% Cumulative Convertible Preferred Stock shall be subject to the restrictions on transfer set forth in Article NINTH of the Charter of the Corporation. Any transfer or attempted transfer in violation of the provisions of this Section 8(a) shall be null and void.

SECTION 9. Status of Converted or Redeemed Shares of 7.00% Cumulative Convertible Preferred Stock. Upon any conversion or any redemption, repurchase or other acquisition by the Corporation of shares of 7.00% Cumulative Convertible Preferred Stock, the shares of 7.00% Cumulative Convertible Preferred Stock so converted, redeemed, repurchased or acquired shall be retired and canceled.

SECTION 10. Voting. (a) Except as otherwise provided by law and this Certificate of Designation, the holders of 7.00% Cumulative Convertible Preferred Stock shall not be entitled to notice of, or to vote at, any meeting of the stockholders of the Corporation or to vote on any matter relating to the business or affairs of the Corporation.

(b) The Corporation shall not, without the affirmative consent or approval of the holders of at least a majority in liquidation preference of the shares of 7.00% Cumulative Convertible Preferred Stock and 7.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class, (i) authorize any Senior Stock; or (ii) amend, alter or modify any of the provisions of the Restated Certificate of Incorporation of the Corporation so as to adversely affect the holders of shares of 7.00% Cumulative Convertible Preferred Stock.

(c) In any case in which the holders of 7.00% Cumulative Convertible Preferred Stock shall be entitled to vote pursuant to Delaware law, each holder of 7.00% Cumulative Convertible Preferred Stock shall be entitled to one vote for each share of 7.00% Cumulative Convertible Preferred Stock held by such holder.

SECTION 11. Registration Rights for Share of 7.00% Cumulative Convertible Preferred Stock. The shares of 7.00% Cumulative Convertible Preferred Stock shall be deemed "Registrable Securities" for purposes of Section 9.6 of the Partnership Agreement, subject to the limitations and qualifications contained in Section 9.6 of the Partnership Agreement unless the holder of such shares of 7.00% Cumulative Convertible Preferred Stock is party to a registration rights agreement pursuant to Section 5.06 of the Portfolio Agreement, in which case such holder exclusively shall have the rights set forth therein.

SECTION 12. Issuance of Trust Interest. If any shares of Common Stock are to be issued to a holder of a 7.00% Cumulative Convertible Preferred Stock in connection with the redemption or conversion of such 7.00% Cumulative Convertible Preferred Stock as provided herein, the Corporation shall distribute to the holder of such 7.00% Cumulative Convertible Preferred Stock so redeemed or converted, for no additional consideration, a number of Trust Interests equal to the number of shares of Common Stock so issued.

SECTION 13. Definitions. Except as otherwise herein expressly provided, the following terms and phrases shall have the meanings set forth below:

"Closing Price" on any date shall mean the last sale price per share, regular way, of the Paired Shares or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, of the Paired Shares in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Paired Shares are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Paired Shares are listed or admitted to trading or, if the Paired Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System for the Paired Shares or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the

Paired Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Paired Shares selected from time to time by the Board of Directors of the Managing General Partner.

"c" on any date shall mean the average of the Closing Prices for the five consecutive Trading Days ending on such date.

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

"Operating Partnership" shall mean Simon Property Group, L.P.

"Paired Share" shall mean one share of Common Stock and one Trust Interest.

"Partnership Agreement" shall mean the Seventh Amended and Restated Limited Partnership Agreement of the Operating Partnership.

"Portfolio Agreement" shall mean the Management and Portfolio Agreement, dated as of February 22, 1999, among the Corporation, the Operating Partnership, NED Management Limited Partnership and WellsPark Management LLC.

"Shares" shall mean the shares of Common Stock.

"Trading Day" shall mean a day on which the principal national securities exchange on which the Paired Shares are listed or admitted to trading is open for the transaction of business or, if the Paired 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.

"Trust" shall mean the trust owning all of the outstanding shares of Common Stock, par value $0.0001 per share, of SPG Realty Consultants, Inc. subject to a trust agreement among certain stockholders of the Corporation, a trustee and the SPG Realty Consultants, Inc. pursuant to which all holders of Shares are beneficiaries of such Trust.

"Trust Interest" shall mean a pro rata beneficial interest in the Trust.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by James M. Barkley, its Secretary, this 27th day of August, 1999.

By: /s/ James M. Barkley
Name: James M. Barkley
Title: Secretary

Annex I to
7.00% Cumulative Convertible
Preferred Stock

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 7.00% Cumulative 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 or redemption (collectively, a "Conversion") pursuant to their terms. 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 6(c)(i) of the Certificate of Designation 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 provide the Corporation with reasonably adequate cash or cash equivalent security with respect to the undersigned's obligations hereunder or 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 3.1a

CERTIFICATE OF CORRECTION

FILED TO CORRECT CERTAIN ERRORS IN
CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
SERIES C 7.00% CUMULATIVE CONVERTIBLE PREFERRED STOCK,
$.0001 PAR VALUE

OF

SIMON PROPERTY GROUP, INC.

FILED IN THE OFFICE OF
THE SECRETARY OF STATE OF DELAWARE
ON AUGUST 27, 1999

SIMON PROPERTY GROUP, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is SIMON PROPERTY GROUP, INC. (the "Corporation").

2. That a Certificate of Powers, Designations, Preferences and Rights for the Series C 7.00% Cumulative Convertible Preferred Stock of the Corporation(the "Designation Certificate") was filed by the Secretary of State of Delaware on August 27, 1999 and that said Designation Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracies or defects of the Designation Certificate to be corrected are as follows:

a. Section 1 currently reads as follows:

"SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series C 7.00% Cumulative Convertible Preferred Stock" (the "7.00% Cumulative Convertible Preferred Stock"). The authorized number of shares of 7.00% Cumulative Convertible Preferred Stock shall be 1,500,000, with par value $.0001 per share."

b. Section 13 currently includes a definition for "c".

4. The portion of the Designation Certificate in corrected form is as follows:

a. Section 1 shall be deleted in its entirety and replaced by the following:

"SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series C 7.00% Cumulative Convertible Preferred Stock" (the "7.00% Cumulative Convertible Preferred Stock"). The authorized number of shares of 7.00% Cumulative Convertible Preferred Stock shall be 2,700,000, with par value $.0001 per share."

b. The term "c" and corresponding definition in Section 13 shall be deleted in its entirety replaced by the following:

"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.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by James M. Barkley its Secretary, this 20th day of October, 1999.

SIMON PROPERTY GROUP, INC.

By:
Name: James M. Barkley

CERTIFICATE OF CORRECTION

FILED TO CORRECT A CERTAIN ERROR IN
CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
SERIES D 8.00% CUMULATIVE REDEEMABLE PREFERRED STOCK,
$.0001 PAR VALUE

OF

SIMON PROPERTY GROUP, INC.

FILED IN THE OFFICE OF
THE SECRETARY OF STATE OF DELAWARE
ON AUGUST 27, 1999

SIMON PROPERTY GROUP, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is SIMON PROPERTY GROUP, INC. (the "Corporation")

2. That a Certificate of Powers, Designations, Preferences and Rights for the Series D 8.00% Cumulative Redeemable Preferred Stock of the Corporation (the "Designation Certificate") was filed by the Secretary of State of Delaware on August 27, 1999 and that said Designation Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracies or defects of the Designation Certificate to be corrected are as follows:

a. Section 1 currently reads as follows:

" SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series D 8.00% Cumulative Redeemable Preferred Stock" (the "8.00% Cumulative Redeemable Preferred Stock"). The authorized number of shares of 8.00% Cumulative Redeemable Preferred Stock shall be 1,500,000, with par value $.0001 per share."

4. The portion of the Designation Certificate in corrected form is as follows:

a. Section 1 shall be deleted in its entirety and replaced by the following:

" SECTION 2. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series D 8.00% Cumulative Redeemable Preferred Stock" (the "8.00% Cumulative Redeemable Preferred Stock"). The authorized number of shares of 8.00% Cumulative Redeemable Preferred Stock shall be 2,700,000, with par value $.0001 per share."

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by James M. Barkley its Secretary, this 20th day of October, 1999.

SIMON PROPERTY GROUP, INC.

By:
Name: James M. Barkley

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Exhibit 3.2

SIMON PROPERTY GROUP, INC.

CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
SERIES D 8.00% CUMULATIVE REDEEMABLE PREFERRED STOCK,
$.0001 PAR VALUE

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

The following resolution was duly adopted by the Board of Directors (the "Board of Directors") of SIMON PROPERTY GROUP, INC., a Delaware corporation (the "Corporation"), pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware:

WHEREAS, the Board of Directors of the Corporation is authorized, within the limitations and restrictions stated in the Restated Certificate of Incorporation of the Corporation to provide by resolution or resolutions for the issuance of shares of preferred stock of the Corporation, in one or more series with 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;

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation and its stockholders to designate a new series of preferred stock of the Corporation; and

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid, to authorize and fix the terms of a series of preferred stock and the number of shares constituting such series;

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series D 8.00% Cumulative Redeemable Preferred Stock" (the "8.00% Cumulative Redeemable Preferred Stock"). The authorized number of shares of 8.00% Cumulative Redeemable Preferred Stock shall be 1,500,000, with par value $.0001 per share.

SECTION 2. Ranking. The 8.00% Cumulative Redeemable Preferred Stock shall, with respect to the payment of dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, rank: (i) senior to the holders of Common Stock, par value $.0001 per share, of the Corporation (the "Common Stock") and any other class or series of stock of the Corporation which by its terms rank junior to the 8.00% Cumulative Redeemable Preferred Stock either as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation (such Common Stock and such other class or series of stock, collectively, the "Junior Stock"), (ii) pari passu with any other preferred stock which is not by its terms junior or senior to the 8.00% Cumulative Redeemable Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, and in all respects shall rank pari passu with the 6.50% Series A Convertible Preferred Stock, 6.50% Series B Convertible Preferred Stock, 6.50% Series A Excess Preferred Stock, 6.50% Series B Excess Preferred Stock and 8.75% Series B Cumulative Redeemable Preferred Stock, which are the only preferred stock of the Corporation authorized as of the date hereof ("Parity Stock") and (iii) junior to any other preferred stock which by its terms is senior to the shares of 8.00% Cumulative Redeemable Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation ("Senior Stock").

SECTION 3. Dividends. (a) The holders of shares of 8.00% Cumulative Redeemable Preferred 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 an annual cash dividend equal to 8.00% of the Liquidation Preference (as defined herein), payable in equal quarterly installments on or about the last day of March, June, September and December of each year. Dividends shall be payable to holders of record as they appear on the stock register of the Corporation 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.

(b) Dividends on the shares of 8.00% Cumulative Redeemable Preferred Stock, without any additional return on unpaid dividends, will accumulate, whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared or paid when due. All such dividends accumulate from the first date of issuance of any such shares of 8.00% Cumulative Redeemable Preferred Stock. Dividends on the shares of 8.00% Cumulative Redeemable Preferred Stock shall cease to accumulate on such shares on the date of their earlier conversion or redemption.

(c) If any shares of 8.00% Cumulative Redeemable Preferred Stock are outstanding, then, except as provided in the following sentence, no dividends shall be declared or paid or set apart for payment on any Parity Stock or Junior Stock for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on the shares of 8.00% Cumulative Redeemable Preferred Stock for all past dividend periods and the then current dividend period. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the shares of 8.00% Cumulative Redeemable Preferred Stock and any Parity Stock, all dividends declared upon the shares of 8.00% Cumulative Redeemable Preferred Stock and any other Parity Stock shall be declared pro rata so that the amount of dividends declared per share of 8.00% Cumulative Redeemable Preferred Stock and such other Parity Stock shall in all cases bear to each other the same ratio that accrued dividends per share of 8.00% Cumulative Redeemable Preferred Stock and such other series of Parity Stock bear to each other.

(d) Except as provided in subparagraph (c) above, unless full cumulative dividends on the 8.00% Cumulative Redeemable 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 dividend periods and the then current dividend period, no dividends (other than in Junior Stock) shall be declared, set aside for payment or paid and no other dividend shall be declared or made upon any Junior Stock, nor shall any Junior Stock 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 Junior Stock) by the Corporation (except by conversion into or exchange for Junior Stock).

SECTION 4. Liquidation Preference. (a) Each share of 8.00% Cumulative Redeemable Preferred Stock shall be entitled to a liquidation preference of $30.00 per share of 8.00% Cumulative Redeemable Preferred Stock ("Liquidation Preference").

(b) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of 8.00% Cumulative Redeemable Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, after and subject to the payment in full of all amounts required to be distributed to the holders of Senior Stock, but before any payment shall be made to the holders of Junior Stock, an amount equal to the aggregate Liquidation Preference of the 8.00% Cumulative Redeemable Preferred Stock held by such holder, plus an amount equal to accrued and unpaid dividends thereon, if any. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution after payment in full of amounts required to be paid or distributed to holders of Senior Stock shall be insufficient to pay the holders of the 8.00% Cumulative Redeemable Preferred Stock the full amount to which they shall be entitled, the holders of the 8.00% Cumulative Redeemable Preferred Stock and the holders of any series of Parity Stock shall share ratably with other holders of Parity Stock in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect to the Parity Stock held by each of the said holders upon such distribution if all amounts payable on or with respect to said Parity Stock 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 8.00% Cumulative Redeemable Preferred Stock shall not be entitled to any further participation in any distribution of the assets of the Corporation.

SECTION 5. Redemption. (a) General. The shares of 8.00% Cumulative Redeemable Preferred Stock are not redeemable prior to August 27, 2009.

(b) Redemption at the Option of the Corporation. (i) On and after August 27, 2009, the Corporation may, at its option, at any time, redeem the shares of 8.00% Cumulative Redeemable Preferred Stock, in whole or in part, at the Liquidation Preference, plus accrued and unpaid dividends thereon, if any, to and including the date of redemption (the "Redemption Price"). The Redemption Price is payable in cash or (other than the portion thereof consisting of accrued and unpaid dividends, which shall be payable in cash) in Common Stock at the Current Per Share Market Price, as of the Redemption Date (as defined below) of the Common Stock to be issued.

(ii) Provided that no later than the Redemption Date the Corporation shall have (A) set apart the funds necessary to pay the accrued and unpaid dividends on all the 8.00% Cumulative Redeemable Preferred Stock then called for redemption and (B) reserved for issuance a sufficient number of authorized Common Stock, the Corporation may give the holders of shares of 8.00% Cumulative Redeemable Preferred Stock written notice ("Redemption Notice") of a redemption pursuant to Section 5(b) (a "Redemption") not more than 70 nor less than 40 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). The shares of 8.00% Cumulative Redeemable Preferred Stock for which the Redemption Price has been paid shall no longer be deemed outstanding from and after the date of payment and all rights with respect to such shares shall forthwith cease and terminate. In case fewer than all of the outstanding shares of 8.00% Cumulative Redeemable Preferred Stock are called for redemption, such shares shall be redeemed pro rata, as nearly as practicable, among all holders of shares of 8.00% Cumulative Redeemable Preferred Stock.

SECTION 6. No Right to Certain Dividends or Distributions.

(a) Any holder of shares of 8.00% Cumulative Redeemable Preferred Stock whose shares are redeemed pursuant to Section 5 hereto prior to being entitled to receive any cash or other securities upon the occurrence of any such redemption, will be required to execute and deliver to the Corporation a Dividend Proration Agreement substantially in the form of Annex I hereto.

(b) 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 8.00% Cumulative Redeemable Preferred Stock which shall have been redeemed into shares of Common Stock pursuant to the provisions of Section 6 shall forthwith upon such redemption be repaid to the Corporation by the transfer agent or such other depositary.

SECTION 7. Restrictions on Transfer; Stapled Security. The shares of 8.00% Cumulative Redeemable Preferred Stock shall be subject to the restrictions on transfer set forth in Article NINTH of the Charter of the Corporation. Any transfer or attempted transfer in violation of the provisions of this Section 7 shall be null and void.

SECTION 8. Status of Redeemed Shares of 8.00% Cumulative Redeemable Preferred Stock. Upon any redemption, repurchase or other acquisition by the Corporation of shares of 8.00% Cumulative Redeemable Preferred Stock, the shares of 8.00% Cumulative Redeemable Preferred Stock so redeemed, repurchased or acquired shall be retired and canceled.

SECTION 9. Voting. (a) Except as otherwise provided by law and this Certificate of Designation, the holders of 8.00% Cumulative Redeemable Preferred Stock shall not be entitled to notice of, or to vote at, any meeting of the stockholders of the Corporation or to vote on any matter relating to the business or affairs of the Corporation.

(b) The Corporation shall not, without the affirmative consent or approval of the holders of at least a majority in liquidation preference of the shares of 8.00% Cumulative Redeemable Preferred Stock and 8.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class, (i) authorize any Senior Stock; or (ii) amend, alter or modify any of the provisions of the Restated Certificate of Incorporation of the Corporation so as to adversely affect the holders of shares of 8.00% Cumulative Redeemable Preferred Stock.

(c) In any case in which the holders of 8.00% Cumulative Redeemable Preferred Stock shall be entitled to vote pursuant to Delaware law, each holder of 8.00% Cumulative Redeemable Preferred Stock shall be entitled to one vote for each share of 8.00% Cumulative Redeemable Preferred Stock held by such holder.

SECTION 10. Registration Rights for Share of 8.00% Cumulative Redeemable Preferred Stock. The shares of 8.00% Cumulative Redeemable Preferred Stock shall be deemed "Registrable Securities" for purposes of Section 9.6 of the Partnership Agreement, subject to the limitations and qualifications contained in Section 9.6 of the Partnership Agreement unless the holder of such shares of 8.00% Cumulative Redeemable Preferred Stock is party to a registration rights agreement pursuant to Section 5.06 of the Portfolio Agreement, in which case such holder exclusively shall have the rights set forth therein.

SECTION 11. Issuance of Trust Interest. If any shares of Common Stock are to be issued to a holder of a 8.00% Cumulative Redeemable Preferred Stock in connection with the redemption of such 8.00% Cumulative Redeemable Preferred Stock as provided herein, the Corporation shall distribute to the holder of such 8.00% Cumulative Redeemable Preferred Stock so redeemed, for no additional consideration, a number of Trust Interests equal to the number of shares of Common Stock so issued.

SECTION 12. Definitions. Except as otherwise herein expressly provided, the following terms and phrases shall have the meanings set forth below:

"Closing Price" on any date shall mean the last sale price per share, regular way, of the Paired Shares or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, of the Paired Shares in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Paired Shares are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Paired Shares are listed or admitted to trading or, if the Paired Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System for the Paired Shares or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the Paired Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Paired Shares selected from time to time by the Board of Directors of the Managing General Partner.

"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.

"Operating Partnership" shall mean Simon Property Group, L.P.

"Paired Share" shall mean one share of Common Stock and one Trust Interest.

"Partnership Agreement" shall mean the Seventh Amended and Restated Limited Partnership Agreement of the Operating Partnership.

"Portfolio Agreement" shall mean the Management and Portfolio Agreement, dated as of February 22, 1999, among the Corporation, the Operating Partnership, NED Management Limited Partnership and WellsPark Management LLC.

"Shares" shall mean the shares of Common Stock.

"Trading Day" shall mean a day on which the principal national securities exchange on which the Paired Shares are listed or admitted to trading is open for the transaction of business or, if the Paired 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.

"Trust" shall mean the trust owning all of the outstanding shares of Common Stock, par value $0.0001 per share, of SPG Realty Consultants, Inc. subject to a trust agreement among certain stockholders of the Corporation, a trustee and the SPG Realty Consultants, Inc. pursuant to which all holders of Shares are beneficiaries of such trust.

"Trust Interest" shall mean a pro rata beneficial interest in the Trust.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by James M. Barkley, its Secretary, this 27th day of August, 1999.

By: /s/ James M. Barkley
Name: James M. Barkley
Title: Secretary

Annex I to
8.00% Cumulative Redeemable
Preferred Stock

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 8.00% Cumulative Redeemable 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 redemption pursuant to their terms (the "Redemption"). This letter agreement is being given in satisfaction of a condition to the Redemption.

The undersigned hereby agrees with the Corporation that concurrently with the first payment of a regular cash dividend 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 Redemption, 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 Redemption (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 Redemption 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 Redemption 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 Redemption before all the undersigned's foregoing obligations are fully performed, it shall provide the Corporation with reasonably adequate cash or cash equivalent security with respect to the undersigned's obligations hereunder or 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 3.2a

CERTIFICATE OF CORRECTION

FILED TO CORRECT A CERTAIN ERROR IN
CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
SERIES D 8.00% CUMULATIVE REDEEMABLE PREFERRED STOCK,
$.0001 PAR VALUE

OF

SIMON PROPERTY GROUP, INC.

FILED IN THE OFFICE OF
THE SECRETARY OF STATE OF DELAWARE
ON AUGUST 27, 1999

SIMON PROPERTY GROUP, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is SIMON PROPERTY GROUP, INC. (the "Corporation")

2. That a Certificate of Powers, Designations, Preferences and Rights for the Series D 8.00% Cumulative Redeemable Preferred Stock of the Corporation (the "Designation Certificate") was filed by the Secretary of State of Delaware on August 27, 1999 and that said Designation Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracies or defects of the Designation Certificate to be corrected are as follows:

a. Section 1 currently reads as follows:

" SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series D 8.00% Cumulative Redeemable Preferred Stock" (the "8.00% Cumulative Redeemable Preferred Stock"). The authorized number of shares of 8.00% Cumulative Redeemable Preferred Stock shall be 1,500,000, with par value $.0001 per share."

4. The portion of the Designation Certificate in corrected form is as follows:

a. Section 1 shall be deleted in its entirety and replaced by the following:

" SECTION 2. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "Series D 8.00% Cumulative Redeemable Preferred Stock" (the "8.00% Cumulative Redeemable Preferred Stock"). The authorized number of shares of 8.00% Cumulative Redeemable Preferred Stock shall be 2,700,000, with par value $.0001 per share."

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by James M. Barkley its Secretary, this 20th day of October, 1999.

SIMON PROPERTY GROUP, INC.

By:
Name: James M. Barkley

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Exhibit 3.3

SIMON PROPERTY GROUP, INC.

CERTIFICATE OF THE POWERS, DESIGNATIONS,
PREFERENCES AND RIGHTS OF THE
8.00% SERIES E CUMULATIVE REDEEMABLE PREFERRED STOCK,
$.0001 PAR VALUE

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

The following resolution was duly adopted by the Board of Directors (the "Board of Directors") of SIMON PROPERTY GROUP, INC., a Delaware corporation (the "Corporation"), pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware:

WHEREAS, the Board of Directors of the Corporation is authorized, within the limitations and restrictions stated in the Restated Certificate of Incorporation of the Corporation to provide by resolution or resolutions for the issuance of shares of preferred stock of the Corporation, in one or more series with 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; and

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid, to authorize and fix the terms of a series of preferred stock and the number of shares constituting such series;

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. Designation and Number. The designation of the series of Preferred Stock of the Corporation created by this Certificate of Designation shall be "8.00% Series E Cumulative Redeemable Preferred Stock" (the "8.00% Series E Preferred Stock"). The authorized number of shares of 8.00% Series E Preferred Stock shall be 1,000,000, with par value $.0001 per share.

SECTION 2. Ranking. The 8.00% Series E Preferred Stock shall, with respect to the payment of dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, rank: (i) senior to the holders of Common Stock, par value $.0001 per share, of the Corporation (the "Common Stock") and any other class or series of stock of the Corporation which by their terms rank junior to the 8.00% Series E Preferred Stock either as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation (such Common Stock and such other class or series of stock, collectively, the "Junior Stock"), (ii) pari passu with any other preferred stock which are not by their terms junior or senior to the 8.00% Series E Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation, and in all respects shall rank pari passu with the 6.50% Series A Convertible Preferred Stock, 6.50% Series B Convertible Preferred Stock, the 6.50% Series A Excess Preferred Stock, 6.50% Series B Excess Preferred Stock, which are the only preferred stock of the Corporation authorized as of the date hereof ("Parity Stock") and (iii) junior to any other preferred stock which by their terms are senior to the shares of 8.00% Series E Preferred Stock as to dividends or rights upon the dissolution, liquidation or winding-up of the Corporation ("Senior Stock").

SECTION 3. Dividends. (a) Subject to the rights of series of Senior Stock which may from time to time come into existence, holders of the then outstanding 8.00% Series E 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 $2.00 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 "Dividend Payment Date"). Such and any dividend payable on the shares of 8.00% Series E Preferred Stock for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends 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 Dividend Payment Date falls on or on such other date designated by the Board of Directors of the Corporation for the payment of dividends that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date").

(b) Dividends on 8.00% Series E 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 dividends and whether or not such dividends are earned, declared or authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the shares of 8.00% Series E Preferred Stock which may be in arrears. Dividends paid on the shares of 8.00% Series E 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 dividends (as determined for federal income tax purposes) paid or made available for the year to holders of all classes of capital stock (the "Total Dividends"), then, to the extent that a portion is otherwise allocable by law, the portion of the Capital Gains Amount that shall be allocable to holders of shares of 8.00% Series E Preferred Stock shall be in the same percentage that the total dividends paid or made available to the holders of shares of 8.00% Series E Preferred Stock for the year bears to the Total Dividends.

(d) If any shares of 8.00% Series E Preferred Stock are outstanding, no dividends shall be declared or paid or set apart for payment on any shares of any other series of Parity Stock or Junior Stock for any period unless full cumulative dividends 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 8.00% Series E Preferred Stock for all past dividend periods and the then current dividend period. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the shares of 8.00% Series E Preferred Stock and the shares of Parity Stock, all dividends declared upon shares of 8.00% Series E Preferred Stock and any Parity Stock shall be declared pro rata so that the amount of dividends declared per share on 8.00% Series E Preferred Stock and such other Parity Stock shall in all cases bear to each other the same ratio that accrued dividends per share on 8.00% Series E Preferred Stock and such other Parity Stock bear to each other.

(e) Unless full cumulative dividends on shares of 8.00% Series E 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 dividend periods and the then current dividend period, no dividends (other than in shares of Junior Stock) shall be declared or paid or set aside for payment or other dividend shall be declared or made upon the shares of Junior Stock, nor shall any shares of Junior Stock 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 other Junior Stock).

(f) Any dividend payment made on shares of 8.00% Series E Preferred Stock shall first be credited against the earliest accrued but unpaid dividends due with respect to shares of 8.00% Series E Preferred Stock which remain payable.

(g) No dividends on the 8.00% Series E 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 otherwise provided herein, the 8.00% Series E Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

SECTION 4. Liquidation Preference. (a) Each share of 8.00% Series E Preferred Stock shall be entitled to a liquidation preference of $25.00 per share of 8.00% Series E Preferred Stock ("Liquidation Preference").

(b) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of 8.00% Series E Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, after and subject to the payment in full of all amounts required to be distributed to the holders of Senior Stock, but before any payment shall be made to the holders of Junior Stock, an amount equal to the aggregate Liquidation Preference of the 8.00% Series E Preferred Stock held by such holder, plus an amount equal to accrued and unpaid dividends thereon, if any. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution after payment in full of amounts required to be paid or distributed to holders of Senior Stock shall be insufficient to pay the holders of the 8.00% Series E Preferred Stock the full amount to which they shall be entitled, the holders of the 8.00% Series E Preferred Stock and the holders of any series of Parity Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect to the Parity Stock held by each of the said holders upon such distribution if all amounts payable on, or with respect to, said Parity Stock 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 8.00% Series E Preferred Stock shall not be entitled to any further participation in any distribution of the assets of the Corporation.

(c) 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 Section 4.

SECTION 5. Redemption. (a) General. The 8.00% Series E Preferred Stock are not redeemable prior to August 27, 2004.

(b) Redemption at the Option of the Corporation. (i) On and after August 27, 2004, the Corporation may, at its option, at any time, redeem the shares of 8.00% Series E Preferred Stock, in whole or in part, for cash at the Liquidation Preference, plus accrued and unpaid dividends thereon, if any, to and including the date of redemption without interest (the "Redemption Price").

(ii) Unless full cumulative dividends on all shares of 8.00% Series E Preferred Stock and Parity Stock shall 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 dividend periods and the then current dividend period, no shares of 8.00% Series E Preferred Stock or Parity Stock shall be redeemed unless all outstanding shares of 8.00% Series E Preferred Stock and Parity Stock are simultaneously redeemed; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of 8.00% Series E Preferred Stock or Parity Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of 8.00% Series E Preferred Stock or Parity Stock, as the case may be. Furthermore, unless full cumulative dividends on all outstanding shares of 8.00% Series E Preferred Stock and Parity 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 dividend periods and the then current dividend period, the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of 8.00% Series E Preferred Stock or Parity Stock (except by conversion into or exchange for shares of Junior Stock).

(iii) The Corporation may give the holders of shares of 8.00% Series E Preferred Stock written notice ("Redemption Notice") of a redemption pursuant to Section 5(b) (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). Each Redemption Notice shall state: (i) the redemption date; (ii) the number of shares of 8.00% Series E Preferred Stock to be redeemed from each such holder; (iii) the redemption price per share; (iv) the place or places where certificates for shares of 8.00% Series E Preferred Stock are to be surrendered for payment of the redemption price; and (v) that dividends on shares of 8.00% Series E 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 8.00% Series E Preferred Stock except as to the holder to whom notice was defective or not given. In case fewer than all of the outstanding shares of 8.00% Series E Preferred Stock are called for redemption, such shares shall be redeemed pro rata, as nearly as practicable, among all holders of shares of 8.00% Series E Preferred Stock. If the Redemption Notice for any shares of 8.00% Series E 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 8.00% Series E Preferred Stock so called for redemption, then from and after the Redemption Date, dividends will cease to accrue on such shares of 8.00% Series E Preferred Stock, such shares of 8.00% Series E 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.

(v) The holders of shares of 8.00% Series E Preferred Stock at the close of business on a Dividend Record Date will be entitled to receive the dividend payable with respect to such shares of 8.00% Series E Preferred Stock on the corresponding Distribution Payment Date notwithstanding the redemption thereof between such Dividend Record Date and the corresponding Dividend Payment Date or the Corporation's default in the payment of the dividend due. Except as provided above, the Corporation will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of 8.00% Series E Preferred Stock which have been called for redemption.

(vi) 8.00% Series E 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.

SECTION 6. Restrictions on Transfer or Redemption. The shares of 8.00% Series E Preferred Stock shall be subject to the restrictions on transfer set forth in Article NINTH of the Charter. Any transfer or attempted transfer in violation of the provisions of this Section 6 shall be null and void.

SECTION 7. Status of Redeemed Shares of 8.00% Series E Preferred Stock. Upon any redemption, repurchase or other acquisition by the Corporation of shares of 8.00% Series E Preferred Stock, the shares of 8.00% Series E Preferred Stock so redeemed, repurchased or acquired shall be retired and canceled.

SECTION 8. Voting. (a) Except as indicated in this Section 8, except as may be required by applicable law, or, at any time 8.00% Series E Preferred Stock are listed on a securities exchange, as may be required by the rules of such exchange, the holders of shares of 8.00% Series E Preferred Stock will have no voting rights.

(b) The approval of two-thirds of the outstanding 8.00% Series E Preferred Stock voting as a single class is required in order to (i) amend, alter or repeal any provision of this Certificate or the Charter, whether by merger, consolidation or otherwise (an "Event") so as to materially and adversely affect the rights, preferences, privileges or voting power of the holders of shares of 8.00% Series E Preferred Stock; provided, however, an Event will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the 8.00% Series E Preferred Stock, in each such case, where each share of 8.00% Series E Preferred Stock remains outstanding without a material change to its terms and rights or is converted into or exchanged for preferred stock of the surviving entity having preferences, rights, privileges, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption thereof identical to that of a share of 8.00% Series E 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 8.00% Series E Preferred Stock with respect to the payment of dividends 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 Stock and Junior Stock, increase the authorized number of shares of Parity Stock and Junior Stock and issue additional series of Parity Stock and Junior Stock without the consent of any holder of 8.00% Series E Preferred Stock or Voting Preferred Stock.

(c) Except as provided above and as required by law, or, at any time 8.00% Series E Preferred Stock are listed on a securities exchange, as may be required by the rules of such exchange, the holders of 8.00% Series E 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.

(d) In any matter in which the 8.00% Series E Preferred Stock are entitled to vote pursuant to this Section 8, each share of 8.00% Series E Preferred Stock shall be entitled to one vote.

SECTION 9. The shares of 8.00% Series E Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation, except that each share of 8.00% Series E Preferred Stock is convertible into Excess Stock as provided in Article NINTH of the Charter.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed by the undersigned this ____ day of October, 1999.

By: ______________________

Name:

Title: