

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K

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

For the fiscal year ended December 31, 1998

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

For the transition period from to

Commission File Number 1-12298

REGENCY REALTY CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA (State or other jurisdiction of incorporation or organization)	59-3191743 (I.R.S. Employer identification No.)
121 West Forsyth Street, Suite 200 Jacksonville, Florida 32202 (Address of principal executive offices) (zip code)	(904) 356-7000 (Registrant's telephone No.)

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

Common Stock, \$.01 par value
(Title of Class)

New York Stock Exchange
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the Registrant was approximately \$463,468,086 based on the closing price on the New York Stock Exchange for such stock on March 10, 1999. The approximate number of shares of Registrant's voting common stock outstanding was 57,831,620 as of March 10, 1999.

Documents Incorporated by Reference

Portions of the Registrant's Proxy Statement in connection with its 1999 Annual Meeting of Shareholders are incorporated by reference in Part III.

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PART I

Item 1. Business

Regency Realty Corporation ("Regency" or "Company") acquires, owns, develops and manages neighborhood shopping centers in targeted infill markets. As of December 31, 1998, Regency owned, directly or indirectly, 129 properties in the eastern half of the United States, containing approximately 14.7 million square feet of gross leasable area ("GLA").

As of December 31, 1998, Regency had an investment in real estate of approximately \$1.3 billion and approximately 58% of Regency's GLA was located in Georgia and Florida. Regency's shopping centers (excluding centers under development) were approximately 93% leased as of December 31, 1998.

On February 26, 1999, Regency's shareholders approved the merger of Pacific Retail Trust ("Pacific") into the Company in a stock for stock transaction (0.48 Regency share for 1 Pacific share). At December 31, 1998, Pacific owned 71 retail shopping centers that are operating or under construction containing 8.4 million SF of GLA. The total cost to acquire Pacific is expected to be \$1.157 billion based on the value of Regency shares issued, the assumption of \$379 million of outstanding debt and other liabilities, and estimated transaction costs. Pacific's shopping centers are located primarily in California and Texas.

The Company, a Florida corporation organized in 1993, commenced operations as a real estate investment trust (REIT) in 1993 with the completion of its initial public offering, and was the successor to the real estate business of The Regency Group, Inc. which had operated since 1963.

Regency formed Regency Centers, L.P. (RCLP), a limited partnership and a public registrant, in 1996, and consolidated substantially all of its retail shopping centers into RCLP during 1998. RCLP is now the primary entity through which Regency owns its properties and through which Regency intends to expand its ownership and operation of retail shopping centers. At December 31, 1998, Regency owned approximately 96% of the outstanding operating partnership units of RCLP. Regency, the general partner of RCLP, fully controls the operating and investing decisions and activities of RCLP, and accordingly, the following discussion of Regency's business also includes the business of RCLP.

Operating and Investment Philosophy

Regency's key operating and investment objective is to create long-term shareholder value by:

- o growing its high quality real estate portfolio of grocery-anchored neighborhood shopping centers in attractive infill markets,
- o maximizing the value of the portfolio through its "Retail Operating System," developed in conjunction with Security Capital Holdings, S.A. ("SC-USREALTY"), which incorporates research based investment strategies, value-added leasing and management systems, and customer-driven development programs, and
- o using conservative financial management and Regency's substantial capital base to access the most cost effective capital to fund Regency's growth.

Management believes that the key to achieving its objective is its single focus on, and growing critical mass of, quality grocery-anchored neighborhood shopping centers. In the opinion of management, Regency's premier platform of shopping centers in targeted markets, its proprietary research capabilities, its value enhancing Retail Operating System, its cohesive and experienced management team and its access to competitively priced capital enable it to maintain a competitive advantage over other operators.

Regency believes that ownership of the approximately 30,000 shopping centers throughout the United States is highly fragmented, with less than 10% owned by REITs, and that many centers are held by unsophisticated and undercapitalized owners. Regency has identified approximately 1,000 centers in its target markets as potential acquisition opportunities, of which less than 10% are owned by REITs. As a result, Regency believes that an opportunity exists for it to be a consolidating force in the industry. In addition, Regency believes that through proprietary demographic research and targeting, its portfolio and tenant mix can be customized for and marketed to national and regional retailers, thereby producing greater sales and a value-added shopping environment for both retailer and shopper.

Regency's shopping center properties feature some of the most attractive characteristics in the industry:

- o an average age of 8 years,
- o an average remaining grocery-anchor lease term of 14 years, and
- o an average grocery-anchor size of 49,000 square feet (43% of the square footage of the grocery-anchored centers on average).

Grocery-Anchored Infill Strategy

Regency focuses its investment strategy on grocery-anchored infill shopping centers. Infill locations are situated in densely populated residential communities where there are significant barriers to entry, such as zoning restrictions, growth management laws or limited availability of sites for development or expansions. Regency is focused on building a platform of grocery-anchored neighborhood shopping centers because grocery stores provide

convenience shopping for daily necessities, generate foot traffic for adjacent "side shop" tenants and should be better able to withstand adverse economic conditions. By developing close relationships with the leading supermarket chains, Regency believes it can attract the best "side shop" merchants and enhance revenue potential.

Research Driven Market Selection

Regency has identified 21 markets in the eastern half of the United States as target markets. These markets were selected because, in general, they offer greater growth in population, household income and employment than the national averages. In addition, Regency believes that it can achieve "critical mass" in these markets (defined as owning or managing 4 to 5 shopping centers) and that it can generate sustainable competitive advantages, through long-term leases to the predominant grocery-anchor and other barriers to entry from competition. Within these markets, Regency's research staff further defines and selects submarkets and trade areas based on additional analysis of the above data. Regency then identifies target properties and their owners (including development opportunities) within these submarkets and trade areas based on 3-mile radius demographic data and ranks potential properties for purchase. The properties currently owned by Regency are in submarkets with an average 3-mile population of 69,000, average household income of \$62,000 and projected 5-year population growth of 12%.

Retail Operating System

Regency's Retail Operating System drives its value-added operating strategy. Its Retail Operating System is characterized by:

- o proactive leasing and management;
- o value enhancing remerchandising initiatives;
- o Regency's "preferred customer initiative"; and
- o a customer-driven development and redevelopment program.

a) Proactive leasing and management

Regency's integrated approach to property management strengthens its leasing and management efforts. Property managers are an integral component of the acquisition and integration teams. Thorough, candid tenant interviews by property managers during acquisition due diligence allow Regency to quickly assess both problem areas as well as opportunities for revenue enhancement prior to closing. Property managers are responsible not only for the general operations of their centers, but also for coordinating leasing efforts, thereby aligning their interests with Regency's. In addition, Regency's information systems allow managers to spot future lease expirations and to proactively market and remerchandise spaces several years in advance of such expirations.

b) Value enhancing remerchandising initiatives

Regency believes that certain shopping centers under serve their customers, reducing foot traffic and negatively affecting the tenants located in the shopping center. In response, Regency is initiating a remerchandising program directed at obtaining the optimum mix of tenants offering goods, personal services and entertainment and dining options in each of its shopping centers. By re-tenanting shopping centers with tenants that more effectively service the community, Regency expects to increase sales, and therefore the value of its shopping centers.

c) Preferred customer initiative

Regency has established a preferred customer initiative with dedicated personnel whose goal is to establish new or strengthen existing strategic relationships with successful retailers at the national, regional and local levels. Regency achieves this goal by establishing corporate relationships, negotiating standard lease forms and working with the preferred customers to match expansion plans with future availability in Regency's shopping centers. Regency monitors retail trends and the operating performance of these preferred customers. Management expects the benefits of the preferred customer initiative to improve the merchandising and performance of the shopping centers, establish brand recognition among leading operators, reduce turnover of tenants and reduce vacancies. Regency currently has identified and is developing relationships with 45 preferred customers, including Radio Shack, GNC, Hallmark Cards, Mailboxes, Etc. and Starbucks Coffee, and continues to target additional tenants with which to establish preferred customer relationships.

d) Customer-driven development and redevelopment program

Regency conducts its development and redevelopment program in close cooperation with its major customers, including Kroger, Publix and Eckerd. Regency uses its development capabilities to service its customer's growth needs by building or re-developing modern properties with state of the art supermarket formats that generate higher returns for Regency under new long-term leases. In 1998, Regency began development on 21 retail projects, including new developments, redevelopments and build-to-suits and upon completion, Regency will have invested \$152 million in these projects. During 1997, Regency began development on 16 retail projects, including new developments, redevelopments and build-to-suits and upon completion, Regency will have invested \$87 million in these projects. Regency manages its development risk by obtaining signed anchor leases prior to beginning construction.

Acquisition Track Record

Regency has grown its asset base significantly through acquisitions over the last several years, acquiring properties totaling \$384.3 million in 1998, \$395.7 million in 1997 and \$107.1 million in 1996. Through these acquisitions, Regency

has diversified geographically from its predominantly Florida-based portfolio and established a presence in many of its target markets. Upon identifying an acquisition target, Regency utilizes expertise from all of its functional areas, including acquisitions, due diligence and property management, to determine the appropriate purchase price and to develop a business plan for the center and design an integration plan for the management of the center. Regency believes that its established acquisition and integration procedures produce higher returns on its portfolio, reduce risk and position Regency to capitalize on consolidation in the shopping center industry.

Capital Strategy

Regency intends to maintain a conservative capital structure designed to enhance access to capital on favorable terms, to allow growth through development and acquisition and to promote future earnings growth, however, neither Regency Realty Corporation's nor Regency Centers, L.P.'s organizational documents limit the amount of debt that may be incurred. Limitations have been established within the covenants of certain loan agreements related to the Partnership's line of credit and medium term notes.

As of December 31, 1998, Regency had secured and unsecured debt of \$309.2 million and \$238.9 million, respectively. Substantially all of Regency's debt is cross-defaulted, but not cross-collateralized. Pursuant to Regency's \$300 million unsecured line of credit (increased to \$635 million with the merger of Pacific Retail Trust), Regency is required to comply, and is complying with certain financial and other covenants customary with this type of unsecured financing. These financial covenants include (1) maintenance of minimum net worth, (2) ratio of total liabilities to gross asset value, (3) ratio of secured indebtedness to gross asset value, (4) ratio of EBITDA to interest expense, (5) ratio of EBITDA to debt service and reserve for replacements, and (6) ratio of unencumbered net operating income to interest expense on unsecured indebtedness. In addition, Regency may not enter into a negative pledge agreement with another lender and may not incur other floating rate debt in excess of 25% of gross asset value without interest rate protection. The line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

Since Regency's initial public offering in 1993, Regency has financed its growth in part through a series of public and private offerings of Regency equity and RCLP units totaling, as of December 31, 1998, approximately \$677 million, including the utilization by RCLP of its units as consideration for acquisitions. RCLP units (with the exception of Series A preferred units) issued and owned by limited partners are convertible into Regency common stock on a one for one basis, and receive quarterly distributions equal to the dividends paid on each Regency common share.

Risk Factors Relating to Ownership of Regency Common Stock

The Company is subject to certain business risks arising in connection with owning real estate which include, among others:

- o the bankruptcy or insolvency of, or a downturn in the business of, any of its major tenants could reduce cash flow,
- o the possibility that such tenants will not renew their leases as they expire or renew at lower rental rates could reduce cash flow,
- o vacated anchor space will affect the entire shopping center because of the loss of the departed anchor tenant's customer drawing power,
- o poor market conditions could create an over supply of space or a reduction in demand for real estate in markets where the Company owns shopping centers,
- o the Company's rapid growth could place strains on its resources,
- o risks relating to leverage, including uncertainty that the Company will be able to refinance its indebtedness, and the risk of higher interest rates,
- o unsuccessful development activities could reduce cash flow,
- o the Company's inability to satisfy its cash requirements for operations and the possibility that the Company may be required to borrow funds to meet distribution requirements in order to maintain its qualification as a REIT,
- o potential liability for unknown or future environmental matters and costs of compliance with the Americans with Disabilities Act,
- o the risk of uninsured losses, and
- o unfavorable economic conditions could also result in the inability of tenants in certain retail sectors to meet their lease obligations and otherwise could adversely affect the Company's ability to attract and retain desirable tenants.

Compliance with Governmental Regulations

Under various federal, state and local laws, ordinances and regulations, an owner or manager of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances on such property. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. The cost of required remediation and the owner's liability for remediation could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may

adversely affect the owner's ability to sell or rent the property or borrow using the property as collateral. Regency has approximately 31 properties that will require or are currently undergoing varying levels of environmental remediation. These remediations are not expected to have a material financial effect on the Company due to financial statement reserves and various state-regulated programs that shift the responsibility and cost for remediation to the state.

Competition

The Company believes the ownership of shopping centers is highly fragmented, with less than 10% owned by REITs. Regency faces competition from other REITs in the acquisition, ownership and leasing of shopping centers as well as from numerous small owners. Regency competes for the development of shopping centers with other REITs engaged in development activities as well as with local, regional and national real estate developers. Regency develops properties by applying its proprietary research methods to identify development and leasing opportunities and by pre-leasing an average of 85% of a center before beginning construction. Regency competes for the acquisition of properties through proprietary research that identifies opportunities in markets with high barriers to entry and higher-than-average population growth and household income. Regency seeks to maximize rents per square foot by establishing relationships with supermarket chains that are first or second in their markets and leasing non-anchor space in multiple centers to national or regional tenants. There can be no assurance, however, that other real estate owners or developers will not utilize similar research methods and target the same markets and anchor tenants that Regency targets or that such entities will successfully control these markets and tenants to the exclusion of Regency.

Changes in Policies

The Company's Board of Directors determines policies with respect to certain activities, including its debt capitalization, growth, distributions, REIT status, and investment and operating strategies. The Board of Directors has no present intention to amend or revise these policies. However, the Board of Directors may do so at any time without a vote of the Company's stockholders.

Employees

The Company's headquarters are located in Jacksonville, Florida. The Company presently maintains offices in which it conducts management and leasing activities located in Florida, Georgia, North Carolina, Ohio, and Missouri. As of December 31, 1998, the Company had approximately 240 employees and believes that relations with its employees are good.

Item 2. Properties

The Company's properties summarized by state including their gross leasable areas (GLA) follows:

Location -----	December 31, 1998 -----			December 31, 1997 -----		
	# Properties -----	GLA ---	% Leased -----	# Properties -----	GLA ---	% Leased -----
Florida	46	5,728,347	91.4%	45	5,267,894	91.5%
Georgia	27	2,737,590	93.1%	25	2,539,507	92.4%
Ohio	13	1,786,521	93.4%	2	629,920	89.1%
North Carolina	12	1,239,783	98.3%	6	554,332	99.0%
Alabama	5	516,060	99.0%	5	516,080	99.9%
Texas	5	479,900	84.7%	-	-	-
Colorado	5	447,569	89.4%	-	-	-
Tennessee	4	295,179	96.8%	3	208,386	98.5%
Virginia	2	197,324	97.7%	-	-	-
Mississippi	2	185,061	97.6%	2	185,061	96.9%
Michigan	2	177,929	81.5%	-	-	-
South Carolina	2	162,056	100.0%	1	79,743	84.3%
Delaware	1	232,752	94.8%	-	-	-
Kentucky	1	205,060	95.6%	-	-	-
Illinois	1	178,600	86.9%	-	-	-
Missouri	1	82,498	99.8%	-	-	-
Total	129	14,652,229	92.9%	89	9,980,923	92.8%

The following table summarizes the largest tenants occupying the Company's shopping centers based upon a percentage of total annualized base rent exceeding .5% at December 31, 1998:

Summary of Principal Tenants > .5% of Annualized Base Rent
(including Properties Under Development)

Tenant -----	SF --	% to Company Owned GLA -----	Rent ----	% of Annualized Base Rent -----	# of Stores -----
Kroger	2,180,363	14.9%	\$18,496,049	13.8%	36
Publix	1,439,762	9.8%	9,254,154	6.9%	33
Winn Dixie	748,329	5.1%	5,131,795	3.8%	16

Blockbuster	214,818	1.5%	3,163,928	2.4%	35
K-Mart	507,645	3.5%	2,615,359	2.0%	6
Harris Teeter	187,363	1.3%	2,261,650	1.7%	4
Walgreens	206,795	1.4%	2,070,754	1.5%	15
Wal-Mart	486,168	3.3%	1,993,728	1.5%	6
Eckerd	218,305	1.5%	1,670,155	1.2%	22
A & P	116,666	0.8%	866,593	0.6%	3
CVS Drugs	103,206	0.7%	818,721	0.6%	11
Albertsons	55,377	0.4%	630,772	0.5%	1
Delchamps	82,845	0.6%	613,122	0.5%	2

The Company's leases have lease terms generally ranging from three to five years for tenant space under 5,000 square feet. Leases greater than 10,000 square feet generally have lease terms in excess of five years, mostly comprised of anchor tenants. Many of the anchor leases contain provisions allowing the tenant the option of extending the term of the lease at expiration. The Company's leases provide for the monthly payment in advance of fixed minimum rentals, additional rents calculated as a percentage of the tenant's sales, the tenant's pro rata share of real estate taxes, insurance, and common area maintenance expenses, and reimbursement for utility costs if not directly metered. The following table sets forth a schedule of lease expirations for the next ten years, assuming that no tenants exercise renewal options:

Lease Expiration Year	Expiring GLA	Percent of Total Company GLA	Future Minimum Rent Expiring Leases	Percent of Total Minimum Rent (2)
----	---	---	-----	-----
(1)	88,448	0.7%	\$941,247	0.8%
1999	933,156	7.5%	\$10,973,054	9.0%
2000	892,964	7.2%	\$10,484,173	8.6%
2001	1,163,072	9.3%	\$13,710,368	11.3%
2002	1,212,519	9.7%	\$13,155,318	10.8%
2003	992,177	8.0%	\$10,360,431	8.5%
2004	492,469	4.0%	\$4,018,968	3.3%
2005	254,877	2.0%	\$2,644,771	2.2%
2006	598,066	4.8%	\$4,993,560	4.1%
2007	435,154	3.5%	\$3,853,728	3.2%
2008	759,825	5.9%	\$5,311,987	4.3%
10 Yr Total	7,822,727	60.7%	80,447,605	65.5%

(1) leased currently under month to month rent or in process of renewal

(2) total minimum rent includes current minimum rent and future contractual rent steps for all properties, but excludes additional rent such as percentage rent, common area maintenance, real estate taxes and insurance reimbursements.

See the property table below and also see Item 7, Management's Discussion and Analysis for further information about the Company's properties.

Property Name	Year Acquired	Year Con- structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor
FLORIDA					
Jacksonville / North Florida					
Anastasia	1993	1988	102,342	95.1%	Publix
Bolton Plaza	1994	1988	172,938	100.0%	--
Carriage Gate	1994	1978	76,833	100.0%	--
Courtyard (3)	1993	1987	67,794	45.8%	Albertsons (4)
Ensley Square (5)	1997	1977	62,361	100.0%	Delchamps
Fleming Island	1998	1994	80,205	98.9%	Publix
Highlands Square (6)	1998	1999	226,682	87.1%	Publix/Winn-Dixie
Millhopper (3)	1993	1974	84,064	97.0%	Publix
Newberry Square	1994	1986	180,524	98.0%	Publix
Old St. Augustine Plaza	1996	1990	170,220	98.2%	Publix
Palm Harbour	1996	1991	171,891	94.6%	Publix
Pine Tree Plaza (6)	1997	1999	60,752	94.1%	Publix
Regency Court	1997	1992	218,665	78.3%	--
South Monroe	1996	1998	80,187	97.0%	Winn-Dixie
Tampa / Orlando					
Beneva	1998	1987	141,532	97.1%	Publix
Bloomington Square	1998	1987	267,935	99.0%	Publix
Mainstreet Square	1997	1988	107,159	90.5%	Winn-Dixie
Mariner's Village	1997	1986	117,665	94.4%	Winn-Dixie
Market Place - St. Petersburg	1995	1983	90,296	100.0%	Publix
Peachland Promenade	1995	1991	82,082	96.5%	Publix
Regency Square at Brandon (3)	1993	1986	341,446	87.3%	--
Seven Springs	1994	1986	162,580	93.1%	Winn-Dixie
Terrace Walk (3)	1993	1990	50,926	40.4%	--
Town Square	1997	1986	42,969	40.2%	--
University Collections	1996	1984	106,627	96.8%	Kash N Karry (4)
Village Center-Tampa	1995	1993	181,110	95.5%	Publix
West Palm Beach / Treasure Coast					
Boynton Lakes Plaza	1997	1993	130,724	91.0%	Winn-Dixie
Chasewood Plaza (3)	1993	1986	141,034	87.5%	Publix
Chasewood Storage (3)	1993	1986	42,810	99.9%	--
East Port Plaza	1997	1991	235,842	94.9%	Publix
Martin Downs Village Center (3)	1993	1985	121,956	90.9%	--
Martin Downs Village Shop (3) (6)	1993	1998	49,773	94.0%	--
Ocean Breeze (3)	1993	1985	111,551	83.9%	Publix
Ocean East (5)	1996	1997	112,894	60.5%	Stuart Foods
Tequesta Shoppes	1996	1986	109,766	92.9%	Publix
Town Center at Martin Downs	1996	1996	64,546	93.5%	Publix
Wellington Market Place	1995	1990	178,155	94.1%	Winn-Dixie
Wellington Town Square	1996	1982	105,150	98.2%	Publix
Miami / Ft. Lauderdale					
Aventura (3)	1994	1974	102,876	96.4%	Publix
Berkshire Commons	1994	1992	106,534	99.8%	Publix
Garden Square	1997	1991	90,258	97.1%	Publix
North Miami (3)	1993	1988	42,500	100.0%	Publix
Palm Trails Plaza	1997	1998	76,067	95.9%	Winn-Dixie
Shoppes @ 104	1998	1990	108,189	95.4%	Winn Dixie
Tamiami Trail	1997	1987	110,867	100.0%	Publix
University Market Place	1993	1990	129,121	73.3%	Albertsons (4)
Welleby	1996	1982	109,949	93.5%	Publix

Subtotal/Weighted Average (Florida)			5,728,347	91.4%	

GEORGIA

Atlanta						
Ashford Place	1997	1993	53,345	100.0%	--	
Braelin Village (5)	1997	1991	226,522	98.8%	Kroger	
Briarcliff LaVista						
Briarcliff Village (6)	1997	1962	39,201	100.0%	--	
Buckhead Court	1997	1990	192,660	89.0%	Publix	
	1997	1984	55,227	93.9%	--	
Cambridge Square						
Cromwell Square	1996	1979	68,725	77.8%	--	
	1997	1990	81,826	81.7%	--	
Cumming 400						
Delk Spectrum (3) (5)	1997	1994	126,899	94.8%	Publix	
Dunwoody Hall	1998	1991	100,880	100.0%	A&P	
Dunwoody Village (5)	1997	1986	82,525	97.6%	A&P	
Loehmann's Plaza	1997	1975	114,657	94.1%	Ingles	
Lovejoy Station	1997	1986	137,635	90.8%	--	
Memorial Bend	1997	1995	77,336	98.3%	Publix	
Orchard Square	1997	1995	182,778	93.9%	Publix	
Paces Ferry Plaza	1995	1987	85,940	94.6%	A&P	
	1997	1987	61,693	91.4%	--	
Powers Ferry Square						
Powers Ferry Village	1997	1987	97,809	96.1%	Harry's	
Rivermont Station	1997	1994	78,995	100.0%	Publix	
Roswell Village (6)	1997	1996	90,267	100.0%	Harris Teeter	
Russell Ridge	1997	1997	143,980	97.2%	Publix	
Sandy Plains Village	1994	1995	98,556	96.6%	Kroger	
Sandy Springs Village	1996	1992	175,034	94.4%	Kroger	
Trowbridge Crossing (5)	1997	1997	48,245	11.2%	--	
	1997	1997	62,558	86.8%	Publix	
Other Markets						
Evans Crossing	1998	1993	83,680	100.0%	Kroger	
LaGrangeMarketplace(3)	1993	1989	76,327	95.5%	Winn-Dixie	
Parkway Station (5)	1996	1983	94,290	94.5%	Kroger	

 Subtotal/Weighted Average(Georgia) 2,737,590 93.1%

OHIO

Cincinnati						
Beckett Commons	1998	1995	80,434	100.0%	Kroger	
Cherry Grove	1998	1997	186,040	93.5%	Kroger	
Hamilton Meadows						
Hyde Park Plaza (5)	1998	1989	126,251	97.8%	Kroger(4)	
	1997	1995	374,743	97.4%	Kroger/Winn-Dixie	
Shoppes at Mason						
Silverlake	1998	1997	80,880	95.1%	Kroger	
Westchester Plaza	1998	1988	100,245	91.0%	Kroger	
	1998	1988	88,181	100.0%	Kroger	
Columbus						
East Pointe	1998	1993	86,520	100.0%	Kroger	
Kingsdale (3) (6)	1997	1999	259,011	73.0%	Big Bear	
North Gate/(Maxtown)						
Park Place	1998	1996	85,100	95.9%	Kroger	
Windmill Plaza	1998	1988	106,832	96.2%	Big Bear	
Worthington	1998	1997	119,192	97.1%	Kroger	
	1998	1991	93,092	100.0%	Kroger	

 Subtotal/Weighted Average(Ohio) 1,786,521 93.4%

NORTH CAROLINA

Asheville					
Oakley Plaza	1997	1988	118,727	98.7%	Bi-Lo
Charlotte					
Carmel Commons	1997	1979	132,648	95.3%	Fresh Market
City View	1996	1993	77,550	100.0%	Winn-Dixie
Union Square	1996	1989	97,191	100.0%	Harris Teeter
Raleigh / Durham					
Bent Tree Plaza	1998	1994	79,503	100.0%	Kroger
Garner Town Square	1998	1998	221,450	100.0%	Kroger
Glenwood Village					
Lake Pine Plaza	1998	1997	87,690	97.6%	Kroger
Maynard Crossing	1998	1997	122,813	100.0%	Kroger
Southpoint Crossing (7)	1998	1998	101,404	89.4%	Kroger
Woodcroft	1996	1984	85,353	100.0%	Food Lion
Winston-Salem					
Kernersville Marketplace	1998	1997	72,590	100.0%	Kroger
Subtotal/Weighted					
Average(North Carolina)			1,239,783	98.3%	

ALABAMA

Birmingham					
Villages of Trussville (3)	1993	1987	69,280	97.7%	Bruno's
West County Marketplace (3)	1993	1987	129,155	100.0%	Food World (4)
Montgomery					
Country Club (3)	1993	1991	67,622	96.3%	Winn-Dixie
Other Markets					
Bonner's Point (3)	1993	1985	87,280	98.6%	Winn-Dixie
Marketplace - Alexander City (3)	1993	1987	162,723	100.0%	Winn-Dixie
Subtotal/Weighted					
Average(Alabama)			516,060	99.0%	

COLORADO

Colorado Springs					
Cheyenne Meadows (5)	1998	1998	89,085	97.6%	King Soopers
Jackson Creek (6) (7)	1998	1999	85,259	89.4%	Kroger
Woodman Plaza (6) (7)	1998	1998	103,313	70.4%	King Soopers
Denver					
Lloyd King Center (5)	1998	1998	83,286	98.4%	King Soopers
Stroh Ranch (6) (7)	1998	1998	86,626	95.2%	King Soopers
Subtotal/Weighted					
Average(Colorado)			447,569	89.4%	

TEXAS

Dallas					
Bethany Lake (5) (6)	1998	1998	91,674	68.3%	Kroger
Creekside (5)	1998	1998	96,816	94.2%	Kroger
Preston Brook - Frisco (5) (6)	1998	1998	91,373	77.8%	Kroger
Shiloh Springs (7)	1998	1998	81,865	94.0%	Kroger
Village Center - Southlake (5)	1998	1998	118,172	88.6%	Kroger

Subtotal/Weighted					
Average (Texas)			479,900	84.7%	

TENNESSEE

Nashville					
Harpeth Village (5)	1997	1998	70,091	100.0%	Albertsons
Marketplace - Murphreesboro (5)	1997	1997	23,500	100.0%	--
Nashboro Village (7)	1998	1998	86,793	89.1%	Kroger
Peartree Village	1997	1997	114,795	100.0%	Harris Teeter

Subtotal/Weighted					
Average (Tennessee)			295,179	96.8%	

VIRGINIA

Brookville Plaza	1998	1991	63,664	97.6%	Kroger
Statler Square	1998	1996	133,660	97.7%	Kroger

Subtotal/Weighted					
Average (Virginia)			197,324	97.7%	

MISSISSIPPI

Columbia Marketplace (3)	1993	1988	136,002	98.7%	Winn-Dixie
Lucedale Marketplace (3)	1993	1989	49,059	94.7%	Delchamps

Subtotal/Weighted					
Average (Mississippi)			185,061	97.6%	

MICHIGAN

Lakeshore	1998	1996	85,478	99.0%	Kroger
Waterford	1998	1998	92,451	65.3%	Kroger

Subtotal/Weighted					
Average (Michigan)			177,929	81.5%	

SOUTH CAROLINA

Merchants Village	1997	1997	79,723	100.0%	Publix
Queensborough (5)	1998	1993	82,333	100.0%	Publix

Subtotal/Weighted					
Average (South Carolina)			162,056	100.0%	

State	Year 1	Year 2	Value	Percentage	Tenant
DELAWARE					
Pike Creek	1998	1981	232,752	94.8%	Acme
KENTUCKY					
Franklin Square	1998	1988	205,060	95.6%	Kroger
ILLINOIS					
Hinsdale Lake Commons	1998	1986	178,600	86.9%	Dominick's
MISSOURI					
St. Ann Square	1998	1986	82,498	99.8%	National
Total Weighted Average			14,652,229	92.9%	

Property Name	Drug Store & Other Anchors	Other Tenants
FLORIDA		
Jacksonville / North Florida		
Anastasia	--	Hallmark, Schmagel's Bagels, Mailboxes
Bolton Plaza	Wal-Mart	Radio Shack, Payless Shoes, Mailboxes
Carriage Gate	TJ Maxx	Brueggers Bagels, Bedfellows, Alterations
Courtyard (3)	--	Olan Mills, Heavenly Ham, Beauty Warehouse
Ensley Square (5)	--	Radio Shack, Hallmark, Amsouth Bank
Fleming Island	--	Mail Boxes, Etc., Radio Shack, GNC
Highlands Square (6)	Eckerd, Consolidated Stores	Hair Cuttery, Rent Way, Precision Printing
Millhopper (3)	Eckerd	Book Gallery, Postal Svc., Chesapeake Bagel
Newberry Square	Kmart	H & R Block, Cato Fashions, Olan Mills
Old St. Augustine Plaza	Eckerd, Waccamaw	Mail Boxes, Etc., Hallmark, Hair Cuttery
Palm Harbour	Eckerd, Bealls	Mail Boxes, Etc., Hallmark, Meale Norman
Pine Tree Plaza (6)	--	Great Clips, CiCi's Pizza, Soupersalad
Regency Court	CompUSA, Office Depot	H & R Block, Mail Boxes Etc.
South Monroe	Sports Authority	Loop Restaurant
	Eckerd	Rent-A-Center, H & R Block
Tampa / Orlando		
Beneva	Walgreen's	Stride Rite, GNC, Subway
Bloomington Square	Eckerd, Wal-Mart, Beall's	Radio Shack, H&R Block, Hallmark
Mainstreet Square	Walgreen's	Rent-A-Center, Discount Auto Parts, Norwest
Mariner's Village	Walgreen's	Supercuts. Pak Mail, Allstate Insurance
Market Place - St. Petersburg	Eckerd	Mail Boxes, Etc., Republic, Weight Watchers
Peachland Promenade	Ace Hardware	State Farm, Subway, GNC
Regency Square	TJ Maxx, AMC,	Pak Mail, Lens Crafter
at Brandon (3)	Staples, Marshalls	Famous Footware
Seven Springs	Kmart	State Farm, Subway, H & R Block
Terrace Walk (3)	--	Olan Mills, Norwest, Cellular Mart
Town Square	--	Baskin Robbins, Coldwell Banker, Hallmark
University Collections	Eckerd	Hallmark, Pak Mail, Dockside Imports
Village Center-Tampa	Walgreen's, Stein Mart	Hallmark, Pak Mail, Mens Warehouse
West Palm Beach / Treasure Coast		
Boynton Lakes Plaza	Walgreen's	Radio Shack, Baskin Robbins, Dunkin Donuts
Chasewood Plaza (3)	Walgreen's	Hallmark, GNC, Supercuts
Chasewood Storage (3)	--	
East Port Plaza	Walgreen's, Kmart, Sears	H & R Block, Pak Mail, Subway
Martin Downs Village Center(3)	Coastal Care	Burger King, Hallmark, Barnett Bank
Martin Downs	Walgreen's	Mailbox Plus, Allstate, Optical Outlet
Village Shop (3) (6)		
Ocean Breeze (3)	Walgreen's, Coastal Care	Mail Boxes, Barnett Bank, World Travel
Ocean East (5)	Coastal Care	Mail Boxes, Nations Bank, Ocean Cleaners
Tequesta Shoppes	Walgreen's	Mail Boxes, Etc., Hallmark, Radio Shack
Town Center at Martin Downs	--	Mail Boxes, Health Exchange, Champs Hair
Wellington Market Place	Walgreen's, United Artists	Pak Mail, Subway, Papa John's
Wellington Town Square	Eckerd	Mail Boxes, Hallmark, Coldwell Banker
Miami / Ft. Lauderdale		
Aventura (3)	Eckerd, Humana	Pak Mail, Bank United, City of Aventura
Berkshire Commons	Walgreen's	H & R Block, Century 21, Postal Station
Garden Square	Eckerd	Subway, GNC, Hair Cuttery
North Miami (3)	Eckerd	
Palm Trails Plaza	--	Mail Boxes, Sal's Pizza, Personnel One
Shoppes @ 104	Rite Aid	Mail Boxes Etc., GNC, Pet Superstore
Tamiami Trail	Eckerd	Mail Boxes, Etc., Radio Shack, Pizza Hut
University Market Place	--	H & R Block, Mail Boxes Etc., Olan Mills
Welleby	Walgreen's	H & R Block, Mail Boxes Plus, Pizza Hut

Subtotal/Weighted Average(Florida)

GEORGIA

Atlanta

Ashford Place	Pier 1 Imports	Baskin Robbin, Mail Boxes Merle Norman
Braelin Village (5)	Kmart	Baskin Robbins, Mail Boxes Etc., Manhattan Bagel
Briarcliff LaVista	Drug Emporium	Supercuts, Trust Company Bank
Briarcliff Village (6)	Eckerd, TJ Maxx, Office Depot	Subway, Hair Cuttery, Famous Footware
Buckhead Court	--	Hallmark, Bellsouth Mobility Outback Steakhouse
Cambridge Square	--	Papa John's, AAA Mail & Pkg., Wachovia
Cromwell Square	CVS Drug	First Union, Bellsouth Mobility
Cumming 400	Haverty's Furniture	Hancock Fabrics
Delk Spectrum (3) (5)	Big Lots	Pizza Hut, Hair Cuttery, Autozone
Dunwoody Hall	--	Mail Boxes, Etc., GNC, Wolf Camera
Dunwoody Village (5)	Eckerd	Texaco, Blimpie, Nations Bank
Loehmann's Plaza	--	Federal Express, Jiffy Lube, Hallmark
Lovejoy Station	Eckerd, Loehmann's	Mail Boxes, Etc., GNC, H & R Block
Memorial Bend	--	State Farm, Pizza Hut, Supercuts
Orchard Square	TJ Maxx	Pizza Hut, GNC, H & R Block
Paces Ferry Plaza	CVS Drug	Mail Boxes Unlimited, State Farm, Remax
Powers Ferry Square	--	Chapter 11 Bookstore, Banksouth Sherwin Williams
Powers Ferry Village	Drugs for Less	Domino's Pizza, Dunkin Donuts, Supercuts
Rivermont Station	CVS Drug	Mail Boxes, Etc., Southtrust Bank, Blimpies
Roswell Village (6)	CVS Drug	Pak Mail, GNC, Wolf Camera
Russell Ridge	Eckerd, Ace Hardware	Hallmark, Pizza Hut, Scholtzky's
Sandy Plains Village	--	Pizza Hut, Pak Mail, Hallmark
Sandy Springs Village	Ace Hardware	H & R Block, Mail Boxes Etc., Subway
Trowbridge Crossing (5)	--	Air Touch Domino's, Postal Services, Hair Cuttery
Other Markets	--	
Evans Crossing	--	Subway, Hair Cuttery, Dollar Tree
LaGrangeMarketplace(3)	Eckerd	Lee's Nails, It's Fashions, One Price Clothing
Parkway Station (5)	--	H & R Block, Pizza Hut, Olan Mills

Subtotal/Weighted
Average(Georgia)

OHIO

Cincinnati		
Beckett Commons	--	Mail Boxes, Etc., Subway, Taco Bell
Cherry Grove	CVS Drug, TJ Maxx	GNC, Hallmark, Sally Beauty Supply
Hamilton Meadows	Hancock Fabrics	
Hyde Park Plaza (5)	Kmart	Radio Shack, H&R Block, GNC
Shoppes at Mason	Walgreen's, Micheals	Radio Shack, H&R Block, Hallmark
Silverlake	Barnes & Noble, Old Navy	
Westchester Plaza	--	Pizza Hut, GNC, Great Clips
Columbus	--	Radio Shack, H&R Block, Great Clips
East Pointe	--	Pizza Hut, Subway, GNC
Kingsdale (3) (6)	Stein Mart, Limited	Mail Boxes, Etc., Hallmark, Liberty Mutual
North Gate/(Maxtown)	S&K Menswear	Hallmark, Sherwin Williams
Park Place	--	Famous Footware
Windmilller Plaza	--	Domino's Pizza, GNC, Great Clips
Worthington	Sears Hardware	Mail Boxes, Etc., Domino's, Subway
	CVS Drug	Radio Shack, Sears Optical, Great Clips
		Little Caesar's, Hallmark, Radio Shack

Subtotal/Weighted
Average(Ohio)

NORTH CAROLINA

Asheville Oakley Plaza	CVS Drug, Western Auto Baby Superstore	Little Caesar's, Subway Life Uniform
Charlotte Carmel Commons City View Union Square	Eckerd, Piece Goods VS Drug, Public Library CVS Drug Consolidated Theatres	Little Caesar's, Radio Shack, Blimpies Little Caesar's, Bellsouth, Willie's Mail Boxes, Etc., Subway, TCBY
Raleigh / Durham Bent Tree Plaza Garner Town Square	United Artists, Office Max Petsmart	Pizza Hut, Manhattan Bagel, Parcel Plus Sears Optical, Friedman's Jewelers H & R Block
Glenwood Village Lake Pine Plaza Maynard Crossing Southpoint Crossing (7) Woodcroft	-- -- -- -- Eckerd, True Value	Domino's Pizza, Threadbenders II H & R Block, GNC, Great Clips Mail Boxes, Etc., GNC, Hallmark Wolf Camera, GNC, Manhattan Bagel Domino's Pizza, Subway, Allstate
Winston-Salem Kernersville Marketplace	--	Mail Boxes, Little Caesar's, Great Clips
Subtotal/Weighted Average(North Carolina)		

ALABAMA

Birmingham Villages of Trussville (3) West County Marketplace (3)	CVS Drug Harco, Wal-Mart	Head Start, Cellular One, Mattress Max Domino's Pizza, GNC, Cato Plus
Montgomery Country Club (3)	Rite Aid	Radio Shack, Subway, Beltone
Other Markets Bonner's Point (3) Marketplace - Alexander City (3)	Wal-Mart Wal-Mart	Subway, Domino's Pizza, It's Fashion Domino's Pizza, Subway, Hallmark
Subtotal/Weighted Average(Alabama)		

COLORADO

Colorado Springs Cheyenne Meadows (5) Jackson Creek (6) (7) Woodman Plaza (6) (7)	-- -- --	Hallmark, Nail Center, Cost Cutters Cost Cutters, Polo Cleaners Cost Cutters
Denver Lloyd King Center (5) Stroh Ranch (6) (7)	-- --	GNC, Cost Cutters, Hollywood Video Cost Cutters, Post Net, Dry Clean Station
Subtotal/Weighted Average(Colorado)		

TEXAS

Dallas		
Bethany Lake (5) (6)	--	Boss Cleaners, Mr. Parcel, Fantastic Sams
Creskide (5)	--	Hollywood Video, CICI's, Fantastic Sams
Preston Brook - Frisco (5) (6)	--	Coldwell Banker
Shiloh Springs (7)	--	GNC, Great Clips, Cardsmart
Village Center - Southlake (5)	--	Radio Shack, Papa Johns, Smoothie King

Subtotal/Weighted
Average(Texas)

TENNESSEE

Nashville		
Harpeth Village (5)	--	Mail Boxes, Etc., Heritage Cleaners, Cat's
Marketplace - Murphreesburo (5)	Office Max	Shoe Carnival
Nashboro Village (7)	--	Hallmark, Fantastic Sams, Cellular
Peartree Village	Eckerd, Office Max	Hollywood Video, AAA Auto, Royal Thai

Subtotal/Weighted
Average(Tennessee)

VIRGINIA

Brookville Plaza	--	H&R Block, House of Frames, Jenny Craig
Statler Square	CVS Drugs, Staples	Hallmark, H & R Block, Hair Cuttery

Subtotal/Weighted
Average(Virginia)

MISSISSIPPI

Columbia Marketplace(3)	Wal-Mart	GNC, Radio Shack, Cato
Lucedale Marketplace(3)	Wal-Mart(4)	Subway, First Family Financial, Byrd's Cleaners

Subtotal/Weighted
Average(Mississippi)

MICHIGAN

Lakeshore	Rite Aid	Hallmark, Subway, Baskin Robins
Waterford	--	

Subtotal/Weighted
Average(Michigan)

SOUTH CAROLINA

Merchants Village	--	Mail Boxes, Hollywood Video, Hallmark
Queensborough (5)	--	Mail Boxes, Etc., Supercuts, Pizza Hut

Subtotal/Weighted
Average(South Carolina)

DELAWARE		
Pike Creek	Eckerd, K-mart	Radio Shack, H & R Block, TCBY
KENTUCKY		
Franklin Square	Rite Aid, JC Penney	Mail Boxes, Baskin Robbins, Kay Jewelers
ILLINOIS		
Hinsdale Lake Commons	Ace Hardware	Hallmark, McDonalds, Fannie Mae
MISSOURI		
St. Ann Square	Vic Tanny	Great Clips, US Navy, US Marines
Total Weighted Average		

-
- (1) Or latest renovation
 - (2) Includes development properties. If development properties are excluded, the total percentage leased would be 94.6% for Partnership shopping centers and 94.0% for Company shopping centers.
 - (3) Company-owned property not owned by the Partnership.
 - (4) Tenant owns its own building.
 - (5) Owned by a partnership with outside investors in which the Partnership (or the Company in the case of a property referred to in note (3) above) or an affiliate is the general partner.
 - (6) Property under development or redevelopment.
 - (7) Owned by a joint venture in which the Partnership owns less than a 100% interest.

Item 3. Legal Proceedings

The Company is, from time to time, a party to legal proceedings which arise in the ordinary course of its business. The Company is not currently involved in any litigation nor, to management's knowledge, is any litigation threatened against the Company, the outcome of which would, in management's judgement based on information currently available, have a material adverse effect on the financial position or results of operations of the Company.

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

No matters were submitted for shareholder vote during the fourth quarter of 1998.

PART II

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

The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "REG". The Company currently has approximately 3,500 shareholders. The following table sets forth the high and low prices and the cash dividends declared on the Company's common stock by quarter for 1998 and 1997. All amounts are in thousands except per share data.

	1998			1997		
	High Price	Low Price	Cash Dividends Declared	High Price	Low Price	Cash Dividends Declared
March 31	\$ 27.812	24.750	.44	28.000	25.000	.42
June 30	26.687	24.062	.44	28.125	24.875	.42
September 30	26.500	20.500	.44	28.250	24.875	.42
December 31	23.437	20.250	.44	28.000	24.250	.42

The following describes the registrant's sales of unregistered securities during the periods covered by this report, each sold in reliance on Rule 506 of the Securities Act.

During 1998, the Company acquired 32 shopping centers from various entities comprising the Midland Group ("Midland"). The Company's investment in the properties acquired from Midland is \$236.6 million at December 31, 1998. As part of the acquisition of Midland, the Company issued 425,982 Operating Partnership Units ("Units") of Regency Centers, L.P. to the Midland principals. Units are exchangeable into Regency common stock on a one for one basis. In addition, during 1999 and 2000, the Company may pay contingent consideration of up to an estimated \$23 million, through the issuance of Units and the payment of

cash. The amount of such consideration, if issued, will depend on the satisfaction of certain performance criteria relating to the assets acquired from Midland. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than Units. The acquisition of Midland is discussed further in note 2, Acquisitions of Shopping Centers, of the notes to the 1998 consolidated financial statements.

On June 29, 1998, the Company through RCLP issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to Belair Capital Fund LLC in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for \$50.00 per unit. The Series A Preferred Units, which may be called by the Company at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company.

In November 1998, the Company acquired Park Place shopping center in exchange for 79,466 Units of Regency Centers, L.P. valued at \$26 per Unit plus the assumption of debt secured by Park Place.

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions") for approximately \$395.7 million. Included in the 1997 Acquisitions are 26 shopping centers acquired from Branch Properties ("Branch") for \$232.4 million. During 1998, the Company issued 721,997 additional Units and shares of common stock valued at \$18.2 million to Branch as contingent consideration for the satisfaction of certain performance criteria of the properties acquired. The Company expects to issue the remaining contingent consideration, 298,064 Units, during 1999. In connection with the Units and shares of common stock issued to Branch in March 1998, SC-USREALTY acquired 435,777 shares at \$22.125 per share in accordance with their rights to purchase common stock. The acquisition of Branch is discussed further in note 2, Acquisitions of Shopping Centers, of the notes to the 1998 consolidated financial statements.

The Company intends to pay regular quarterly distributions to its common shareholders. Future distributions will be declared and paid at the discretion of the Board of Directors, and will depend upon cash generated by operating activities, the Company's financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and such other factors as the Board of Directors deems relevant. The Company anticipates that for the foreseeable future cash available for distribution will be greater than earnings and profits due to non-cash expenses, primarily depreciation and amortization, to be incurred by the Company. Distributions by the Company to the extent of its current and accumulated earnings and profits for federal income tax purposes will be taxable to shareholders as ordinary dividend income. Distributions in excess of earnings and profits generally will be treated as a non-taxable return of capital. Such distributions have the effect of deferring taxation until the sale of a shareholder's common stock. In order to maintain its qualification as a REIT, the Company must make annual distributions to shareholders of at least 95% of its taxable income. Under certain circumstances, which management does not expect to occur, the Company could be required to make distributions in excess of cash available for distributions in order to meet such requirements. The Company currently maintains the Regency Realty Corporation Dividend Reinvestment and Stock Purchase Plan which enables its shareholders to automatically reinvest distributions as well as make voluntary cash payments towards the purchase of additional shares.

The Company declares quarterly cash dividends on the 2.5 million Class B common shares outstanding. At December 31, 1998 the Class B common was owned by a single shareholder. During 1998 a distribution of \$.5378 per share was paid quarterly. The 2.5 million Class B common shares are convertible into 2,975,468 common shares, subject to certain ownership limitations.

Under the loan agreement with the lenders of the Company's line of credit, distributions may not exceed 95% of Funds from Operations ("FFO") based on the immediately preceding four quarters. FFO is defined in accordance with the NAREIT definition as described under Item 7., Management's Discussion and Analysis. Also in the event of any monetary default, the Company will not make distributions to shareholders.

Item 6. Selected Consolidated Financial Data
(in thousands, except per share data and number of properties)

The following table sets forth Selected Financial Data on a historical basis for the five years ended December 31, 1998, for the Company. This information should be read in conjunction with the financial statements of the Company (including the related notes thereto) and Management's Discussion and Analysis of the Financial Condition and Results of Operations, each included elsewhere in this Form 10-K. This historical Selected Financial Data has been derived from the audited financial statements.

	1998	1997	1996	1995	1994
	----	----	----	----	----
Operating Data:					
Revenues:					
Rental revenues	\$ 130,487	88,855	43,433	31,555	25,673
Management, leasing and brokerage fees	11,863	8,448	3,444	2,426	2,332
Equity in income of investments in real estate partnerships	946	33	70	4	17
Total revenues	143,296	97,336	46,948	33,985	28,022
Operating expenses:					
Operating, maintenance and real estate taxes	30,844	22,904	12,065	8,683	7,140
General and administrative	15,064	9,964	6,048	4,894	4,531
Depreciation and amortization	25,046	16,303	8,059	5,854	5,266
Total operating expenses	70,954	49,171	26,172	19,431	16,937
Interest expense, net of income	26,829	18,667	10,811	8,969	5,701
Income before minority interests and sale of real estate investments	45,513	29,498	9,965	5,585	5,384
Gain on sale of real estate investments	10,726	451	-	-	-
Income before minority interests	56,239	29,948	9,965	5,585	5,384
Minority interest of exchangeable operating partnership units	(1,826)	(2,042)	-	-	-
Minority interest of limited partners	(464)	(505)	-	-	-
Minority interest preferred unit distribution	(3,359)	-	-	-	-
Net income	50,590	27,402	9,965	5,585	5,384
Preferred stock dividends	-	-	58	591	283
Net income for common stockholders	\$ 50,590	\$27,402	9,907	4,994	5,101
Earnings per share:					
Basic	\$ 1.80	1.28	0.82	0.75	0.80
Diluted	\$ 1.75	1.23	0.82	0.75	0.80
Other Data:					
Common stock outstanding including Class B common if converted	28,464	26,967	13,590	9,704	6,455
Exchangeable operating partnership units outstanding	1,361	574	29	-	-
Company owned gross leasable area	14,652	9,981	5,512	3,981	3,182
Number of properties (at end of period)	129	89	50	36	30
Ratio of earnings to fixed charges	2.1	2.3	1.8	1.5	1.7
Balance Sheet Data:					
Real estate investments at cost	\$ 1,250,332	\$834,402	393,403	279,046	217,539
Total assets	1,240,107	826,849	386,524	271,005	214,082
Total debt	548,126	278,050	171,607	115,617	107,998
Stockholders' equity	550,741	513,627	206,726	147,007	101,760

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

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Realty Corporation ("Regency" or "Company") appearing elsewhere within.

Organization

The Company is a qualified real estate investment trust ("REIT") which began operations in 1993. The Company invests in real estate primarily through its general partnership interest in Regency Centers, L.P., ("RCLP" or "Partnership") an operating partnership in which the Company currently owns approximately 96% of the outstanding common partnership units ("Units"). Of the 129 properties included in the Company's portfolio at December 31, 1998, 109 properties were owned either fee simple or through partnerships interests by RCLP. At December 31, 1998, the Company had an investment in real estate, at cost, of approximately \$1.3 billion of which \$1.1 billion or 86% was owned by RCLP.

Shopping Center Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood infill shopping centers. Infill refers to shopping centers within a targeted investment market offering sustainable competitive advantages such as barriers to entry resulting from zoning restrictions, growth management laws, or limited new competition from development or expansions. The Company's properties summarized by state and in order by largest holdings including their gross leasable areas (GLA) follows:

Location	December 31, 1998			December 31, 1997		
	# Properties	GLA	% Leased	# Properties	GLA	% Leased
Florida	46	5,728,347	91.4%	45	5,267,894	91.5%
Georgia	27	2,737,590	93.1%	25	2,539,507	92.4%
Ohio	13	1,786,521	93.4%	2	629,920	89.1%
North Carolina	12	1,239,783	98.3%	6	554,332	99.0%
Alabama	5	516,060	99.0%	5	516,080	99.9%
Texas	5	479,900	84.7%	-	-	-
Colorado	5	447,569	89.4%	-	-	-
Tennessee	4	295,179	96.8%	3	208,386	98.5%
Virginia	2	197,324	97.7%	-	-	-
Mississippi	2	185,061	97.6%	2	185,061	96.9%
Michigan	2	177,929	81.5%	-	-	-
South Carolina	2	162,056	100.0%	1	79,743	84.3%
Delaware	1	232,752	94.8%	-	-	-
Kentucky	1	205,060	95.6%	-	-	-
Illinois	1	178,600	86.9%	-	-	-
Missouri	1	82,498	99.8%	-	-	-
Total	129	14,652,229	92.9%	89	9,980,923	92.8%

The Company is focused on building a platform of grocery anchored neighborhood shopping centers because grocery stores provide convenience shopping of daily necessities, foot traffic for adjacent local tenants, and should withstand adverse economic conditions. The Company's current investment markets have continued to offer strong stable economies, and accordingly, the Company expects to realize growth in net income as a result of increasing occupancy in the portfolio, increasing rental rates, development and acquisition of shopping centers in targeted markets, and redevelopment of existing shopping centers. The following table summarizes the four largest grocery tenants occupying the Company's shopping centers at December 31, 1998:

Grocery Anchor	Number of Stores	% of Total GLA	% of Annualized Base Rent	Avg Remaining Lease Term
Kroger	36	14.9%	13.8%	19 yrs
Publix	33	9.8%	6.9%	13 yrs
Winn-Dixie	16	5.1%	3.8%	13 yrs
Harris Teeter	4	1.3%	1.7%	11 yrs

Acquisition and Development of Shopping Centers

During 1998, the Company acquired 31 shopping centers fee simple for approximately \$355.9 million and also invested \$28.4 million in 12 joint ventures ("JV Properties"), for a total investment of \$384.3 million in 43 shopping centers ("1998 Acquisitions"). Included in the 1998 Acquisitions are 32 shopping centers acquired from various entities comprising the Midland Group ("Midland"). Of the 32 Midland centers, 31 are anchored by Kroger, and 12 are owned through joint ventures in which the Company's ownership interest is 50% or less. The Company's investment in the properties acquired from Midland is \$236.6 million at December 31, 1998. The Company expects to acquire all of the interests in two of the JV Properties for approximately \$20.3 million during 1999 which will increase its total investment in the Midland properties to \$256.9 million. In addition, during 1999 and 2000, the Company may pay contingent consideration of up to an estimated \$23 million, through the issuance of Partnership units and the payment of cash. The amount of such consideration, if issued, will depend on the satisfaction of certain performance criteria relating to the assets acquired from Midland. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than units.

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions") for approximately \$395.7 million. Included in the 1997 Acquisitions are 26 shopping centers acquired from Branch Properties ("Branch") for \$232.4 million.

During 1998, the Company issued 721,997 additional Units and shares of common stock valued at \$18.2 million to Branch as contingent consideration for the satisfaction of certain performance criteria of the properties acquired. The Company expects to issue the remaining contingent consideration, 298,064 Units, during 1999.

Results from Operations

- - - - -

Comparison of 1998 to 1997

Revenues increased \$46.0 million or 47% to \$143.3 million in 1998. The increase was due primarily to the 1998 and 1997 Acquisitions providing increases in revenues of \$37.5 million during 1998. At December 31, 1998, the real estate portfolio contained approximately 14.7 million SF and was 92.9% leased. Minimum rent increased \$33.3 million or 47%, and recoveries from tenants increased \$7.5 million or 45%. On a same property basis (excluding the 1998 and 1997 Acquisitions, and the office portfolio sold during 1998) gross rental revenues increased \$3.4 million or 6.7%, primarily due to higher base rents. Revenues from property management, leasing, brokerage, and development services (service operation segment) provided on properties not owned by the Company were \$11.9 million in 1998 compared to \$8.4 million in 1997, the increase due primarily to increased brokerage fees and increased activity in construction and development for third parties. During 1998, the Company sold four office buildings and a parcel of land for \$30.7 million, and recognized a gain on the sale of \$10.7 million. As a result of these transactions the Company's real estate portfolio is comprised entirely of retail shopping centers. The proceeds from the sale were used to reduce the balance of the line of credit.

Operating expenses increased \$21.8 million or 44% to \$71.0 million in 1998. Combined operating and maintenance, and real estate taxes increased \$7.9 million or 35% during 1998 to \$30.8 million. The increases are due to the 1998 and 1997 Acquisitions generating operating and maintenance expenses and real estate tax increases of \$9.4 million during 1998, partially offset by the sale of the office buildings. On a same property basis, operating and maintenance expenses and real estate taxes increased \$100,000 or 1%. General and administrative expenses increased 51% during 1998 to \$15.1 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1998 and 1997, as well as, the shopping centers the Company began managing for third parties during 1998 and 1997. Depreciation and amortization increased \$8.7 million during 1998 or 54% primarily due to the 1998 and 1997 Acquisitions.

Interest expense increased to \$28.8 million in 1998 from \$19.7 million in 1997 or 46% due to increased average outstanding loan balances related to the financing of the 1998 and 1997 Acquisitions on the Line and the assumption of debt. Weighted average interest rates increased 0.1% during 1998. See further discussion under Acquisition and Development of Shopping Centers and Liquidity and Capital Resources.

Net income for common stockholders was \$50.6 million in 1998 vs. \$27.4 million in 1997, a \$23.2 million or 85% increase for the reasons previously described. Diluted earnings per share in 1998 was \$1.75 vs. \$1.23 in 1997 due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 7.2 million primarily due to the acquisition of Branch and Midland, the issuance of shares to SC-USREALTY during 1998 and 1997, and the public offering completed in July, 1997. (see notes 2, 6 and 7, to the 1998 consolidated financial statements for related discussions).

Comparison of 1997 to 1996

Revenues increased \$50.4 million or 107% to \$97.3 million in 1997. The increase was due primarily to the 1997 Acquisitions and properties acquired in 1996 (the "1996 Acquisitions") providing increases in revenues of \$49.8 million during 1997. At December 31, 1997, the real estate portfolio contained approximately 10 million SF and was 92.8% leased. Minimum rent increased \$35.4 million or 102%, and recoveries from tenants increased \$8.9 million or 115%. On a same property basis (excluding the 1997 and 1996 Acquisitions) revenues increased \$925,000 or 2%, primarily due to higher percentage rents and operating expense recoveries from tenants. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$8.4 million in 1997 compared to \$3.4 million in 1996, the increase due to fees earned from third party property management and leasing contracts acquired as part of the acquisition of Branch.

Operating expenses increased \$23.0 million or 88% to \$49.2 million in 1997. Combined operating and maintenance, and real estate taxes increased \$10.8 million or 89% during 1997 to \$22.9 million. The increases are due to the 1997 and 1996 Acquisitions generating operating and maintenance expenses, and real estate tax increases of \$10.6 million during 1997. On a same property basis, operating and maintenance expenses and real estate taxes increased \$226,000, or 2%. General and administrative expense increased 64.7% during 1997 to \$10.0 million due to the hiring of new employees and related office expenses necessary to manage the 52 shopping centers acquired during 1996 and 1997, as well as, the 44 shopping centers that the Company began managing for third parties during 1997. Depreciation and amortization increased \$8.2 million during 1997 or 102% primarily due to the 1997 and 1996 Acquisitions generating \$7.7 million in depreciation and amortization.

Interest expense increased to \$19.7 million in 1997 from \$11.5 million in 1996 or 71% due primarily to increased average outstanding loan balances related to the financing of the 1997 and 1996 Acquisitions on the Line and the assumption of debt. Weighted average interest rates decreased 0.2% during 1997. See further discussion under Acquisition and Development of Shopping Centers and Liquidity and Capital Resources.

Net income for common stockholders was \$27.4 million in 1997 vs. \$9.9 million in 1996, a \$17.5 million or 177% increase for the reasons previously described. Diluted earnings per share in 1997 was \$1.23 vs. \$0.82 in 1996, an increase of 50% due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 12.4 million primarily due to the Acquisition of the Branch Properties, the issuance of shares to SC-USREALTY, and the public offering discussed previously.

Funds from Operations

The Company considers funds from operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts as net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of income producing property held for investment, plus depreciation and amortization of real estate, and after adjustments for unconsolidated investments in real estate partnerships and joint ventures, to be the industry standard for reporting the operations of real estate investment trusts ("REITs"). Adjustments for investments in real estate partnerships are calculated to reflect FFO on the same basis. While management believes that FFO is the most relevant and widely used measure of the Company's performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs. Additionally, the Company's calculation of FFO, as provided below, may not be comparable to similarly titled measures of other REITs.

FFO increased by 50% from 1997 to 1998 as a result of the activity discussed above under "Results of Operations". FFO for the periods ended December 31, 1998, 1997 and 1996 are summarized in the following table (in thousands):

	1998 ----	1997 ----	1996 ----
Net income for common stockholders	\$ 50,590	27,402	9,907
Add (subtract):			
Real estate depreciation and amortization	24,529	15,671	8,049
Gain on sale of operating property	(9,824)	(451)	-
Minority interests in net income of Exchangeable partnership units	1,826	2,042	-
	-----	-----	-----
Funds from operations	\$ 67,121	44,664	17,956
	=====	=====	=====
Cash flow provided by (used in):			
Operating activities	\$ 65,002	43,044	16,004
Investing activities	(236,393)	(188,533)	(109,842)
Financing activities	174,725	153,782	98,730

Liquidity and Capital Resources

Management anticipates that cash generated from operating activities will provide the necessary funds on a short-term basis for its operating expenses, interest expense and scheduled principal payments on outstanding indebtedness, recurring capital expenditures necessary to properly maintain the shopping centers, and distributions to share and unit holders. Net cash provided by operating activities was \$65 million and \$43 million for the twelve months ended December 31, 1998 and 1997, respectively. The Company incurred recurring and non-recurring capital expenditures (non-recurring expenditures pertain to immediate building improvements on new acquisitions and anchor tenant improvements on new leases) of \$8.3 million and \$5.2 million, during 1998 and 1997, respectively. The Company paid scheduled principal payments of \$3.4 million and \$2.2 million during 1998 and 1997, respectively. The Company paid dividends and distributions of \$54.9 million and \$35.9 million, during 1998 and 1997, respectively, to its share and unit holders.

Management expects to meet long-term liquidity requirements for term debt payoffs at maturity, non-recurring capital expenditures, and acquisition, renovation and development of shopping centers from: (i) excess cash generated from operating activities, (ii) working capital reserves, (iii) additional debt borrowings, and (iv) additional equity raised in the public markets. Net cash used in investing activities was \$236.4 million and \$188.5 million, during 1998 and 1997, respectively, primarily for purposes discussed above under Acquisitions and Development of Shopping Centers. Net cash provided by financing activities was \$174.7 million and \$153.8 million during 1998 and 1997, respectively, primarily related to the proceeds from the preferred unit and debt offerings completed during 1998, and the proceeds from the common stock offering in 1997, further discussed below. At December 31, 1998, the Company had 12 shopping centers under construction or undergoing major renovations, with costs to date of \$121.7 million. Total committed costs necessary to complete the properties under development is estimated to be \$47.4 million and will be expended through 1999.

The Company's outstanding debt at December 31, 1998 and 1997 consists of the following (in thousands):

Notes Payable:		
Fixed rate mortgage loans	\$ 298,148	199,078
Variable rate mortgage loans	11,051	30,841
Fixed rate unsecured loans	121,296	-
	-----	-----
Total notes payable	430,495	229,919
Acquisition and development line of credit	117,631	48,131
	-----	-----
Total	\$ 548,126	278,050
	=====	=====

The weighted average interest rate on total debt at December 31, 1998 and 1997 was 7.4% and 7.3%, respectively. The Company's debt is typically cross-defaulted, but not cross-collateralized, and includes usual and customary affirmative and negative covenants.

The Company is a party to a credit agreement dated as of March 27, 1998, providing for an unsecured line of credit (the "Line") from a group of lenders currently consisting of Wells Fargo, First Union, Wachovia Bank, NationsBank, AmSouth Bank, Commerzbank AG, PNC Bank, and Star Bank. This credit agreement provides for a \$300 million commitment, and incorporates a competitive bid facility of up to \$150 million of the commitment amount. Maximum availability under the Line is based on the discounted value of a pool of eligible unencumbered assets (determined on the basis of capitalized net operating income) less the amount of the Company's outstanding unsecured liabilities. The Line matures in May 2000, but may be extended annually for one year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus a specified spread, (.875% currently), which is dependent on the Company's investment grade rating. The Company's ratings are currently Baa2 from Moody's Investor Service, BBB from Duff and Phelps, and BBB- from Standard and Poors. The Company is required to comply, and is in compliance, with certain financial and other covenants customary with this type of unsecured financing. These financial covenants include among others (i) maintenance of minimum net worth, (ii) ratio of total liabilities to gross asset value, (iii) ratio of secured indebtedness to gross asset value, (iv) ratio of EBITDA to interest expense, (v) ratio of EBITDA to debt service and reserve for replacements, and (vi) ratio of unencumbered net operating income to interest expense on unsecured indebtedness. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

On February 26, 1999, the Company entered into an agreement with the various banks that provide the Line to increase the unsecured commitment amount to \$635 million.

On June 29, 1998, the Company through RCLP issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor, Belair Capital Fund, LLC, in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for \$50.00 per unit. The Series A Preferred Units, which may be called by the Company at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Line.

On July 17, 1998 the Company, through RCLP, completed a \$100 million offering of seven year term notes at an effective interest rate of 7.17%. The Notes were priced at 162.5 basis points over the current yield for seven year US Treasury Bonds. The net proceeds of the offering were used to reduce the balance of the Line.

Mortgage loans are secured by certain real estate properties, but generally may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2018. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During 1998, the Company assumed mortgage loans with a fair value of \$132.8 million related to the acquisition of shopping centers, which includes debt premiums of \$12.4 million based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

As of December 31, 1998, scheduled principal repayments on notes payable and the Line for the next five years were as follows (in thousands):

Scheduled Payments by Year	Scheduled Principal Payments	Term Loan Maturities	Total Payments
-----	-----	-----	-----
1999	\$ 3,771	21,579	25,350
2000	3,996	174,674	178,670
2001	3,911	41,928	45,839
2002	3,098	44,117	47,215
2003	2,914	13,291	16,205
Beyond 5 Years	17,811	206,607	224,418
Net unamortized debt payments	-	10,429	10,429

Total	\$ 35,501	512,625	548,126
	=====	=====	=====

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$76.7 million at December 31, 1998, and the Company's proportionate share of these loans was \$34.4 million.

The Company qualifies and intends to continue to qualify as a REIT under the Internal Revenue Code. As a REIT, the Company is allowed to reduce taxable income by all or a portion of its distributions to stockholders. As distributions have exceeded taxable income, no provision for federal income taxes has been made. While the Company intends to continue to pay dividends to its stockholders, it also will reserve such amounts of cash flow as it considers necessary for the proper maintenance and improvement of its real estate, while still maintaining its qualification as a REIT.

The Company's real estate portfolio has grown substantially during 1998 as a result of the acquisitions and development discussed above. The Company intends to continue to acquire and develop shopping centers in the near future, and expects to meet the related capital requirements from borrowings on the Line. The Company expects to repay the Line from time to time from additional public and private equity and debt offerings, such as those completed during 1997 and 1998. Because such acquisition and development activities are discretionary in nature, they are not expected to burden the Company's capital resources currently available for liquidity requirements. The Company expects that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements.

Pacific Retail Trust Merger

On September 23, 1998, the Company entered into an Agreement of Merger ("Agreement") with Pacific Retail Trust ("Pacific"), a privately held real estate investment trust. The Agreement, among other matters, provides for the merger of Pacific into Regency, and the exchange of each Pacific common or preferred share into 0.48 shares of Regency common or preferred stock. The stockholders approved the merger at a Special Meeting of Stockholders held February 26, 1999. At the time of the merger, Pacific owned 71 retail shopping centers that are operating or under construction containing 8.4 million SF of gross leaseable area. On February 28, 1999, the effective date of the merger, the Company issued equity instruments valued at \$770.6 million to the Pacific stockholders in exchange for their outstanding common and preferred shares, and units. The total cost to acquire Pacific is expected to be \$1.157 billion based on the value of Regency shares issued including the assumption of \$379 million of outstanding debt and other liabilities of Pacific, and estimated closing costs of \$7.5 million. The price per share used to determine the purchase price is \$23.325 based on the five day average of the closing stock price of Regency's common stock as listed on the New York Stock Exchange immediately before, during and after the date the terms of the merger were agreed to and announced to the public. The merger will be accounted for as a purchase with the Company as the acquiring entity.

New Accounting Standards and Accounting Changes

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. FAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities. FAS 133 requires entities to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company does not believe FAS 133 will materially effect its financial statements. g.

Environmental Matters

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. The Company has approximately 31 properties that will require or are currently undergoing varying levels of environmental remediation. These remediations are not expected to have a material financial effect on the Company due to financial statement reserves and various state-regulated programs that shift the responsibility and cost for remediation to the state. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

Inflation

Inflation has remained relatively low during 1998 and 1997 and has had a minimal impact on the operating performance of the shopping centers, however, substantially all of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company 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. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek increased rents upon re-rental at market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real

estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

Year 2000 System Compliance

Management recognizes the potential effect Year 2000 may have on the Company's operations and, as a result, has implemented a Year 2000 Compliance Project. The term "Year 2000 compliant" means that the software, hardware, equipment, goods or systems utilized by, or material to the physical operations, business operations, or financial reporting of an entity will properly perform date sensitive functions before, during and after the year 2000.

The Company's Year 2000 Compliance Project includes an awareness phase, an assessment phase, a renovation phase, and a testing phase of our data processing network, accounting and property management systems, computer and operating systems, software packages, and building management systems. The project also includes surveying our major tenants and financial institutions. Total costs incurred to date associated with the Company's Year 2000 compliance project have been reflected in the Company's income statement throughout 1998 and 1997, and were approximately \$250,000.

The Company's computer hardware, operating systems, general accounting and property management systems and principal desktop software applications are Year 2000 compliant as certified by the various vendors. We are currently testing these systems, and expect to complete the testing phase by June 30, 1999. Based on initial testing, Management does not anticipate any Year 2000 issues that will materially impact operations or operating results.

An assessment of the Company's building management systems has been completed. This assessment has resulted in the identification of certain lighting, telephone, and voice mail systems that may not be Year 2000 compliant. While we have not yet begun renovations, Management believes that the cost of upgrading these systems will not exceed \$500,000. It is anticipated that the renovation and testing phases will be complete by June 30, 1999, and the Company expects to be compliant upon completion of these phases.

The Company has surveyed its major tenants and financial institutions to determine the extent to which the Company is vulnerable to third parties' failure to resolve their Year 2000 issues. The Company will be able to more adequately assess its third party risk when responses are received from the majority of the entities contacted.

Management believes its planning efforts are adequate to address the Year 2000 issue and that its risk factors are primarily those that it cannot directly control, including the readiness of its major tenants and financial institutions. Failure on the part of these entities to become Year 2000 compliant could result in disruption in the Company's cash receipt and disbursement functions. There can be no guarantee, however, that the systems of unrelated entities upon which the Company's operations rely will be corrected on a timely basis and will not have a material adverse effect on the Company.

The Company does not have a formal contingency plan or a timetable for implementing one. Contingency plans will be established, if they are deemed necessary, after the Company has adequately assessed the impact on operations should third parties fail to properly respond to their Year 2000 issues.

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The Company is exposed to interest rate changes primarily as a result of its line of credit and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company has no plans to enter into derivative or interest rate transactions for speculative purposes, and at December 31, 1998, the Company did not have any borrowings hedged with derivative financial instruments.

The Company's interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts maturing (in thousands), weighted average interest rates of remaining debt, and the fair value of total debt (in thousands), by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes.

	1999 ----	2000 ----	2001 ----	2002 ----	2003 ----	Thereafter -----	Total -----	Fair Value -----
Fixed rate debt	\$23,243	60,907	37,027	47,215	16,205	224,418	409,014	419,444
Average interest rate for all debt	7.83%	7.75%	7.91%	7.87%	7.70%	7.62%	-	-
Variable rate LIBOR debt	2,107	117,763	8,813	-	-	-	128,682	128,682
Average interest rate for all debt	6.16%	6.16%	6.55%	-	-	-	-	-

As the table incorporates only those exposures that exist as of December 31, 1998, it does not consider those exposures or positions which could arise after that date. Moreover, because firm commitments are not presented in the table above, the information presented therein has limited predictive value. As a result, the Company's ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, the Company's hedging strategies at that time, and interest rates.

Forward Looking Statements
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The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to the Company's stockholders. All statements that express expectations and projections with respect to future matters, including the launching or prospective development of new business initiatives; anticipated yields on real estate acquisitions or developments; "Year 2000" remediation efforts; and environmental remediation efforts, are forward-looking within the meaning of the Act. Such statements involve unknown risks and uncertainties of business and economic conditions pertaining to the operation, acquisition, or development of shopping centers including the retail business sector, and may cause actual results of the Company in the future to significantly differ from any future results that may be implied by such forward-looking statements.

Item 8. Consolidated Financial Statements and Supplementary Data

The Consolidated Financial Statements and supplementary data included in this Report are listed in Part IV, Item 14(a).

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information concerning the directors of the Company is incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1999 Annual Meeting of Shareholders. The following table provides information concerning the executive officers of the Company

Executive Officer (Age)	Positions with the Company Principal Occupations During the Past Five Years
Martin E. Stein, Jr. (age 46)	Chairman, Chief Executive Officer, and Director of the Company since its initial public offering in October 1993; previously President of the Company's predecessor real estate division since 1976.
MaryLou Rogers (age 47)	President and Chief Operating Officer since January, 1999 and Director of the Company since March, 1997; Managing Director - Security Capital U.S. Realty Strategic Group From March 1997 to January 1999; Senior Vice President and Director of Stores, New England - Macy's East/ Federated Department Stores from 1994 to March 1997; various retailing positions since joining Macy's in 1977, including Senior Vice President for Federated's Burdines Division and Henri Bendel.
James G. Buis (age 54)	Managing Director - Southwestern U.S. Investments of the Company since February 1999; Managing Director - Pacific Retail Trust from October, 1995 to February 1999; Executive Vice President - Madison Property Corporation from 1993 to October, 1995; Executive Vice President - Rosewood Property Company from 1989 to 1993; Retail Partner - Lincoln Property Company from 1979 to 1989.
John S. Delatour (age 40)	Managing Director - Western U.S. Operations of the Company since February, 1999; Managing Director - Pacific Retail Trust from June, 1996 to February 1999; Senior Vice President - Lincoln Property Company from 1983 to June, 1996.
Robert C. Gillander (age 45)	Managing Director - Eastern U.S. Investments of the Company since its initial public offering in October 1993, and Vice President of the Company's predecessor real estate division since 1978.
Bruce M. Johnson (age 51)	Managing Director and Chief Financial Officer of the Company since its initial public offering in October 1993, and Executive Vice President of

the Company's predecessor real estate division since 1979.

Brian M. Smith
(age 44) Managing Director - Pacific Investments of the Company since February, 1999; Managing Director - Pacific Retail Trust from February, 1997 to February 1999; Senior Vice President - Lowe Enterprises, Inc. from 1994 to February 1997; Managing Director - Trammell Crow Company from 1983 to 1994.

James D. Thompson
(age 42) Managing Director - Eastern Operations of the Company since its initial public offering in October 1993, and Vice President of the Company's predecessor real estate division since 1981.

Lee S. Wielansky
(age 48) Managing Director - Investments and Director of the Company since March 1998; President and Chief Executive Officer - Midland Development Group from 1983 to March 1998.

Item 11. Executive Compensation

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1999 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owner and Management

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1999 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1999 Annual Meeting of Shareholders.

PART IV

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

(a) Financial Statements and Financial Statement Schedules:

The Company's 1998 financial statements and financial statement schedule, together with the report of KPMG LLP dated February 1, 1999, except for Note 13 as to which the date is March 1, 1999, are listed on the index immediately preceding the financial statements at the end of this report.

(b) Reports on Form 8-K:

None

(c) Exhibits:

2. Agreement and Plan of Merger dated as of September 23, 1998 between Regency Realty Corporation and Pacific Retail Trust (incorporated by reference to Exhibit 2.1 to the registration statement on Form S-4 of Regency Realty Corporation, No. 333-65491)
3. Articles of Incorporation
 - # (i) Restated Articles of Incorporation of Regency Realty Corporation as amended.
 - #(ii) Restated Bylaws of Regency Realty Corporation.
4. (a) See exhibits 3(i) and 3(ii) for provisions of the Articles of Incorporation and Bylaws of Regency Realty Corporation defining rights of security holders.
(b) Indenture dated July 20, 1998 between Regency Centers, L.P., the guarantors named therein and First Union National Bank, as trustee (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-4 of Regency Centers, L.P., No. 333-63723).

10. Material Contracts

- ~*(a) Regency Realty Corporation 1993 Long Term Omnibus Plan
- ~*(b) Form of Stock Purchase Award Agreement
- ~*(c) Form of Management Stock Pledge Agreement, relating to the Stock Purchase Award Agreement filed as Exhibit 10(b)
- ~*(d) Form of Promissory Note, relating to the Stock Purchase Award Agreement filed as Exhibit 10(b)

- ~*(e) Form of Option Award Agreement for Key Employees
- ~*(f) Form of Option Award Agreement for Non-Employee Directors
- ~*(g) Annual Incentive for Management Plan
- ~*(h) Form of Director/Officer Indemnification Agreement
- ~*(i) Form of Non-Competition Agreement between Regency Realty Corporation and Joan W. Stein, Robert L. Stein, Richard W. Stein, the Martin E. Stein Testamentary Trust A and the Martin E. Stein Testamentary Trust B.
- ~*(j) Form of Employment Agreement with Martin E. Stein, Jr.
- ~*** (k) Form of Employment Agreements entered into with the following executive officers:
 - (i) Bruce M. Johnson
 - (ii) Robert C. Gillander, Jr.
 - (iii) James D. Thompson
- (l) The following documents, all dated November 5, 1993, relating to a \$51 million loan from Salomon Brothers Inc. to corporations and subsidiaries wholly owned by the Company.
 - ** (i) Loan Agreement between RSP IV Criterion, Ltd., Regency Rosewood Temple Terrace, Ltd., Treasure Coast Investors, Ltd., Landcom Regency Mandarin, Ltd., RRC FL SPC, Inc., RRC AL SPC, Inc., RRC MS SPC, Inc., and RRC GA SPC, Inc. (as borrowers) and RRC Lender, Inc. (as lender)
 - ** (ii) Promissory Note in the original principal amount of \$51 million
 - ** (iii) Undertaking executed by the Registrant and RRC FL SPC, Inc., RRC AL SPC, Inc., RRC MS SPC, Inc., and RRC GA SPC, Inc.
 - ** (iv) Certificate Purchase Agreement between RRC Lender, Inc. (as seller) and Salomon Brothers, Inc. (as lender)
- (m) The following documents relating to the purchase by Security Capital U.S. Realty and Security Capital Holdings, S.A. of up to 45% of the Registrant's outstanding common stock:
 - ++ (i) Stock Purchase Agreement dated June 11, 1996.
 - ++ (ii) Stockholders' Agreement dated July 10, 1996.
 - +++ (A) First Amendment of Stockholders' Agreement dated February 10, 1997.
 - +++ (B) Amendment No. 2 to Stockholders' Agreement dated December 4, 1997 (incorporated by reference to Exhibit 6.2 to Schedule 13D/A filed by Security Capital U.S. Realty on December 11, 1997)
 - ++ (iii) Registration Rights Agreement dated July 10, 1996.
- + (n) Stock Grant Plan adopted on January 31, 1994 to grant stock to employees.
- ~@ (o) Criteria for Restricted Stock Awards under 1993 Long Term Omnibus Plan.
- ~@ (p) Form of 1996 Stock Purchase Award Agreement.
- ~@ (q) Form of 1996 Management Stock Pledge Agreement relating to the Stock Purchase Award Agreement filed as Exhibit 10(p).
- ~@ (r) Form of Promissory Note relating to 1996 Stock Purchase Award Agreement filed as Exhibit 10(p).
- +++ Filed as an exhibit to the Company's Form 8-K report filed March 14, 1997 and incorporated herein by reference.
- @ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.
- @@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.
- @@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.
- @@@ (s) Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P.
- (t) Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form 10 of Regency Centers, L.P.)
- (u) Amended and Restated Credit Agreement dated as of February 26,

1999 by and among Regency Centers, L.P., a Delaware limited partnership (the "Borrower"), Regency Realty Corporation, a Florida corporation (the "Parent"), each of the financial institutions initially a signatory hereto together with their assignees, (the "Lenders"), and Wells Fargo Bank, National Association, as contractual representative of the Lenders to the extent and in the manner provided.

- (v) Assignment and Acceptance Agreement dated as of February 26, 1999 by and among Regency Centers, L.P., Regency Realty Corporation and Wells Fargo Bank, National Association, as Agent.

~ Management contract or compensatory plan or arrangement filed pursuant to S-K 601(10)(iii)(A).
Included as an exhibit to the Company's Form 10-Q filed August 11, 1997 and incorporated herein by reference.
* Included as an exhibit to the Pre-effective Amendment No. 2 to the Company's S-11 filed October 5, 1993, and incorporated herein by reference
** Included as an exhibit to the Company's Form 10-Q filed December 13, 1993, and incorporated herein by reference
*** Included as an exhibit to the Company's Form 10-Q filed November 14, 1996, and incorporated herein by reference
+ Included as an exhibit to the Company's Form 10-Q filed May 12, 1994, and incorporated herein by reference
++ Filed as appendices to the Company's definitive proxy statement dated August 2, 1996 and incorporated herein by reference.
+++ Filed as an exhibit to the Company's Form 8-K report filed March 14, 1997 and incorporated herein by reference.
@ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.
@@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.
@@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.

21. Subsidiaries of the Registrant

23. Consent of KPMG LLP

27. Financial Data Schedule

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REGENCY REALTY CORPORATION

Date: March 12, 1999 By: /s/ Martin E. Stein, Jr.

Martin E Stein, Jr., Chairman of the Board
and Chief Executive Officer

Date: March 12, 1999 By: /s/ Bruce M. Johnson

Bruce M. Johnson, Managing Director and
Principal Financial Officer

Date: March 12, 1999 By: /s/ J. Christian Leavitt

J. Christian Leavitt, Senior Vice
President, Finance and Principal
Accounting Officer

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

Date: March 12, 1999 /s/ Martin E. Stein, Jr.

Martin E. Stein, Jr., Chairman of the Board
and Chief Executive Officer

Date: March 12, 1999 /s/ Mary Lou Rogers

Mary Lou Rogers, President, Chief Operating
Officer and Director

Date: March 12, 1999 /s/ Thomas B. Allin

Thomas B. Allin, Director

Date: March 12, 1999 /s/ Raymond L. Bank

Raymond L. Bank, Director

Date: March 12, 1999 /s/ A. R. Carpenter

A. R. Carpenter, Director

Date: March 12, 1999 /s/ Jeffrey A. Cozad

Jeffrey A. Cozad, Director

Date: March 12, 1999 /s/ J. Dix Druce, Jr.

J. Dix Druce, Jr., Director

Date: March 12, 1999 /s/ John T. Kelley

John T. Kelley, Director

Date: March 12, 1999 /s/ Douglas S. Luke

Douglas S. Luke, Director

Date: March 12, 1999 /s/ John C. Schweitzer

John C. Schweitzer, Director

Date: March 12, 1999 /s/ Lee Wielansky

Lee Wielansky, Director

Date: March 12, 1999 /s/ Terry N. Worrell

Terry N. Worrell, Director

REGENCY REALTY CORPORATION
INDEX TO FINANCIAL STATEMENTS

Regency Realty Corporation

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Financial Statement Schedule

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All other schedules are omitted because they are not applicable or because information required therein is shown in the financial statements or notes thereto.

Independent Auditors' Report

The Shareholders and Board of Directors
Regency Realty Corporation:

We have audited the accompanying consolidated balance sheets of Regency Realty Corporation as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regency Realty Corporation as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998 in conformity with generally accepted accounting principles.

KPMG LLP

Jacksonville, Florida
February 1, 1999, except for Note 13,
as to which the date is March 1, 1999

REGENCY REALTY CORPORATION
Consolidated Balance Sheets
December 31, 1998 and 1997

	1998	1997
	----	----
Assets		
Real estate investments, at cost (notes 2, 5 and 9):		
Land	\$ 257,669,018	177,245,784
Buildings and improvements	925,514,995	622,555,583
Construction in progress - development for investment	15,647,659	13,427,370
Construction in progress - development for sale	20,869,915	20,173,039
	-----	-----
	1,219,701,587	833,401,776
Less: accumulated depreciation	58,983,738	40,795,801
	-----	-----
	1,160,717,849	792,605,975
Investments in real estate partnerships (note 4)	30,630,540	999,730
	-----	-----
Net real estate investments	1,191,348,389	793,605,705
Cash and cash equivalents	19,919,693	16,586,094
Tenant receivables, net of allowance for uncollectible accounts of \$1,787,686 and \$1,162,570 at December 31, 1998 and 1997, respectively	16,758,917	9,546,584
Deferred costs, less accumulated amortization of \$5,295,336 and \$3,842,914 at December 31, 1998 and 1997, respectively	6,872,023	4,252,991
Other assets	5,208,278	2,857,217
	-----	-----
	\$ 1,240,107,300	826,848,591
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities:		
Notes payable (note 5)	430,494,910	229,919,242
Acquisition and development line of credit (note 5)	117,631,185	48,131,185
Accounts payable and other liabilities	19,936,424	11,597,232
Tenants' security and escrow deposits	3,110,370	2,319,941
	-----	-----
Total liabilities	571,172,889	291,967,600
	-----	-----
Series A preferred units (note 6)	78,800,000	-
Exchangeable operating partnership units (notes 2 and 6)	27,834,330	13,777,156
Limited partners' interest in consolidated partnerships	11,558,618	7,477,182
	-----	-----
	118,192,948	21,254,338
	-----	-----
Stockholders' equity (notes 2, 6, 7 and 8):		
Common stock \$.01 par value per share: 150,000,000 shares authorized; 25,488,989 and 23,992,037 shares issued and outstanding at December 31, 1998 and 1997	254,889	239,920
Special common stock - 10,000,000 shares authorized:		
Class B \$.01 par value per share, 2,500,000 shares issued and outstanding	25,000	25,000
Additional paid in capital	578,466,708	535,498,878
Distributions in excess of net income	(19,395,744)	(20,494,893)
Stock loans	(8,609,390)	(1,642,252)
	-----	-----
Total stockholders' equity	550,741,463	513,626,653
	-----	-----
Commitments and contingencies (notes 9, 10 and 13)		
	\$ 1,240,107,300	826,848,591
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
 Consolidated Statements of Operations
 Years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
	----	----	----
Revenues:			
Minimum rent (note 9)	\$ 103,365,322	70,102,765	34,705,905
Percentage rent	3,012,105	2,151,379	997,981
Recoveries from tenants	24,109,519	16,600,925	7,729,404
Management, leasing and brokerage fees	11,862,784	8,447,615	3,444,287
Equity in income of investments in real estate partnerships (note 4)	946,271	33,311	69,990
	-----	-----	-----
Total revenues	143,296,001	97,335,995	46,947,567
	-----	-----	-----
Operating expenses:			
Depreciation and amortization	25,046,001	16,303,159	8,058,643
Operating and maintenance	18,455,672	14,212,555	7,655,934
General and administrative	15,064,148	9,963,926	6,048,140
Real estate taxes	12,388,521	8,691,576	4,409,460
	-----	-----	-----
Total operating expenses	70,954,342	49,171,216	26,172,177
	-----	-----	-----
Interest expense (income):			
Interest expense	28,786,431	19,667,483	11,476,555
Interest income	(1,957,575)	(1,000,227)	(666,031)
	-----	-----	-----
Net interest expense	26,828,856	18,667,256	10,810,524
	-----	-----	-----
Income before minority interests and sale of real estate investments	45,512,803	29,497,523	9,964,866
Gain on sale of real estate investments	10,725,975	450,902	-
	-----	-----	-----
Income before minority interest	56,238,778	29,948,425	9,964,866
Minority interest of exchangeable partnership units	(1,826,273)	(2,041,823)	-
Minority interest of limited partners	(464,098)	(504,947)	-
Minority interest preferred unit distribution	(3,358,333)	-	-
	-----	-----	-----
Net income	50,590,074	27,401,655	9,964,866
Preferred stock dividends	-	-	(57,721)
	-----	-----	-----
Net income for common stockholders	\$ 50,590,074	27,401,655	9,907,145
	=====	=====	=====
Net income per share (note 7):			
Basic	\$ 1.80	1.28	0.82
	=====	=====	=====
Diluted	\$ 1.75	1.23	0.82
	=====	=====	=====

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statements of Stockholders' Equity
Years ended December 31, 1998, 1997 and 1996

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid In Capital	Distributions in excess of Net Income	Stock Loans	Total Stockholders' Equity
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1995	\$ 1,916,268	67,287	25,000	155,221,241	(8,073,188)	(2,150,034)	147,006,574
Common stock issued to SC-USREALTY (note 6)	-	36,518	-	63,373,745	-	-	63,410,263
Common stock issued as compensation, purchased by directors or officers, or issued under stock options	-	1,401	-	2,570,506	-	(1,273,000)	1,298,907
Series A Preferred stock converted to common stock	(1,916,268)	943	-	1,915,339	-	-	14
Partial forgiveness of stock loans	-	-	-	-	-	918,601	918,601
Cash dividends declared:							
Preferred stock	-	-	-	-	(57,721)	-	(57,721)
Common stock, \$1.62 per share	-	-	-	-	(15,815,727)	-	(15,815,727)
Net income	-	-	-	-	9,964,866	-	9,964,866
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1996	\$ -	106,149	25,000	223,080,831	(13,981,770)	(2,504,433)	206,725,777
Common stock issued to SC-USREALTY (note 6)	-	75,135	-	158,475,802	-	-	158,550,937
Common stock issued in secondary offering, net	-	25,448	-	65,487,586	-	-	65,513,034
Common stock issued as compensation, purchased by directors or officers, or issued under stock options	-	1,359	-	3,026,241	-	-	3,027,600
Common stock issued for partnership units redeemed	-	30,271	-	81,246,827	-	-	81,277,098
Common stock issued to acquire real estate (note 2)	-	1,558	-	4,181,591	-	-	4,183,149
Partial forgiveness or repayment of stock loans	-	-	-	-	-	862,181	862,181
Cash dividends declared:							
Common stock, \$1.68 per share	-	-	-	-	(33,914,778)	-	(33,914,778)
Net income	-	-	-	-	27,401,655	-	27,401,655
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1997	\$ -	239,920	25,000	535,498,878	(20,494,893)	(1,642,252)	513,626,653
Common stock issued to SC-USREALTY (note 6)	-	4,358	-	9,637,208	-	-	9,641,566
Common stock issued as compensation, purchased by directors or officers, or issued under stock options	-	4,208	-	10,746,701	-	(7,409,151)	3,341,758
Common stock issued for partnership units redeemed	-	752	-	1,670,631	-	-	1,671,383
Common stock issued to acquire real estate (note 2)	-	5,651	-	14,263,472	-	-	14,269,123
Reallocation of minority interest	-	-	-	6,649,818	-	-	6,649,818
Partial forgiveness or repayment of stock loans	-	-	-	-	-	442,013	442,013
Cash dividends declared:							
Common stock, \$1.76 per share	-	-	-	-	(49,490,925)	-	(49,490,925)
Net income	-	-	-	-	50,590,074	-	50,590,074
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1998	\$ -	254,889	25,000	578,466,708	(19,395,744)	(8,609,390)	550,741,463
	=====	=====	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
Years Ended December 31, 1998, 1997 and 1996

	1998 ----	1997 ----	1996 ----
Cash flows from operating activities:			
Net income	\$ 50,590,074	27,401,655	9,964,866
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	25,046,001	16,303,159	8,058,643
Deferred financing cost and debt premium amortization	(822,276)	907,224	699,424
Stock based compensation	2,422,547	2,561,139	2,940,414
Minority interest of redeemable partnership units	1,826,273	2,041,823	-
Minority interest preferred unit distribution	3,358,333	-	-
Minority interest of limited partners	464,098	504,947	-
Equity in income of investments in real estate partnerships	(946,271)	(33,311)	(69,990)
Gain on sale of real estate investments	(10,725,975)	(450,902)	-
Changes in assets and liabilities:			
Tenant receivables	(5,143,938)	(3,596,964)	(2,660,656)
Deferred leasing commissions	(2,337,253)	(1,120,184)	(585,889)
Other assets	(4,059,535)	(1,641,108)	(1,019,637)
Tenants' security deposits	517,396	480,743	405,158
Accounts payable and other liabilities	4,811,991	(314,001)	(1,728,414)
Net cash provided by operating activities	----- 65,001,465	----- 43,044,220	----- 16,003,919
Cash flows from investing activities:			
Acquisition and development of real estate	(229,348,139)	(162,244,207)	(102,933,980)
Investment in real estate partnerships	(29,068,392)	-	(881,309)
Capital improvements	(8,325,492)	(5,226,138)	(2,898,250)
Construction in progress for sale, net of reimbursement	(696,876)	(23,776,953)	(3,360,206)
Proceeds from sale of real estate investments	30,662,197	2,645,229	-
Distributions received from real estate partnership investments	383,853	68,688	231,581
Net cash used in investing activities	----- (236,392,849)	----- (188,533,381)	----- (109,842,164)
Cash flows from financing activities:			
Net proceeds from common stock issuance	10,225,529	225,094,980	63,617,263
Proceeds from issuance of partnership units	7,694	2,255,140	-
Distributions to partnership unit holders	(2,023,132)	(1,954,375)	(16,846)
Contributions from limited partners in consolidated partnerships	4,289,995	-	-
Net distributions to limited partners in consolidated partnerships	(672,656)	(1,124,480)	-
Distributions to preferred unit holders	(3,358,333)	-	-
Dividends paid to stockholders	(49,490,925)	(33,914,778)	(16,179,518)
Net proceeds from issuance of Series A preferred units	78,800,000	-	-
Net proceeds from term notes	99,758,000	-	-
Proceeds (repayment) of acquisition and development line of credit, net	69,500,000	(25,570,000)	51,361,382
Proceeds from mortgage loans payable	7,345,000	15,972,920	1,518,331
Repayment of mortgage loans payable	(37,354,368)	(26,408,932)	(808,068)
Deferred financing costs	(2,301,821)	(568,449)	(762,771)
Net cash provided by financing activities	----- 174,724,983	----- 153,782,026	----- 98,729,773
Net increase in cash and cash equivalents	3,333,599	8,292,865	4,891,528
Cash and cash equivalents at beginning of year	16,586,094	8,293,229	3,401,701
Cash and cash equivalents at end of year	\$ 19,919,693	16,586,094	8,293,229
Supplemental disclosure of cash flow information - cash paid for interest (net of capitalized interest of approximately \$3,417,000, \$1,896,000 and \$381,000 in 1998, 1997 and 1996, respectively)			
	\$ 24,693,895	18,631,091	10,598,841
Supplemental disclosure of non-cash transactions:			
Mortgage loans assumed to acquire real estate	\$ 132,832,342	142,448,966	3,918,752
Exchangeable operating partnership units and common stock issued to acquire real estate	\$ 37,023,849	96,380,706	525,332

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Regency Realty Corporation, its wholly owned qualified REIT subsidiaries, and its majority owned or controlled subsidiaries and partnerships (the "Company" or "Regency"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The Company owns approximately 96% of the outstanding common units of Regency Centers, L.P. ("RCLP" or the "Partnership" formerly known as Regency Retail Partnership, L.P.) and partnership interests ranging from 51% to 93% in five majority owned real estate partnerships (the "Majority Partnerships"). The equity interests of third parties held in RCLP and the Majority Partnerships are included in the consolidated financial statements as exchangeable operating partnership units and limited partners' interests in consolidated partnerships, respectively. The Company is a qualified real estate investment trust ("REIT") which began operations in 1993.

(b) Revenues

The Company leases space to tenants under agreements with varying terms. Leases are accounted for as operating leases with minimum rent recognized on a straight-line basis over the term of the lease regardless of when payments are due. Accrued rents are included in tenant receivables. Minimum rent has been adjusted to reflect the effects of recognizing rent on a straight line basis.

Substantially all of the lease agreements contain provisions which provide additional rents based on tenants' sales volume (contingent or percentage rent) or reimbursement of the tenants' share of real estate taxes and certain common area maintenance (CAM) costs. These additional rents are reflected on the accrual basis. On May 22, 1998, the Emerging Issues Task Force (EITF) reached a consensus on Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods". The EITF has stated that lessors should defer recognition of contingent rent that is based on meeting specified targets until those specified targets are met and not ratably throughout the year. The Company has previously recognized contingent rent ratably over the year based on the historical trends of its tenants. Although the EITF subsequently reversed its original consensus related to contingent rent, the Company has adopted the provisions of Issue 98-9 prospectively and has ceased the recognition of contingent rents until such time as its tenants have achieved their specified target. The effect of the adoption was not material to the financial statements during 1998, since most of the Company's tenants had met their specified targets prior to year end and contingent rents were appropriately recognized.

Management, leasing, brokerage and development fees are recognized as revenue when earned.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

(c) Real Estate Investments

Land, buildings and improvements are recorded at cost. All direct and indirect costs clearly associated with the acquisition, development and construction of real estate projects owned by the Company are capitalized as buildings and improvements except for operating properties acquired. Effective March 19, 1998, the EITF ruled in Issue 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that only internal costs of identifying and acquiring non-operating properties that are directly identifiable with the acquired properties should be capitalized, and that all internal costs associated with identifying and acquiring operating properties should be expensed as incurred. The Company had previously capitalized direct costs associated with the acquisition of operating properties as a cost of the real estate. The Company has adopted EITF 97-11 effective March 19, 1998. During 1997, the Company capitalized approximately \$1.5 million of internal costs related to acquiring operating properties. Through the effective date of EITF 97-11, the Company has capitalized \$855,000 of internal acquisition costs. For the remainder of 1998, the Company incurred approximately \$1.5 million of internal costs related to acquiring operating properties which was expensed.

Maintenance and repairs which do not improve or extend the useful lives of the respective assets are reflected in operating and maintenance expense. The property cost includes the capitalization of interest expense incurred during construction in accordance with generally accepted accounting principles.

Depreciation is computed using the straight line method over estimated useful lives up to forty years for buildings and improvements, term of lease for tenant improvements, and five to seven years for furniture and equipment.

(d) Income Taxes

The Company qualifies and intends to continue to qualify as a REIT under the Internal Revenue Code. As a REIT, the Company is allowed to reduce taxable income by all or a portion of its distributions to stockholders. As distributions have exceeded taxable income, no provision for federal income taxes has been made in the accompanying consolidated financial statements.

Earnings and profits, which determine the taxability of dividends to stockholders, differ from net income reported for financial reporting purposes primarily because of different depreciable lives and bases of rental properties and differences in the timing of recognition of earnings upon disposition of properties.

Regency Realty Group, Inc., the Company's management company subsidiary ("RRG"), is subject to Federal and State income taxes and files separate tax returns. RRG had taxable income of \$1,052,233, \$918,763 and \$0 for the years ended December 31, 1998, 1997 and 1996, respectively. RRG incurred Federal and State income tax of \$344,833 and \$327,021 in 1998 and 1997, respectively, and paid no tax in 1996.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

(d) Income Taxes (continued)

At December 31, 1998 and 1997, the net book basis of real estate assets exceeds the tax basis by approximately \$122 million and \$39.6 million, respectively, primarily due to the difference between the cost basis of the assets acquired and their carryover basis recorded for tax purposes.

The following summarizes the tax status of dividends paid during the years ended December 31 (unaudited):

	1998 ----	1997 ----	1996 ----
Dividend per share	\$1.76	1.68	1.62
Ordinary income	71%	85%	77%
Capital gain	2%	-	-
Return of capital	27%	15%	23%

(e) Deferred Costs

Deferred costs consist of internal and external commissions associated with leasing the rental property and loan costs incurred in obtaining financing which are limited to initial direct and incremental costs. The net leasing commission balance was \$3.3 and \$1.7 million at December 31, 1998 and 1997, respectively. The net loan cost balance was \$3.5 and \$2.5 million at December 31, 1998 and 1997, respectively. Such costs are deferred and amortized over the terms of the respective leases and loans.

(f) Earnings Per Share

The Company applies the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share" to the computation, presentation, and disclosure requirements of earnings per share. Basic net income per share of common stock is computed based upon the weighted average number of common shares outstanding during the year. Diluted net income per share also includes common share equivalents for stock options, exchangeable partnership units, and Class B common stock when dilutive. See note 7 for the calculation of earnings per share.

(g) Cash and Cash Equivalents

Any instruments which have an original maturity of ninety days or less when purchased are considered cash equivalents.

(h) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

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(i) Impairment of Long-Lived Assets

The Company applies the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". This Statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Adoption of this Statement did not have a material impact on the Company's financial position, results of operations, or liquidity.

(j) Stock Option Plan

The Company applies the provisions of SFAS No. 123, "Accounting for Stock Based Compensation", which allows companies a choice in the method of accounting for stock options. Entities may recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant or SFAS No. 123 also permits entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made as if the fair-value-based method defined in SFAS No. 123 had been applied. APB Opinion No. 25 "Accounting for Stock Issued to Employees", and related interpretations states that compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

(k) Statement of Financial Accounting Standards No. 131

The FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which is effective for fiscal years beginning after December 15, 1997. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim and annual financial reports. The Company adopted FAS 131 as disclosed in note 3.

(l) Reclassifications

Certain reclassifications have been made to the 1997 amounts to conform to classifications adopted in 1998.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

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2. Acquisitions of Shopping Centers

During 1998, the Company acquired 31 shopping centers fee simple for approximately \$355.9 million and also invested \$28.4 million in 12 joint ventures ("JV Properties"), for a total investment of \$384.3 million in 43 shopping centers ("1998 Acquisitions"). Included in the 1998 Acquisitions are 32 shopping centers acquired from various entities comprising the Midland Group ("Midland"). Of the 32 Midland centers, 31 are anchored by Kroger, and 12 are owned through joint ventures in which the Company's ownership interest is 50% or less. The Company's investment in the properties acquired from Midland is \$236.6 million at December 31, 1998. The Company expects to acquire all of the interests in two of the JV Properties for approximately \$20.3 million during 1999 which will increase its total investment in the Midland properties to \$256.9 million. In addition, during 1999 and 2000, the Company may pay contingent consideration of up to an estimated \$23 million, through the issuance of Partnership units and the payment of cash. The amount of such consideration, if issued, will depend on the satisfaction of certain performance criteria relating to the assets acquired from Midland. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than units.

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions") for approximately \$395.7 million. Included in the 1997 Acquisitions are 26 shopping centers acquired from Branch Properties ("Branch") for \$232.4 million. During 1998, the Company issued 721,997 additional Units and shares of common stock valued at \$18.2 million to Branch as contingent consideration for the satisfaction of certain performance criteria of the properties acquired. The Company expects to issue the remaining contingent consideration, 298,064 Units, during 1999.

The operating results of the 1998 and 1997 Acquisitions are included in the Company's consolidated financial statements from the date each property was acquired. The following unaudited pro forma information presents the consolidated results of operations as if all 1998 and 1997 Acquisitions had occurred on January 1, 1997. Such pro forma information reflects adjustments to 1) increase depreciation, interest expense, and general and administrative costs, 2) remove the office buildings sold, and 3) adjust the weighted average common shares, and common equivalent shares outstanding issued to acquire the properties. Pro forma revenues would have been \$156.4 and \$144.4 million in 1998 and 1997, respectively. Pro forma net income for common stockholders would have been \$44.5 and \$28.0 million in 1998 and 1997, respectively. Pro forma basic net income per share would have been \$1.55 and \$1.31 in 1998 and 1997, respectively. Pro forma diluted net income per share would have been \$1.52 and \$1.22, in 1998 and 1997, respectively. This data does not purport to be indicative of what would have occurred had the Acquisitions been made on January 1, 1997, or of results which may occur in the future.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

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3. Segments

The Company was formed, and currently operates, for the purpose of 1) operating and developing Company owned retail shopping centers (Retail segment), and 2) providing services including property management, leasing, brokerage, and construction and development management for third-parties (Service operations segment). The Company had previously operated four office buildings, all of which have been sold during 1998 and 1997 (Office buildings segment). The Company's reportable segments offer different products or services and are managed separately because each requires different strategies and management expertise. There are no material inter-segment sales or transfers.

The Company assesses and measures operating results starting with Net Operating Income for the Retail and Office Buildings segments and Income for the Service operations segment and converts such amounts into a performance measure referred to as Funds From Operations (FFO). The operating results for the individual retail shopping centers have been aggregated since all of the Company's shopping centers exhibit highly similar economic characteristics as neighborhood shopping centers, and offer similar degrees of risk and opportunities for growth. FFO as defined by the National Association of Real Estate Investment Trusts consists of net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of income producing property held for investment, plus depreciation and amortization of real estate, and adjustments for unconsolidated investments in real estate partnerships and joint ventures. The Company considers FFO to be the industry standard for reporting the operations of real estate investment trusts ("REITs"). Adjustments for investments in real estate partnerships are calculated to reflect FFO on the same basis. While management believes that FFO is the most relevant and widely used measure of the Company's performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs. Additionally, the Company's calculation of FFO, as provided below, may not be comparable to similarly titled measures of other REITs.

The accounting policies of the segments are the same as those described in note 1. The revenues, FFO, and assets for each of the reportable segments are summarized as follows for the years ended as of December 31, 1998, 1997, and 1996. Non-segment assets to reconcile to total assets include cash, accounts receivable and deferred financing costs.

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Notes to Consolidated Financial Statements

December 31, 1998

3. Segments (continued)

	1998	1997	1996
	----	----	----
Revenues:			
Retail segment	\$ 130,900,785	84,203,386	39,004,931
Service operations segment	11,862,784	8,447,615	3,444,287
Office buildings segment	532,432	4,684,994	4,498,349
	=====	=====	=====
Total revenues	\$ 143,296,001	97,335,995	46,947,567
	=====	=====	=====
Funds from Operations:			
Retail segment net operating income	\$ 100,239,863	63,056,124	28,652,114
Service operations segment income	11,862,784	8,447,615	3,444,287
Office buildings segment net operating income	349,161	2,928,125	2,785,772
Adjustments to calculate consolidated FFO:			
Interest expense	(28,786,431)	(19,667,483)	(11,476,555)
Interest income	1,957,575	1,000,227	666,031
Earnings from recurring land sales	901,853	-	-
General and administrative	(15,064,148)	(9,963,926)	(6,048,140)
Non-real estate depreciation	(679,740)	(406,113)	(49,200)
Minority interests of limited partners	(464,098)	(504,947)	-
Minority interests in depreciation and amortization	(526,018)	(285,280)	-
Share of joint venture depreciation and amortization	688,686	59,038	39,626
Dividends on preferred shares and units	(3,358,333)	0	(57,721)
	-----	-----	-----
Funds from Operations	67,121,154	44,663,380	17,956,214
	-----	-----	-----
Reconciliation to net income for common stockholders:			
Real estate related depreciation and amortization	(24,366,261)	(15,897,046)	(8,009,443)
Minority interests in depreciation and amortization	526,018	285,280	-
Share of joint venture depreciation and amortization	(688,686)	(59,038)	(39,626)
Earnings from property sales	9,824,122	450,902	-
Minority interests of exchangeable partnership units	(1,826,273)	(2,041,823)	-
	-----	-----	-----
Net income available for common stockholders	\$ 50,590,074	27,401,655	9,907,145
	=====	=====	=====
Assets (in thousands):	1998	As of December 31 1997	1996
-----	----	----	----
Retail segment	\$ 1,170,478	754,174	342,900
Service operations segment	20,870	20,173	1,695
Office buildings segment	-	19,258	21,559
Cash and other assets	48,759	33,244	20,370
	=====	=====	=====
Total assets	\$ 1,240,107	826,849	386,524
	=====	=====	=====

REGENCY REALTY CORPORATION

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4. Investments in Real Estate Partnerships

The Company accounts for all investments in which it owns less than 50% and does not have controlling financial interest, using the equity method. The Company's combined investment in these partnerships was \$30.6 million and \$999,730 at December 31, 1998 and 1997, respectively. Net income is allocated in accordance with each of the partnership agreements.

5. Notes Payable and Acquisition and Development Line of Credit

The Company's outstanding debt at December 31, 1998 and 1997 consists of the following (in thousands):

	1998	1997
	----	----
Notes Payable:		
Fixed rate mortgage loans	\$ 298,148	199,078
Variable rate mortgage loans	11,051	30,841
Fixed rate unsecured loans	121,296	-
	-----	-----
Total notes payable	430,495	229,919
Acquisition and development line of credit	117,631	48,131
	-----	-----
Total	\$ 548,126	278,050
	=====	=====

The Company has an acquisition and development line of credit (the "Line") which provides for a commitment up to \$300 million, and incorporates a competitive bid facility of up to \$150 million of the commitment amount. Maximum availability under the Line is based on the discounted value of a pool of eligible unencumbered assets less the amount of the Company's outstanding unsecured liabilities. The Line, which is unsecured, matures in May 2000, but may be extended annually for one year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus a specified spread, (.875% currently), which is dependent on the Company's investment grade rating. The interest rate on the Line was 6.56% at December 31, 1998. The Company's ratings are currently Baa2 from Moody's Investor Service, BBB from Duff and Phelps, and BBB- from Standard and Pears. The Company is required to comply, and is in compliance, with certain financial covenants customary with this type of unsecured financing. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

On July 17, 1998 the Company through RCLP, completed a \$100 million offering of seven year term notes at an effective interest rate of 7.17%. The Notes were priced at 162.5 basis points over the current yield for seven year US Treasury Bonds. The notes are unsecured and mature on July 15, 2005. The net proceeds of the offering were used to repay borrowings under the Line.

Mortgage loans are secured by certain real estate properties, but generally may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2018. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

5. Notes Payable and Acquisition and Development Line of Credit (continued)

During 1998, the Company assumed mortgage loans with a fair value of \$132.8 million related to the acquisition of shopping centers, which includes debt premiums of \$12.4 million based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

As of December 31, 1998, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

Scheduled Payments by Year -----	Scheduled Principal Payments -----	Term Loan Maturities -----	Total Payments -----
1999	\$ 3,771	21,579	25,350
2000	3,996	174,674	178,670
2001	3,911	41,928	45,839
2002	3,098	44,117	47,215
2003	2,914	13,291	16,205
Beyond 5 Years	17,811	206,607	224,418
Net unamortized debt payments	-	10,429	10,429
Total	\$ 35,501 =====	512,625 =====	548,126 =====

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$76.7 million at December 31, 1998, and the Company's proportionate share of these loans was \$34.4 million.

The fair value of the Company's notes payable and Line are estimated based on the current rates available to the Company for debt of the same remaining maturities. Variable rate notes payable, and the Company's Line, are considered to be at fair value since the interest rates on such instruments reprice based on current market conditions. Notes payable with fixed rates, that have been assumed in connection with acquisitions, are recorded in the accompanying financial statements at fair value. The Company considers the carrying value of all other fixed rate notes payable to be a reasonable estimation of their fair value based on the fact that the rates of such notes are similar to rates available to the Company for debt of the same terms.

6. Stockholders' Equity

On June 11, 1996, the Company entered into a Stockholders Agreement (the "Agreement") with SC-USREALTY granting it certain rights such as purchasing common stock, nominating representatives to the Company's Board of Directors, and subjecting SC-USREALTY to certain restrictions including voting and ownership restrictions. The Agreement primarily granted SC-USREALTY (i) the right to acquire 7,499,400 shares for approximately \$132 million and also participation rights entitling it to purchase additional equity in the Company, at the same price as that offered to other purchasers, each time that the Company sells additional shares of capital stock or options or other rights to acquire capital stock, in order to preserve SC-USREALTY's pro rata ownership position; and (ii) the right to nominate a

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

6. Stockholders' Equity (continued)

proportionate number of directors on the Company's Board, rounded down to the nearest whole number, based upon SC-USREALTY's percentage ownership of outstanding common stock (but not to exceed 49% of the Board). SC-USREALTY has acquired all of the 7,499,400 shares related to the Agreement. In connection with the Units and shares of common stock issued in exchange for Branch's assets. SC-USREALTY acquired 1,750,000 shares during August and December, 1997 at \$22.125 per share in accordance with their rights as provided for in the Agreement. In connection with the Units and shares of common stock issued for Branch in March 1998, SC-USREALTY acquired 435,777 shares at \$22.125 per share in accordance with their rights as provided for in the Agreement. The acquisition of Branch is discussed further in note 2.

For a period of at least five years (subject to certain exceptions), SC-USREALTY is precluded from, among other things, (i) acquiring more than 45% of the outstanding common stock on a diluted basis, (ii) transferring shares without the Company's approval in a negotiated transaction that would result in any transferee beneficially owning more than 9.8% of the Company's capital stock, or (iii) acting in concert with any third parties as part of a 13D group. Subject to certain exceptions, SC-USREALTY is required to vote its shares either as recommended by the Board of Directors or proportionately in accordance with the vote of the other stockholders.

On July 11, 1997, the Company sold 2,415,000 shares to the public at \$27.25 per share. In connection with that offering, SC-USREALTY purchased an additional 1,785,000 shares at \$27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at \$27.25 per share. Total proceeds from the sale of common stock to the public and SC-USREALTY of approximately \$117 million net of offering expenses was used to reduce the balance of the Line.

In connection with the acquisition of shopping centers, RCLP has issued Exchangeable Operating Partnership Units to limited partners convertible on a one for one basis into shares of common stock of the Company. There are currently 1,361,396 Exchangeable Operating Partnership Units outstanding.

On June 29, 1998, the Company through RCLP issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for \$50.00 per unit. The Series A Preferred Units, which may be called by the Partnership at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

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7. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the years ended, December 31, 1998, 1997 and 1996 (in thousands except per share data):

	1998 ----	1997 ----	1996 ----
Basic Earnings Per Share (EPS) Calculation:			
Weighted average common shares outstanding	25,150 =====	17,424 =====	7,331 =====
Net income for common stockholders	\$ 50,590	27,402	9,907
Less: dividends paid on Class B common stock	5,378 -----	5,140 -----	3,879 -----
Net income for Basic EPS	45,212 =====	22,262 =====	6,028 =====
Basic EPS	\$ 1.80 =====	1.28 =====	.82 =====
Diluted Earnings Per Share (EPS) Calculation:			
Weighted average shares outstanding for Basic EPS	25,150	17,424	7,331
Exchangeable operating partnership units	1,223	1,243	18
Incremental shares to be issued under common stock options using the Treasury method	14	80	3
Contingent units or shares for the acquisition of real estate	511 -----	955 -----	- -----
Total diluted shares	26,898 =====	19,702 =====	7,352 =====
Net income for Basic EPS	\$ 45,212	22,262	6,028
Add: minority interest of exchangeable partnership units	1,826 -----	2,042 -----	- -----
Net income for Diluted EPS	47,038 =====	24,304 =====	6,028 =====
Diluted EPS	\$ 1.75 =====	1.23 =====	.82 =====

Class B common stock is not included in the above calculation because it is anti-dilutive.

8. Long-Term Stock Incentive Plans

In 1993, the Company adopted a Long-Term Omnibus Plan (the "Plan") pursuant to which the Board of Directors may grant stock and stock options to officers, directors and other key employees. The Plan provides for the issuance of up to 12% of the Company's common shares outstanding not to exceed 3.0 million shares. Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant. All stock options granted have ten year terms, and with respect to

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

8. Long-Term Stock Incentive Plans (continued)

officers and other key employees, become fully exercisable after four years from the date of grant, and with respect to directors, become fully exercisable after one year.

At December 31, 1998, there were approximately 300,000 shares available for grant under the Plan. The per share weighted-average fair value of stock options granted during 1998 and 1997 was \$2.22 and \$3.26 on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions: 1998 - expected dividend yield 7.5%, risk-free interest rate of 4.8%, expected volatility 21%, and an expected life of 6.5 years; 1997 - expected dividend yield 6.3%, risk-free interest rate of 6.3%, expected volatility 21%, and an expected life of 5.7 years; The Company applies APB Opinion No. 25 in accounting for its Plan and, accordingly, no compensation cost has been recognized for its stock options in the consolidated financial statements.

Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, the Company's net income for common stockholders would have been reduced to the pro forma amounts indicated below (in thousands except per share data):

Net income for Common stockholders -----	1998 ----	1997 ----	1996 ----
As reported:	\$50,590	\$27,402	\$9,907
Net income per share:			
Basic	\$ 1.80	\$ 1.28	\$ 0.82
Diluted	\$ 1.75	\$ 1.23	\$ 0.82
Pro forma:	\$49,565	\$25,777	\$9,897
Net income per share:			
Basic	\$ 1.76	\$ 1.18	\$ 0.82
Diluted	\$ 1.71	\$ 1.15	\$ 0.82

Pro forma net income for common stockholders reflects only options granted subsequent to the issuance of SFAS 123 in 1995. Therefore, the full impact of calculating compensation cost for stock options under SFAS No. 123 is not reflected in the pro forma net income for common stockholders amounts presented above because compensation cost is reflected over the options' vesting period and compensation cost for options granted prior to January 1, 1995 is not considered.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

8. Long-Term Stock Incentive Plans (continued)

Stock option activity during the periods indicated is as follows:

	Number of Shares -----	Weighted Average Exercise Price -----
Outstanding, December 31, 1995	186,000	\$ 19.09
Granted	12,000	24.67

Outstanding, December 31, 1996	198,000	19.43

Granted	1,252,276	25.39
Forfeited	(7,000)	23.54
Exercised	(124,769)	19.25

Outstanding, December 31, 1997	1,318,507	25.08

Granted	741,265	24.39
Forfeited	(123,495)	25.33
Exercised	(227,700)	24.97

Outstanding, December 31, 1998	1,708,577	\$ 24.71
	=====	

The following table presents information regarding all options outstanding at December 31, 1998.

Number of Options Outstanding -----	Weighted Average Remaining Contractual Life -----	Range of Exercise Prices -----	Weighted Average Exercise Price -----
51,731	5.0 years	\$ 16.75 - 19.25	\$ 18.93
1,231,578	8.6 years	22.25 - 25.25	24.26
425,268	8.4 years	26.19 - 27.75	26.69
	-----	-----	-----
1,708,577	8.5 years	\$ 16.75 - 27.75	\$ 24.71
	=====	=====	=====

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

8. Long-Term Stock Incentive Plans (continued)

The following table presents information regarding options currently exercisable at December 31, 1998:

Number of Options Exercisable -----	Range of Exercise Prices -----	Weighted Average Exercise Price -----
51,731	\$ 16.75 - 19.25	\$ 18.93
98,300	25.25	25.25
88,881	26.25 - 27.75	26.99
-----	-----	-----
238,912	\$ 16.75 - 27.75	\$ 24.53
=====	=====	=====

Also as part of the Plan, in 1993, 1996 and 1998, certain officers and employees purchased common stock at fair market value directly from the Company, of which 90%, 95% and 95%, respectively, was financed by a stock purchase loan provided by the Plan. These recourse loans are fully secured by stock, bear interest at fixed rates of 6% to 7.79% and mature after ten years. The Board of Directors may authorize the forgiveness of all or a portion of the principal balance based on the Company's achievement of specified financial objectives, and total stockholder return performance targets. During 1998, 1997, and 1996, \$662,196, \$601,516, and \$646,598 was forgiven, respectively, and is included as a charge to income on the consolidated statements of operations. The Company also has a performance based restricted stock plan for officers whereby a portion of the shares authorized under the Plan may be granted upon the achievement of certain total stockholder return performance targets. Shares granted under the plan become fully vested by January 1, 2000. During 1998, 1997 and 1996, the Company charged \$250,000, \$259,600 and \$809,400 to income on the consolidated statement of operations related to the restricted stock plan. In addition, the Company provided it's officers, directors and employees with other stock based compensation totaling \$1.5, \$1.7, and \$1.5 million during 1998, 1997 and 1996, respectively.

9. Operating Leases

The Company's properties are leased to tenants under operating leases with expiration dates extending to the year 2028. Future minimum rent under noncancelable operating leases as of December 31, 1998, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume are as follows:

Year ending December 31,	Amount
1999	110,538,266
2000	105,061,943
2001	89,224,053
2002	74,990,466
2003	64,644,898
Thereafter	481,164,703
Total	\$ 925,624,329
	=====

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1998

9. Operating Leases (continued)

At December 31, 1998, the real estate portfolio as a whole was approximately 93% leased.

The shopping centers' tenant base includes primarily national and regional supermarkets, drug stores, discount department stores and other retailers and, consequently, the credit risk is concentrated in the retail industry. There were no tenants which individually represented 10% or more of the Company's combined minimum rent. The combined annualized rent from the Company's four largest retail tenants represented approximately 26.9% of annualized base rent at December 31, 1998.

10. Contingencies

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. While the Company has registered the plants located in Florida under a state funded program designed to substantially fund the clean up, if necessary, of any environmental issues, the owner or operator is not relieved from the ultimate responsibility for clean up. The Company also has established due diligence procedures to identify and evaluate potential environmental issues on properties under consideration for acquisition. In connection with acquisitions during 1998 and 1997, the Company has established environmental reserves which amounted to \$2.2 million and \$1.9 million at December 31, 1998 and 1997, respectively. While it is not possible to predict with certainty, management believes that the reserves are adequate to cover future clean-up costs related to these sites. The Company's policy is to accrue environmental clean-up costs when it is probable that a liability has been incurred and that amount is reasonably estimable. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

11. Market and Dividend Information (Unaudited)

The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "REG". The Company currently has approximately 3,500 shareholders. The following table sets forth the high and low prices and the cash dividends declared on the Company's common stock by quarter for 1998 and 1997. All amounts are in thousands except per share data.

	1998			1997		
	High Price	Low Price	Cash Dividends Declared	High Price	Low Price	Cash Dividends Declared
March 31	\$ 27.812	24.750	.44	28.000	25.000	.42
June 30	26.687	24.062	.44	28.125	24.875	.42
September 30	26.500	20.500	.44	28.250	24.875	.42
December 31	23.437	20.250	.44	28.000	24.250	.42

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Notes to Consolidated Financial Statements

December 31, 1998

12. Summary of Quarterly Financial Data (Unaudited)

Presented below is a summary of the consolidated quarterly financial data for the years ended December 31, 1998 and 1997 (amounts in thousands, except per share data):

	First Quarter -----	Second Quarter -----	Third Quarter -----	Fourth Quarter -----
1998:				
Revenues	\$ 30,909	35,187	37,199	40,001
Net income for common stockholders	19,556	10,798	10,061	10,175
Net income per share:				
Basic	.74	.38	.34	.35
Diluted	.72	.36	.34	.34
1997:				
Revenues	\$ 17,733	24,626	26,790	28,187
Net income for common stockholders	4,037	4,727	8,743	9,895
Net income per share:				
Basic	.25	.26	.34	.37
Diluted	.25	.26	.32	.35

13. Subsequent Event

On September 23, 1998, the Company entered into an Agreement of Merger ("Agreement") with Pacific Retail Trust ("Pacific"), a privately held real estate investment trust. The Agreement, among other matters, provides for the merger of Pacific into Regency, and the exchange of each Pacific common or preferred share into 0.48 shares of Regency common or preferred stock. The stockholders approved the merger at a Special Meeting of Stockholders held February 26, 1999. At the time of the merger, Pacific owned 71 retail shopping centers that are operating or under construction containing 8.4 million SF of gross leaseable area. On February 28, 1999, the effective date of the merger, the Company issued equity instruments valued at \$770.6 million to the Pacific stockholders in exchange for their outstanding common and preferred shares, and units. The total cost to acquire Pacific is \$1.157 billion based on the value of Regency shares issued, including the assumption of \$379 million of outstanding debt and other liabilities of Pacific, and estimated closing costs of \$7.5 million. The price per share used to determine the purchase price is \$23.325 based on the five day average of the closing stock price of Regency's common stock as listed on the New York Stock Exchange immediately before, during and after the date the terms of the merger were agreed to and announced to the public. The merger will be accounted for as a purchase with the Company as the acquiring entity.

On February 26, 1999, the Company entered into an agreement with the various banks that provide the Line to increase the unsecured commitment amount to \$635 million.

Independent Auditors' Report
On Financial Statement Schedule

The Shareholders and Board of Directors
Regency Realty Corporation

Under date of February 1, 1999, except for Note 13 as to which the date is March 1, 1999, we reported on the consolidated balance sheets of Regency Realty Corporation as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1998, as contained in the annual report on Form 10-K for the year 1998. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedule as listed in the accompanying index on page F-1 of the annual report on Form 10-K for the year 1998. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Jacksonville, Florida
February 1, 1999

REGENCY REALTY CORPORATION

Combined Real Estate and Accumulated Depreciation
December 31, 1998

	Initial Cost		Cost Capitalized Subsequent to Acquisition	Total Cost		
	Land	Building & Improvements		Land	Building & Improvements	Total
ANASTASIA SHOPPING PLAZA	1,072,451	3,617,493	159,607	1,072,451	3,777,100	4,849,551
ASHFORD PLACE	2,803,998	9,943,994	(761,970)	2,583,998	9,402,024	11,986,022
AVENTURA SHOPPING CENTER	2,751,094	9,317,790	157,829	2,751,094	9,475,619	12,226,713
BECKETT COMMONS	1,625,242	5,844,871	-	1,625,242	5,844,871	7,470,113
BENEVA	2,483,547	8,851,199	-	2,483,547	8,851,199	11,334,746
BENT TREE PLAZA	1,927,712	6,659,082	-	1,927,712	6,659,082	8,586,794
BERKSHIRE COMMONS	2,294,960	8,151,236	76,079	2,294,960	8,227,315	10,522,275
BLOOMINGDALE	3,861,759	14,100,891	-	3,861,759	14,100,891	17,962,650
BOLTON PLAZA	2,660,227	6,209,110	1,219,398	2,634,664	7,454,071	10,088,735
BONNERS POINT	859,854	2,878,641	166,034	859,854	3,044,675	3,904,529
BOYNTON LAKES PLAZA	2,783,000	10,043,027	37,669	2,783,000	10,080,696	12,863,696
BRAELINN VILLAGE EQUIPORT	4,191,214	12,389,585	876,936	4,191,214	13,266,521	17,457,735
BRIARCLIFF LA VISTA	694,120	2,462,819	-	694,120	2,462,819	3,156,939
BRIARCLIFF VILLAGE	4,597,018	16,303,813	334,677	4,597,018	16,638,490	21,235,508
BROOKVILLE PLAZA	1,208,012	4,205,994	-	1,208,012	4,205,994	5,414,006
BUCKHEAD COURT	1,737,569	6,162,941	1,229,361	1,627,569	7,502,302	9,129,871
CAMBRIDGE SQUARE	792,000	2,916,034	59,747	792,000	2,975,781	3,767,781
CARMEL COMMONS	2,466,200	8,903,187	1,526,996	2,466,200	10,430,183	12,896,383
CARRIAGE GATE	740,960	2,494,750	1,101,049	740,960	3,595,799	4,336,759
CENTER OF SEVEN SPRINGS	1,737,994	6,290,048	1,452,432	1,757,440	7,723,034	9,480,474
CHASEWOOD PLAZA	1,675,000	11,390,727	4,500,773	2,476,486	15,090,014	17,566,500
CHERRY GROVE	3,533,146	12,710,297	-	3,533,146	12,710,297	16,243,443
CITY VIEW SHOPPING CENTER	1,207,204	4,341,304	46,444	1,207,204	4,387,748	5,594,952
COLUMBIA MARKETPLACE	1,280,158	4,285,745	177,291	1,280,158	4,463,036	5,743,194
COUNTRY CLUB	1,105,201	3,709,452	87,739	1,105,201	3,797,191	4,902,392
COURTYARD SHOPPING CENTER	1,761,567	4,187,039	263,527	1,761,567	4,450,566	6,212,133
CROMWELL SQUARE	1,771,892	6,285,288	27,249	1,771,892	6,312,537	8,084,429
CUMMING 400	2,374,562	8,420,776	134,871	2,374,562	8,555,647	10,930,209
DELK SPECTRUM	2,984,577	11,048,896	-	2,984,577	11,048,896	14,033,473
DUNWOODY HALL	1,819,209	6,450,922	329,740	1,819,209	6,780,662	8,599,871
DUNWOODY VILLAGE	2,326,063	7,216,045	2,064,462	2,326,063	9,280,507	11,606,570
EAST POINTE	1,868,120	6,742,983	-	1,868,120	6,742,983	8,611,103
EAST PORT PLAZA	3,257,023	11,611,363	164,282	3,257,023	11,775,645	15,032,668
ENSLEY SQUARE	915,493	3,120,928	410,219	915,493	3,531,147	4,446,640
EVANS CROSSING	1,468,743	5,123,617	-	1,468,743	5,123,617	6,592,360
FLEMING ISLAND	3,076,701	6,291,505	-	3,076,701	6,291,505	9,368,206
FRANKLIN SQUARE	2,584,025	9,379,749	-	2,584,025	9,379,749	11,963,774
GARDEN SQUARE	2,073,500	7,614,748	361,367	2,136,135	7,913,480	10,049,615
GARNER FESTIVAL	5,591,099	19,897,197	-	5,591,099	19,897,197	25,488,296
GLENWOOD VILLAGE	1,194,198	4,235,476	81,175	1,194,198	4,316,651	5,510,849
HAMILTON MEADOWS	2,034,566	6,582,429	-	2,034,566	6,582,429	8,616,995
HARPETH VILLAGE FIELDSTONE	2,283,874	5,559,498	3,537,926	2,283,874	9,097,424	11,381,298
HIGHLAND SQUARE	2,615,250	9,359,722	-	2,615,250	9,359,722	11,974,972
HINSDALE LAKE COMMONS	4,217,840	15,039,854	-	4,217,840	15,039,854	19,257,694
HYDE PARK	9,240,000	33,340,181	2,625,631	9,735,102	35,470,710	45,205,812
KERNERSVILLE PLAZA	1,741,562	6,081,020	-	1,741,562	6,081,020	7,822,582
KINGSDALE SHOPPING CENTER	3,866,500	14,019,614	153,027	3,866,500	14,172,641	18,039,141
LAGRANGE MARKETPLACE	983,923	3,294,003	98,595	983,923	3,392,598	4,376,521
LAKE PINE PLAZA	2,008,110	6,908,986	-	2,008,110	6,908,986	8,917,096
LAKESHORE	1,617,940	5,371,499	-	1,617,940	5,371,499	6,989,439
LOEHMANN'S PLAZA	3,981,525	14,117,891	11,371	3,981,525	14,129,262	18,110,787
LOVEJOY STATION	1,540,000	5,581,468	1,654	1,540,000	5,583,122	7,123,122
LUCEDALE MARKETPLACE	641,565	2,147,848	64,089	641,565	2,211,937	2,853,502
MAINSTREET SQUARE	1,274,027	4,491,897	34,392	1,274,027	4,526,289	5,800,316
MARINERS VILLAGE	1,628,000	5,907,835	134,497	1,628,000	6,042,332	7,670,332
MARKETPLACE ST PETE	1,287,000	4,662,740	223,490	1,287,000	4,886,230	6,173,230
MARKETPLACE CENTER OLD FORT	2,432,942	1,755,643	1,813,070	2,432,942	3,568,713	6,001,655
MARTIN DOWNS VILLAGE CENTER	2,000,000	5,133,495	2,981,179	2,437,664	7,677,010	10,114,674
MARTIN DOWNS VILLAGE SHOPPES	700,000	1,207,861	879,527	817,135	1,970,253	2,787,388
MAXTOWN ROAD (NORTHGATE)	1,753,136	6,244,449	-	1,753,136	6,244,449	7,997,585
MAYNARD CROSSING	4,066,381	14,083,800	-	4,066,381	14,083,800	18,150,181
MEMORIAL BEND SHOPPING CENTER	3,256,181	11,546,660	1,481,282	3,366,181	12,917,942	16,284,123
MERCHANTS VILLAGE	1,054,306	3,162,919	3,185,485	1,054,306	6,348,404	7,402,710
MILLHOPPER	1,073,390	3,593,523	928,847	1,073,390	4,522,370	5,595,760
NEWBERRY SQUARE	2,341,460	8,466,651	784,841	2,341,460	9,251,492	11,592,952
NORTH MIAMI SHOPPING CENTER	603,750	2,021,250	85,433	603,750	2,106,683	2,710,433
OAKLEY PLAZA	1,772,540	6,406,975	65,103	1,772,540	6,472,078	8,244,618
OCEAN BREEZE	1,250,000	3,341,199	2,424,031	1,527,400	5,487,830	7,015,230
OLD ST AUGUSTINE PLAZA	2,047,151	7,355,162	233,330	2,047,151	7,588,492	9,635,643
ORCHARD SQUARE	1,155,000	4,135,353	252,060	1,155,000	4,387,413	5,542,413
PACES FERRY PLAZA	2,811,522	9,967,557	1,627,529	2,811,622	11,594,986	14,406,608
PALM HARBOUR SHOPPING VILLAGE	2,899,928	10,998,230	1,058,599	2,899,928	12,056,829	14,956,757
PALM TRAILS PLAZA	2,438,996	5,818,523	-	2,438,996	5,818,523	8,257,519
PARAGON BRANDON JV	570,000	2,472,537	(3,042,537)	-	-	-
PARK PLACE	2,231,745	7,974,362	-	2,231,745	7,974,362	10,206,107
PARKWAY STATION	1,123,200	4,283,917	142,744	1,123,200	4,426,661	5,549,861
PEACHLAND PROMENADE	1,284,562	5,143,564	61,087	1,284,561	5,204,652	6,489,213
PEARTREE VILLAGE	5,196,653	8,732,711	10,122,933	5,196,653	18,855,644	24,052,297
PIKE CREEK	5,077,406	18,860,183	-	5,077,406	18,860,183	23,937,589

PINE TREE PLAZA	539,000	1,995,927	(84,927)	539,000	1,911,000	2,450,000
POWERS FERRY SQUARE	3,607,647	12,790,749	3,253,948	3,607,647	16,044,697	19,652,344
POWERS FERRY	1,190,822	4,223,606	19,564	1,190,822	4,243,170	5,433,992
QUADRANT AT SOUTHPOINT I	2,342,823	15,541,967	(17,884,790)	-	-	-
QUEENSBOROUGH	1,826,000	6,501,056	-	1,826,000	6,501,056	8,327,056
REGENCY COURT	3,571,337	12,664,014	285,562	3,571,337	12,949,576	16,520,913
REGENCY SQUARE BRANDON	577,975	18,156,719	7,542,763	4,491,461	21,785,996	26,277,457
RIVERMONT STATION	2,887,213	10,445,109	79,795	2,887,213	10,524,904	13,412,117
ROSWELL VILLAGE	2,304,345	6,777,200	181,066	2,304,345	6,958,266	9,262,611
RUSSELL RIDGE	2,153,214	-	6,565,264	2,215,341	6,503,137	8,718,478
SANDY PLAINS VILLAGE	2,906,640	10,412,440	433,698	2,906,640	10,846,138	13,752,778
SANDY SPRINGS VILLAGE	733,126	2,565,411	168,915	733,126	2,734,326	3,467,452
SHOPPES @ 104	2,651,000	9,523,429	-	2,651,000	9,523,429	12,174,429
SHOPPES AT MASON	1,576,656	5,357,855	-	1,576,656	5,357,855	6,934,511
SILVERLAKE	2,004,860	7,161,869	-	2,004,860	7,161,869	9,166,729
SOUTH MONROE	1,200,000	6,566,974	-	1,200,000	6,566,974	7,766,974
SOUTH POINTE CROSSING	-	13,000	-	-	13,000	13,000
ST ANN SQUARE	1,541,883	5,597,282	-	1,541,883	5,597,282	7,139,165
STATLER SQUARE	2,227,819	7,479,952	-	2,227,819	7,479,952	9,707,771
TAMIAMI TRAILS	2,046,286	7,462,646	108,330	2,046,286	7,570,976	9,617,262
TEQUESTA SHOPPES	1,782,000	6,426,042	235,213	1,782,000	6,661,255	8,443,255
TERRACE WALK	1,196,286	2,935,683	105,916	1,196,286	3,041,599	4,237,885
THE MARKETPLACE	1,211,605	4,056,242	2,840,716	1,758,434	6,350,129	8,108,563
TOWN CENTER AT MARTIN DOWNS	1,364,000	4,985,410	17,547	1,364,000	5,002,957	6,366,957
TOWN SQUARE	438,302	1,555,481	1,501,322	768,302	2,726,803	3,495,105
TROWBRIDGE CROSSING EQUIPORT	910,263	1,914,551	1,050,010	910,263	2,964,561	3,874,824
UNION SQUARE SHOPPING CENTER	1,578,654	5,933,889	386,260	1,578,656	6,320,147	7,898,803
UNIVERSITY COLLECTION	2,530,000	8,971,597	108,317	2,530,000	9,079,914	11,609,914
UNIVERSITY MARKETPLACE	3,250,562	7,044,579	2,409,463	3,532,046	9,172,558	12,704,604
VILLAGE CENTER 6	3,885,444	10,799,316	337,899	3,885,444	11,137,215	15,022,659
VILLAGE IN TRUSSVILLE	973,954	3,260,627	109,895	973,954	3,370,522	4,344,476
WELLEBY	1,496,000	5,371,636	346,882	1,496,000	5,718,518	7,214,518
WELLINGTON MARKET PLACE	5,070,384	13,308,972	319,657	5,070,384	13,628,629	18,699,013
WELLINGTON TOWN SQUARE	1,914,000	7,197,934	609,258	1,914,000	7,807,192	9,721,192
WEST COUNTY	1,491,462	4,993,155	126,744	1,491,462	5,119,899	6,611,361
WESTCHESTER PLAZA	1,857,048	6,456,178	-	1,857,048	6,456,178	8,313,226
WESTLAND I	198,344	1,747,391	(1,945,735)	-	-	-
WINDMILLER PLAZA PHASE I	2,620,355	11,190,526	-	2,620,355	11,190,526	13,810,881
WOODCROFT SHOPPING CENTER	1,419,000	5,211,981	384,592	1,419,000	5,596,573	7,015,573
WORTHINGTON PARK CENTRE	3,346,203	10,053,858	-	3,346,203	10,053,858	13,400,061
	253,680,855	871,635,824	57,867,342	257,669,018	925,514,995	1,183,184,013

	Accumulated Depreciation	Total Cost Net of Accumulated Depreciation	Mortgages
ANASTASIA SHOPPING PLAZA	575,105	4,274,446	-
ASHFORD PLACE	580,642	11,405,380	4,651,887
AVENTURA SHOPPING CENTER	2,111,008	10,115,705	8,602,768
BECKETT COMMONS	128,560	7,341,553	-
BENEVA	-	11,334,746	-
BENT TREE PLAZA	148,955	8,437,839	5,615,296
BERKSHIRE COMMONS	1,062,021	9,460,254	7,784,755
BLOOMINGDALE	300,874	17,661,776	-
BOLTON PLAZA	928,470	9,160,265	-
BONNERS POINT	535,045	3,369,484	1,613,000
BOYNTON LAKES PLAZA	251,445	12,612,251	-
BRAELINN VILLAGE EQUIPORT	729,122	16,728,613	12,356,039
BRIARCLIFF LA VISTA	139,030	3,017,909	1,649,897
BRIARCLIFF VILLAGE	968,021	20,267,487	13,282,120
BROOKVILLE PLAZA	103,342	5,310,664	3,668,969
BUCKHEAD COURT	389,391	8,740,480	-
CAMBRIDGE SQUARE	151,176	3,616,605	-
CARMEL COMMONS	434,794	12,461,589	-
CARRIAGE GATE	735,440	3,601,319	-
CENTER OF SEVEN SPRINGS	1,115,924	8,364,550	-
CHASEWOOD PLAZA	2,660,845	14,905,655	8,000,000
CHERRY GROVE	265,335	15,978,108	-
CITY VIEW SHOPPING CENTER	273,129	5,321,823	-
COLUMBIA MARKETPLACE	679,672	5,063,522	2,586,000
COUNTRY CLUB	563,066	4,339,326	2,264,000
COURTYARD SHOPPING CENTER	1,228,647	4,983,486	1,378,000
CROMWELL SQUARE	372,007	7,712,422	4,464,426
CUMMING 400	501,697	10,428,512	6,419,476
DELK SPECTRUM	304,219	13,729,254	8,138,553
DUNWOODY HALL	387,763	8,212,108	-
DUNWOODY VILLAGE	459,895	11,146,675	7,264,800
EAST POINTE	129,414	8,481,689	5,267,546
EAST PORT PLAZA	534,694	14,497,974	-
ENSLEY SQUARE	206,478	4,240,162	-
EVANS CROSSING	117,619	6,474,741	4,379,981
FLEMING ISLAND	78,219	9,289,987	3,522,104
FRANKLIN SQUARE	198,248	11,765,526	9,136,752
GARDEN SQUARE	244,096	9,805,519	6,516,686
GARNER FESTIVAL	124,404	25,363,892	-
GLENWOOD VILLAGE	257,101	5,253,748	2,211,233
HAMILTON MEADOWS	167,943	8,449,052	5,612,141
HARPETH VILLAGE FIELDSTONE	213,202	11,168,096	-

HIGHLAND SQUARE	135,556	11,839,416	3,942,071
HINSDALE LAKE COMMONS	31,394	19,226,300	-
HYDE PARK	1,381,919	43,823,893	24,750,000
KERNERSVILLE PLAZA	123,771	7,698,811	5,218,476
KINGSDALE SHOPPING CENTER	447,889	17,591,252	-
LAGRANGE MARKETPLACE	510,946	3,865,575	1,645,000
LAKE PINE PLAZA	144,204	8,772,892	5,986,557
LAKESHORE	113,706	6,875,733	3,729,331
LOEHMANN'S PLAZA	835,982	17,274,805	-
LOVEJOY STATION	209,663	6,913,459	-
LUCEDALE MARKETPLACE	340,083	2,513,419	1,390,000
MAINSTREET SQUARE	204,362	5,595,954	-
MARINERS VILLAGE	273,727	7,396,605	-
MARKETPLACE ST PETE	375,700	5,797,530	-
MARKETPLACE CENTER OLD FORT	167,760	5,833,895	1,986,409
MARTIN DOWNS VILLAGE CENTER	1,298,279	8,816,395	4,150,000
MARTIN DOWNS VILLAGE SHOPPES	337,325	2,450,063	1,313,000
MAXTOWN ROAD (NORTHGATE)	107,300	7,890,285	5,440,112
MAYNARD CROSSING	286,993	17,863,188	11,711,134
MEMORIAL BEND SHOPPING CENTER	696,953	15,587,170	8,335,963
MERCHANTS VILLAGE	196,291	7,206,419	-
MILLHOPPER	932,895	4,662,865	2,401,000
NEWBERRY SQUARE	1,366,907	10,226,045	-
NORTH MIAMI SHOPPING CENTER	605,557	2,104,876	1,160,000
OAKLEY PLAZA	290,343	7,954,275	-
OCEAN BREEZE	929,096	6,086,134	2,805,000
OLD ST AUGUSTINE PLAZA	440,733	9,194,910	-
ORCHARD SQUARE	332,356	5,210,057	-
PACES FERRY PLAZA	630,953	13,775,655	-
PALM HARBOUR SHOPPING VILLAGE	700,457	14,256,300	-
PALM TRAILS PLAZA	84,337	8,173,182	-
PARAGON BRANDON JV	-	-	-
PARK PLACE	33,228	10,172,879	-
PARKWAY STATION	319,124	5,230,737	-
PEACHLAND PROMENADE	571,096	5,918,117	-
PEARTREE VILLAGE	673,528	23,378,769	12,777,420
PIKE CREEK	226,061	23,711,528	12,442,166
PINE TREE PLAZA	48,350	2,401,650	-
POWERS FERRY SQUARE	798,322	18,854,022	-
POWERS FERRY	238,707	5,195,285	2,917,943
QUADRANT AT SOUTHPOINT I	-	-	-
QUEENSBOROUGH	13,544	8,313,512	-
REGENCY COURT	718,475	15,802,438	-
REGENCY SQUARE BRANDON	6,100,596	20,176,861	12,000,000
RIVERMONT STATION	395,653	13,016,464	-
ROSWELL VILLAGE	300,168	8,962,443	-
RUSSELL RIDGE	633,539	8,084,939	-
SANDY PLAINS VILLAGE	640,709	13,112,069	-
SANDY SPRINGS VILLAGE	131,641	3,335,811	-
SHOPPES @ 104	138,509	12,035,920	-
SHOPPES AT MASON	111,748	6,822,763	3,925,611
SILVERLAKE	104,315	9,062,414	-
SOUTH MONROE	54,424	7,712,550	-
SOUTH POINTE CROSSING	-	13,000	-
ST ANN SQUARE	143,068	6,996,097	4,972,117
STATLER SQUARE	157,923	9,549,848	5,472,654
TAMIAMI TRAILS	275,743	9,341,519	-
TEQUESTA SHOPPES	385,668	8,057,587	-
TERRACE WALK	624,306	3,613,579	683,000
THE MARKETPLACE	857,541	7,251,022	2,647,000
TOWN CENTER AT MARTIN DOWNS	260,896	6,106,061	-
TOWN SQUARE	97,568	3,397,537	-
TROWBRIDGE CROSSING EQUIPORT	109,285	3,765,539	1,800,000
UNION SQUARE SHOPPING CENTER	374,850	7,523,953	-
UNIVERSITY COLLECTION	502,408	11,107,506	-
UNIVERSITY MARKETPLACE	1,826,835	10,877,769	-
VILLAGE CENTER 6	878,291	14,144,368	-
VILLAGE IN TRUSSVILLE	529,193	3,815,283	1,775,000
WELLEBY	554,962	6,659,556	-
WELLINGTON MARKET PLACE	1,127,296	17,571,717	-
WELLINGTON TOWN SQUARE	486,760	9,234,432	-
WEST COUNTY	844,740	5,766,621	3,190,000
WESTCHESTER PLAZA	172,301	8,140,925	5,815,752
WESTLAND I	-	-	-
WINDMILLER PLAZA PHASE I	141,017	13,669,864	-
WOODCROFT SHOPPING CENTER	299,819	6,715,754	-
WORTHINGTON PARK CENTRE	192,029	13,208,032	4,967,081
	58,983,738	1,124,200,275	297,736,226

REGENCY REALTY CORPORATION

Combined Real Estate and Accumulated Depreciation
December 31, 1998

Depreciation and amortization of the Company's investment in buildings and improvements reflected in the statement of operation is calculated over the estimated useful lives of the assets as follows:

Buildings and improvements up to 40 years

The aggregate cost for Federal income tax purposes was approximately \$1.029 billion at December 31, 1998.

The changes in total real estate assets for the period ended December 31, 1998, 1997 and 1996:

	1998	1997	1996
	-----	-----	-----
Balance, beginning of period	799,801,367	389,007,481	278,731,167
Developed or acquired properties	399,305,955	408,475,251	107,378,064
Sale of property	(24,248,801)	(2,907,503)	-
Improvements	8,325,492	5,226,138	2,898,250
	-----	-----	-----
Balance, end of period	1,183,184,013	799,801,367	389,007,481
	=====	=====	=====

The changes in accumulated depreciation for the period ended December 31, 1998, 1997 and 1996:

	1998	1997	1996
	-----	-----	-----
Balance, beginning of period	40,795,801	26,213,225	18,631,310
Sale of property	(5,121,929)	(713,176)	-
Depreciation for period	23,309,866	15,295,752	7,581,915
	-----	-----	-----
Balance, end of period	58,983,738	40,795,801	26,213,225
	=====	=====	=====

REINSTATEMENT AGREEMENT

THIS REINSTATEMENT AGREEMENT ("Reinstatement Agreement") is made as of this _____ day of October, 1998, by and between BENEVA SHOPS ASSOCIATES, LTD., a Florida limited partnership ("Seller"), and RRC ACQUISITIONS, INC., a Florida corporation ("Buyer").

WHEREAS, Seller and Buyer entered into that certain Purchase and Sale Agreement dated October 21, 1997, whereby Seller agreed to sell and convey to Buyer and Buyer agreed to purchase from Seller certain real and personal property described therein, as subsequently amended by letter agreements dated December 8, 1997, December 23, 1997, December 29, 1997, January 15, 1998, and January 17, 1998 (the "Agreement"); and

WHEREAS, the Purchase Agreement terminated in accordance with its terms on January 27, 1998, but Buyer and Seller have agreed to reinstate the Purchase Agreement and amend certain provisions thereof, as more particularly set forth herein.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, Seller and Buyer acknowledge and agree as follows:

1. Buyer and Seller hereby agree that the Purchase Agreement is hereby reinstated, subject to and in accordance with the terms and conditions of this Reinstatement Agreement. As amended and modified hereby, the Purchase Agreement is in full force and effect. In the event of a conflict between the provisions hereof and those of the Purchase Agreement, the provisions hereof shall control.

2. The Purchase Agreement is amended and restated in its entirety as set forth in Exhibit "A" attached hereto.

3. Buyer hereby assigns its interest in the Purchase Agreement, as modified hereby, to RRC Acquisitions Two, Inc., a Florida corporation ("Assignee"), which assumes the obligations of Buyer under the Purchase Agreement, as modified hereby, from and after the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses: RRC ACQUISITIONS, INC.,
a Florida corporation
Name: By:
Its:
Name: Date:
Tax Identification No. 59-3210155
"BUYER"

RRC ACQUISITIONS TWO, INC.,
a Florida corporation
Name: By:
Its:
Name: Date:
Tax Identification No. 59-3478325
"ASSIGNEE"

BENEVA SHOPS ASSOCIATES, LTD.,
a Florida limited partnership

By Its General Partner:

Sarasota Beneva Company, Ltd.,
a Florida limited partnership

By Its General Partners:

RAB Holdings, Inc., a Florida
corporation

Name:

By:

Name:
As to RAB Holdings, Inc.

Richard A. Beard, III
President

WRC Holdings, Inc., a Texas
corporation

Name:

By:

Name:
As to WRC Holdings, Inc.

William R. Cooper
President

Tax Identification No: 75-2018292

"SELLER"

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of agreeing to comply with the terms hereof insofar as they apply to Escrow Agent. Escrow Agent shall receive and hold the Earnest Money Deposit in trust, to be disposed of in accordance with the provisions of this joinder and the foregoing Agreement. The Earnest Money Deposit shall be invested by Escrow Agent in an interest bearing account at First Union National Bank.

2. Indemnity. Escrow Agent shall not be liable to either party except for claims resulting from the gross negligence or willful misconduct of Escrow Agent. If the escrow is involved in any controversy or litigation, the parties hereto shall jointly and severally indemnify and hold Escrow Agent free and harmless from and against any and all loss, cost, damage, liability or expense, including costs of reasonable attorneys' fees to which Escrow Agent may be put or which Escrow Agent may incur by reason of or in connection with such controversy or litigation, except to the extent it is finally determined that such controversy or litigation resulted from Escrow Agent's gross negligence or willful misconduct. If the indemnity amounts payable hereunder result from the fault of Buyer or Seller (or their respective agents), the party at fault shall pay, and hold the other party harmless against, such amounts.

3. Conflicting Demands. If conflicting demands are made upon Escrow Agent or Escrow Agent is uncertain with respect to the escrow, the parties hereto expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require; or (ii) file suit for declaratory relief and/or interpleader and obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights between themselves. Upon the filing of any such declaratory relief or interpleader suit and tender of the Earnest Money Deposit to the court, Escrow Agent shall thereupon be fully released and discharged from any and all obligations to further perform the duties or obligations imposed upon it. Buyer and Seller agree to respond promptly in writing to any request by Escrow Agent for clarification, consent or instructions. Any action proposed to be taken by Escrow Agent for which approval of Buyer and/or Seller is requested shall be considered approved if Escrow Agent does not receive written notice of disapproval within fourteen (14) days after a written request for approval is received by the party whose approval is being requested. Escrow Agent shall not be required to take any action for which approval of Buyer and/or Seller has been sought unless such approval has been received or deemed received. No disbursements shall be made, other than as provided in Sections and of Exhibit "A" to this Agreement, or to a court in an interpleader action, unless Escrow Agent shall have given written notice of the proposed disbursement to Buyer and Seller

and neither Buyer nor Seller shall have delivered any written objection to the disbursement within 14 days after receipt of Escrow Agent's notice. No notice by Buyer or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

4. Continuing Counsel. Seller acknowledges that Escrow Agent is counsel to Buyer herein and Seller agrees that in the event of a dispute hereunder or otherwise between Seller and Buyer, Escrow Agent may continue to represent Buyer notwithstanding that it is acting and will continue to act as Escrow Agent hereunder, it being acknowledged by all parties that Escrow Agent's duties hereunder are ministerial in nature.

5. Tax Identification. Seller and Buyer shall provide to Escrow Agent appropriate Federal tax identification numbers.

ROGERS, TOWERS, BAILEY, JONES & GAY

By:
Its Authorized Agent

Date:

"ESCROW AGENT"

EXHIBIT "A"
TO
REINSTATEMENT AGREEMENT

In consideration of the mutual agreements herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase the Property (as hereinafter defined) on the following terms and conditions:

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1 Agreement means this instrument as it may be amended from time to time.

1.2 Allocation Date means the close of business on the day immediately prior to the Closing Date.

1.3 Audit Representation Letter means the form of Audit Representation Letter attached hereto as Exhibit .

1.4 Buyer means RRC Acquisitions Two, Inc.

1.5 Closing means generally the execution and delivery of those documents and funds necessary to effect the sale of the Property by Seller to Buyer.

1.6 Closing Date means the date on which the Closing occurs.

1.7 Contracts means service contracts and similar agreements affecting the Shopping Center (excluding Leases) which are freely terminable by the owner of the Shopping Center upon not more than thirty (30) days' written notice.

1.8 Day means a calendar day, whether or not the term is capitalized.

1.9 Earnest Money Deposit means the deposits delivered by Buyer to Escrow Agent prior to the Closing under Sections and of this Agreement, together with the earnings thereon, if any.

1.10 Environmental Claim means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous

Material Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Material, Environmental Law or other order of a governmental authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment.

1.11 Environmental Assessments means the environmental assessment reports identified in Exhibit attached hereto.

1.12 Environmental Escrow Agreement is the agreement attached hereto as Exhibit .

1.13 Environmental Law means any current legal requirement in effect at the Closing Date pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, protection or use of natural resources and wildlife, (c) the protection or use of source water and groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water, and groundwater); and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC ss.ss.9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC ss.ss.6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC ss.ss.1251 et seq., Clean Air Act of 1966, as amended, 42 USC ss.ss.7401 et seq., Toxic Substances Control Act of 1976, 15 USC ss.ss.2601 et seq., Hazardous Materials Transportation Act, 49 USC App. ss.ss.1801, Occupational Safety and Health Act of 1970, as amended, 29 USC ss.ss.651 et seq., Oil Pollution Act of 1990, 33 USC ss.ss.2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. ss.ss.11001 et seq., National Environmental Policy Act of 1969, 42 USC ss.ss.4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC ss.ss.300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

1.14 Escrow Agent means Rogers, Towers, Bailey, Jones & Gay, Attorneys, whose address is 1301 Riverplace Blvd., Suite 1500, Jacksonville, Florida 32207 (Fax 904/396-0663), or any successor Escrow Agent.

1.15 Governmental Approval means any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, decision, action or approval of a governmental authority.

1.16 Hazardous Material means any asbestos, petroleum, petroleum product, drycleaning solvent or chemical, biological or medical waste, "sharps" or any other hazardous or toxic substance as defined in or regulated by any Environmental Law in effect at the pertinent date or dates.

1.17 Hazardous Material Activity means any activity, event, or occurrence at or prior to the Closing Date involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling or corrective or response action to any Hazardous Material.

1.18 Improvements means any buildings, structures or other improvements situated on the Real Property.

1.19 Inspection Period means the period of time which expires at midnight on the thirtieth (30th) day after the earlier of (i) November 1, 1998, or (ii) the date upon which the Remedial Action Plan is approved by the Florida Department of Environmental Protection. If such expiration date is a weekend or national holiday, the Inspection Period shall expire at midnight on the next immediately succeeding business day.

1.20 Leases means all leases and other occupancy agreements permitting persons to lease or occupy all or a portion of the Property.

1.21 Materials means all plans, drawings, specifications, soil test reports, environmental reports, market studies, surveys, and similar documentation, if any, owned by or in the possession of Seller with respect to the Property, Improvements and any proposed improvements to the Property, which Seller may lawfully transfer to Buyer except that, as to financial and other records, Materials shall include only photostatic copies.

1.22 Permitted Exceptions means only the following interests, liens and encumbrances:

- (a) Liens for ad valorem taxes not payable on or before Closing;
- (b) Rights of tenants under Leases; and
- (c) Other matters determined by Buyer to be acceptable.

1.23 Personal Property means all (a) sprinkler, plumbing, heating, air-conditioning, electric power or lighting, incinerating, ventilating and cooling systems, with each of their respective appurtenant furnaces, boilers, engines, motors, dynamos,

radiators, pipes, wiring and other apparatus, equipment and fixtures, elevators, partitions, fire prevention and extinguishing systems located in or on the Improvements, (b) all Materials, and (c) all other personal property used in connection with the Improvements, provided the same are now owned or are acquired by Seller prior to the Closing.

1.24 Property means collectively the Real Property, the Improvements and the Personal Property.

1.25 Prorated means the allocation of items of expense or income between Buyer and Seller based upon that percentage of the time period as to which such item of expense or income relates which has expired as of the date at which the proration is to be made.

1.26 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section (subject to adjustments as provided herein).

1.27 Real Property means the lands more particularly described on Exhibit , together with all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of such lands.

1.28 Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material at or prior to the Closing Date.

1.29 Remedial Action Plan is the plan to be prepared at the cost and expense of Seller (subject to reimbursement as provided herein) for the remediation of certain contamination of the Property described in the Environmental Assessments, said plan to be subject to review by and approval of Buyer.

1.30 Rent Roll means the list of Leases attached hereto as Exhibit , identifying with particularity the space leased by each tenant, the term (including extension options), square footage and applicable rent, common area maintenance, tax and other reimbursements, security deposits and similar data.

1.31 Seller means Beneva Shops Associates, Ltd., a Florida limited partnership.

1.32 Seller Financial Statements means the unaudited balance sheets and statements of income, cash flows and changes in financial positions prepared by Seller for the Property, as of and for the two (2) calendar years next preceding the date of this

Agreement and all monthly reports of income, expense and cash flow prepared by Seller for the Property, which shall be consistent with past practice, for any period beginning after the latest of such calendar years, and ending prior to Closing.

1.33 Shopping Center means the Shopping Center identified on the initial page hereof.

1.34 Survey means the survey prepared by George F. Young, Inc., dated August 18, 1989, last revised and recertified on November 7, 1997, to be updated to a date not earlier than thirty (30) days prior to the Closing, and which is certified to Buyer, Seller, the Title Insurance company providing Title Insurance to Buyer, and Buyer's lender, and dated as of the date the Survey was made.

1.35 Tenant Estoppel Letter means a letter or other certificate from a tenant certifying as to certain matters regarding such tenant's Lease, in substantially the same form as attached hereto as Exhibit , or in the case of national or regional "credit" tenants identified as such on the Rent Roll, the form customarily used by such tenant provided the information disclosed is acceptable to Buyer.

1.36 Title Defect means any exception in the Title Insurance Commitment or any matter disclosed by the Survey, other than a Permitted Exception.

1.37 Title Insurance means an ALTA Form B Owners Policy of Title Insurance for the full Purchase Price insuring marketable title in Buyer in fee simple, subject only to the Permitted Exceptions, issued by a title insurer acceptable to Buyer.

1.38 Title Insurance Commitment means the Commitment for Title Insurance issued by Commonwealth Land Title Insurance Company, bearing an effective date of November 3, 1997, at 8:00 A.M., to be updated within the Inspection Period and "marked down" at Closing.

1.39 Transaction Documents means this Agreement, the deed conveying the Property, the assignment of leases, the bill of sale conveying the Personal Property and all other documents required or appropriate in connection with the transactions contemplated hereby.

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$11,422,781. The Purchase Price shall be payable in cash at Closing.

(b) Adjustments at Closing. Notwithstanding anything to the contrary contained in this Agreement or applicable law, the provisions of this Section shall survive the Closing. All income and obligations attributable to periods ending on or before the Allocation Date shall be allocated to Seller, and all income and obligations attributable to periods ending after the Allocation Date (including the Closing Date) shall be allocated to Buyer. Without limitation upon the foregoing the following items shall be adjusted or prorated between Seller and Buyer as set forth below:

(1) The Closing year's real and tangible personal property taxes shall be prorated between Seller and Buyer as of the Allocation Date (if the amount of the current year's property taxes are not available, such taxes will be prorated based upon the prior year's assessment);

(2) Except as provided in subparagraph below, all income and operating expenses of the Property, including, without limitation, public utility charges, maintenance, management, and other service charges, costs and expenses associated with leases entered into between the date of this Agreement and the Closing Date, and all other normal operating charges shall be prorated at the Closing effective as of the Allocation Date based upon the best available information.

(3) Seller will credit Buyer with any prepaid rents and reimbursements, or unforfeited security deposits with respect to the Leases, but only to the extent that the same were actually paid by tenants as reflected by Tenant Estoppel Letters, or if a Tenant Estoppel Letter is not received from a particular tenant, by the Lease. If the Seller's records disagree with those of a particular tenant, Seller and Buyer shall negotiate in good faith during the Inspection Period to resolve the disagreement.

(4) Any rents, percentage rents or tenant reimbursements payable by tenants after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any expenses of the Property found to be attributable to pre-Allocation Date periods but discovered by Buyer after Closing. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller has received no proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt. Buyer will not interfere in Seller's efforts to collect sums due it prior to the Closing. Seller will remit to Buyer promptly after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Allocation Date. Receipts after Closing of either Buyer or Seller from tenants who do not designate the period to which they are to be applied shall be applied first to then current rents and reimbursements for such tenant(s), then to

delinquent rents and reimbursements attributable to post-Allocation Date periods, and then to pre-Allocation Date periods.

(5) An escrow will be established with Escrow Agent pursuant to the Environmental Escrow Agreement, in the initial amount of \$900,000 to accomplish the preparation of the Remedial Action Plan and removal of the Hazardous Materials which are the subject of the Environmental Assessments. The escrowed sum will be deposited with Escrow Agent by Seller from the proceeds of sale. If this transaction closes, the costs incurred by Seller in the preparation of the Remedial Action Plan, including without limitation additional testing, if any, shall be reimbursed from such escrow (but such preparation cost reimbursement not to exceed \$25,000 in the aggregate), and the balance held and disbursed as provided in the Environmental Escrow Agreement.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$12,500 shall be delivered to Escrow Agent within three (3) days after the date of execution by the last of Buyer or Seller to execute and transmit a copy of this Agreement to the other. This Agreement may be terminated by Seller if the Earnest Money Deposit is not received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be deposited by Escrow Agent in an interest bearing account at First Union National Bank, and shall be held and disbursed by Escrow Agent as specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 Closing Costs.

- (a) Seller shall pay:
- (1) Documentary stamp and other transfer taxes imposed upon the transactions contemplated hereby;
 - (2) Cost of satisfying any liens on the Property;
 - (3) Cost of title insurance and the costs, if any, of curing title defects and recording any curative title documents;
 - (4) Cost of preparation of the Remedial Action Plan (subject to reimbursement as provided herein);
 - (5) All broker's commissions, finders' fees and similar expenses incurred by either party in connection with the sale of the Property, subject however to Buyer's indemnity given in Section of this Agreement; and

(6) Seller's attorneys' fees relating to the sale of the Property.

(b) Buyer shall pay:

(1) Cost of Buyer's due diligence inspection;

(2) Cost of the Survey;

(3) Cost of recording the deed; and

(4) Buyer's attorneys' fees.

3. INSPECTION PERIOD AND CLOSING

3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the Property, review the economic data, underwrite the tenants and review their Leases, and to otherwise conduct its due diligence review of the Property and all books, records and accounts of Seller related thereto. Buyer hereby agrees to indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury arising out of such inspection and investigation by Buyer or its agents or independent contractors, such indemnification obligations to survive the termination, breach or Closing of this Agreement, as the case may be. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer so elects to go forward, the Earnest Money Deposit shall be increased by an additional deposit of \$87,500 (to be deposited with Escrow Agent no later than three (3) business days following the end of the Inspection Period), and shall not be refundable except upon the terms otherwise set forth herein.

(b) Seller will promptly furnish or make available to Buyer the documents enumerated on Exhibit attached hereto, to the extent such documents exist and are within Seller's possession or that of Seller's property manager. Subject to subparagraph (d) below, Buyer, through its officers, employees and other authorized representatives, shall have the right to reasonable access to the Property and all records of Seller related thereto, including without limitation all Leases and Seller Financial Statements, at reasonable times during the Inspection Period for the purpose of inspecting the Property, taking soil and ground water samples, conducting

Hazardous Materials inspections, reviewing the books and records of Seller concerning the Property and otherwise conducting its due diligence review of the Property. Seller shall cooperate with and assist Buyer in making such inspections and reviews. Seller shall give Buyer any authorizations which may be required by Buyer in order to gain access to records or other information pertaining to the Property or the use thereof maintained by any governmental or quasi-governmental authority or organization. Buyer, for itself and its agents, agrees not to enter into any contract with existing tenants without the written consent of Seller if such contract would be binding upon Seller should this transaction fail to close. Buyer shall have the right to have due diligence interviews and other discussions or negotiations with tenants, provided Buyer furnishes Seller reasonable notice of the time and place of any such interview or discussion and affords Seller an opportunity to be present.

(c) Buyer, through its officers or other authorized representatives, shall have the right to reasonable access to all Materials (other than privileged or confidential materials) for the purpose of reviewing and copying the same.

(d) Buyer shall not have the right, without first obtaining Seller's prior written consent, to pierce or penetrate the roof, walls, foundation, or structural component of any of the Improvements or paved areas. Buyer shall give Seller reasonable notice of all inspections and other activities of Buyer or its representatives, agents or contractors that will take place on the Property and afford Seller the opportunity to be present during all or any part of such inspections and other activities on the Property. All interior inspections shall be made only (x) with the prior consent of Seller, (y) on business days and (z) during such hours that will not, in Seller's opinion, interfere with or disturb the quiet enjoyment of the Property by tenants. Any inspections of any space leased by a tenant shall be made only with advance notice to and consent of such tenant and with the opportunity having been given to Seller to be present. The costs and expenses of Buyer's investigations shall be borne solely by Buyer and Buyer shall deliver to Seller a copy of each such test, report and inspection conducted or obtained by Buyer with respect to the Property. Buyer shall immediately repair and restore any damage to the Property resulting from the performance of any of Buyer's activities on the Property. Buyer shall not have the right to perform or cause to be performed on the Property any investigation, inspection, testing, or on-site visitation unless and until Buyer delivers to Seller evidence that Buyer and all persons acting for and on behalf of Buyer in performing any investigation, inspection, testing and on-site work are covered by comprehensive general liability insurance, having Seller as a named insured and liability limits that are acceptable to Seller.

(e) Buyer agrees that all information pertaining to the Property that Buyer obtains from Seller or in connection with the performance of its rights under this Agreement shall be held in confidence and not disclosed to any persons other than Buyer's agents, attorneys and representatives. Buyer further agrees that, until the

Closing, neither the Buyer nor its agents will disclose the contents of such information or the terms of this Agreement except to financial institutions who may provide financing to Buyer for the Property. If this Agreement is terminated for any reason, Buyer shall promptly return to Seller all materials in Buyer's or any agent of Buyer's possession furnished by Seller, or resulting from testing performed by Buyer, relating to the Property and all such information and the terms of this Agreement shall continue to be held in confidence by Buyer and its agents. The provisions of this paragraph shall survive the termination of this Agreement.

3.2 Hazardous Material. Seller has made available to Buyer the Environmental Assessments. Buyer and Seller will cooperate to cause the Remedial Action Plan to be prepared and approved as expeditiously as possible. Seller shall engage Dames & Moore, environmental consultants, to prepare a contamination assessment report and the Remedial Action Plan and secure their approval by the Florida Department of Environmental Protection. If the Remedial Action Plan is approved prior to the end of the Inspection Period, the adjustment to the Escrow Deposit contemplated by Section 5 of the Environmental Escrow Agreement shall be made such that the component of the Escrow Deposit attributable to the cost of the Remediation Work shall be based upon the Engineer's estimate of such cost. If the Remedial Action Plan has not been approved prior to the end of the Inspection Period, the initial escrow shall be \$900,000, to be made at Closing. After Closing, the terms of the Environmental Escrow Agreement shall govern the determination and adjustment of the amount of the Escrow Deposit and the disbursement thereof.

3.3 Time and Place of Closing. Unless otherwise agreed by the parties, the Closing shall take place at the offices of Escrow Agent at 10:00 A.M. on the date which is the fifteenth (15th) day following the expiration of the Inspection Period.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

Seller warrants and represents as follows as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

4.1 Organization; Authority. Seller is duly organized and validly existing as a limited partnership, duly authorized to transact business in the state of its organization and the state in which the Shopping Center is located, and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents have been duly authorized to do so on behalf of Seller. Seller is not a "foreign person" under Sections 1445 or 897 of the Internal Revenue Code nor is this transaction subject to any withholding under any state or federal law.

4.2 Authorization; Validity. The execution and delivery of this Agreement by Seller and Seller's consummation of the transactions contemplated by this Agreement have been duly and validly authorized. This Agreement constitutes a legal, valid and binding agreement of Seller enforceable against it in accordance with its terms.

4.3 Title. Seller will transfer to Buyer, and Buyer will acquire hereunder, good, marketable and insurable title to, and the entire right, title and interest in the Property, free and clear of all liens, encumbrances, liabilities, agreements, leases, judgments, claims, rights, easements, restrictions and other matters affecting title, except the Permitted Exceptions and the Leases. At Closing, the issuance of the Title Insurance and the deliver of the closing documents contemplated by Section shall terminate this representation and warranty, but shall not limit the representations and warranties, if any, contained in the closing documents.

4.4 Commissions. Seller has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Seller, Buyer or the Property for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except for R.A. Beard Co. and Richard A. Beard, III, and Seller agrees to indemnify Buyer from any such claim arising by, through or under Seller.

4.5 Sale Agreements. The Property is not subject to any outstanding agreement(s) of sale, option(s), or other right(s) of third parties to acquire any interest therein, except for Permitted Exceptions and this Agreement.

4.6 Litigation. There is no litigation or proceeding pending, or to the best of Seller's knowledge, threatened against Seller relating to the Property.

4.7 Leases. There are no Leases affecting the Property, oral or written, except as listed on the Rent Roll, and any Leases or modifications entered into between the date of this Agreement and the Closing Date with the consent of Buyer. Copies of the Leases, which have been delivered to Buyer or shall be delivered to Buyer within five (5) days from the date hereof, are, to the best knowledge of Seller, true, correct and complete copies thereof, subject to the matters set forth on the Rent Roll. Between the date hereof and the close of business on the date which is the fifth (5th) business day preceding the end of the Inspection Period, Seller may terminate or modify existing Leases or enter into new Leases without the consent of Buyer, provided Seller furnishes Buyer a copy of any proposed modification, termination or new Lease and consults with Buyer concerning same. Thereafter, Seller will not terminate or modify existing Leases or enter into any new Leases without the consent of Buyer. All of the Property's tenant leases are in good standing and to the best of Seller's knowledge no defaults exist thereunder except as noted on the Rent Roll. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as

stated on the Rent Roll. No tenants under the Leases are entitled to interest on any security deposits. No tenant under any Lease has or will be promised any inducement, concession or consideration by Seller other than as expressly stated in such Lease, and except as stated therein there are and will be no side agreements between Seller and any tenant.

4.8 Financial Statements. Each of the Seller Financial Statements delivered or to be delivered to Buyer hereunder has or will have been prepared in accordance with the books and records of Seller and presents fairly in all material respects the financial condition, results of operations and cash flows for the Property as of and for the periods to which they relate. All are in conformity with generally accepted accounting principles applied on a consistent basis. There has been no material adverse change in the operations of the Property or its prospects since the date of the most recent Seller Financial Statements. Seller covenants to furnish promptly to Buyer copies of the Seller Financial Statements together with unaudited updated monthly reports of cash flow for interim periods beginning after December 31, 1997. Buyer and its independent certified accountants shall be given access to Seller's books and records at any time prior to and for six (6) months following Closing upon reasonable advance notice in order that they may verify the financial statements prior to Closing. Seller agrees to execute and deliver or to cause its property manager to execute and deliver to Buyer or its accountants the Audit Representation Letter should Buyer's accountants audit the records of the Shopping Center.

4.9 Contracts. There are no contracts or agreements affecting the Property, oral or written, which will extend beyond the Closing Date other than the Contracts. All Contracts are in full force and effect in accordance with their respective terms, and all obligations of Seller under the Contracts required to be performed to date have been performed in all material respects; to Seller's knowledge, no party to any Contract has asserted any claim of default or offset against Seller with respect thereto and no event has occurred or failed to occur, which would in any way affect the validity or enforceability of any such Contract; and the copies of the Contracts delivered to Buyer prior to the date hereof are true, correct and complete copies thereof. Between the date hereof and the Closing, Seller covenants to fulfill all of its obligations under all Contracts, and covenants not to terminate or modify any such Contracts or enter into any new contractual obligations relating to the Property without the consent of Buyer (not to be unreasonably withheld) except such obligations as are freely terminable without penalty by Seller upon not more than thirty (30) days' written notice.

4.10 Maintenance and Operation of Property. From and after the date hereof and until the Closing, Seller covenants to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated and covenants not to cause or permit any waste of the Property nor undertake any action with respect to the operation thereof outside the ordinary course of business without

Buyer's prior written consent, which consent shall not be unreasonably withheld. In connection therewith, Seller covenants to make all necessary repairs and replacements until the Closing so that the Property shall be of substantially the same quality and condition at the time of Closing as on the date hereof. Seller covenants not to remove from the Improvements or the Real Property any article included in the Personal Property. Seller covenants to maintain such casualty and liability insurance on the Property as it is presently being maintained.

4.11 Permits and Zoning. To the best knowledge of Seller, the Property is properly zoned for its present use, and there are no outstanding assessments, impact fees or other charges related to the Property.

4.12 Rent Roll; Tenant Estoppel Letters. The Rent Roll is true and correct in all material respects. Seller agrees to use reasonable efforts to obtain Tenant Estoppel Letters dated within thirty (30) days of Closing from all Tenants under Leases, which Tenant Estoppel Letters shall confirm the matters reflected by the Rent Roll as to the particular tenant.

4.13 Condemnation. Neither the whole nor any portion of the Property, including access thereto or any easement benefitting the Property, is subject to temporary requisition of use by any governmental authority or has been condemned, or taken in any proceeding similar to a condemnation proceeding, nor is there now pending any condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof. Seller has received no notice nor has any knowledge that any such proceeding is contemplated.

4.14 Governmental Matters. Seller has not entered into any commitments or agreements with any governmental authorities or agencies affecting the Property that have not been disclosed in writing to Buyer and Seller has received no notices from any such governmental authorities or agencies of uncured violations at the Property of building, fire, air pollution or zoning codes, rules, ordinances or regulations, environmental and hazardous substances laws, or other rules, ordinances or regulations relating to the Property. Seller shall be responsible for the remittance of all sales tax for periods occurring prior to the Allocation Date directly to the appropriate state department of revenue.

4.15 Repairs. Seller has received no notice of any requirements or recommendations by any lender, insurance companies, or governmental body or agencies requiring or recommending any repairs or work to be done on the Property which have not already been completed.

4.16 Consents and Approvals. Seller has obtained all consents and permissions necessary to carry out and perform its obligations under this Agreement.

4.17 Environmental Matters. Seller represents and warrants as of the date hereof and as of the Closing that Seller has not, and to Seller's knowledge except for the matters reflected in the Environmental Assessments, no other person has, caused any Release, threatened Release, or disposal of any Hazardous Material at the Property in any material quantity.

4.18 Disclaimer of Certain Warranties. NOTHING IN THIS ARTICLE 4, NOR ANY OTHER PROVISION OF THIS AGREEMENT, IS INTENDED OR SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR WARRANTY BY SELLER WITH RESPECT TO (I) THE FAIR MARKET VALUE OF THE PROPERTY, OR (II) THE ACCURACY OF ANY PROJECTIONS OR ESTIMATES OF FUTURE INCOME OR EXPENSES FROM THE OPERATION OF THE PROPERTY.

4.19 Disclaimer of Additional Warranties. BUYER ACKNOWLEDGES THAT THE CONVEYANCE OF THE PROPERTY IS SPECIFICALLY MADE "AS-IS" AND "WHERE-IS", WITHOUT ANY REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED (EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND THE EXHIBITS ATTACHED HERETO AND THE CLOSING DOCUMENTS), INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OR ANY OTHER WARRANTIES WHATSOEVER CONTAINED IN OR CREATED BY THE UNIFORM COMMERCIAL CODE OR OTHERWISE.

BUYER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE EXHIBITS ATTACHED HERETO AND IN THE CLOSING DOCUMENTS, NEITHER SELLER NOR ANY OF ITS AGENTS HAVE MADE, AND SPECIFICALLY NEGATE AND DISCLAIM, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OF, AS TO, CONCERNING, OR WITH RESPECT TO, (i) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (ii) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES THAT MAY BE CONDUCTED THEREON, (iii) THE COMPLIANCE OF OR BY THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY, (iv) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, OR (v) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. BUYER SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY WITH REGARD TO ENVIRONMENTAL MATTERS, THE ASSESSMENT REPORTS, THE REMEDIAL ACTION PLAN TO BE PREPARED BY DAMES & MOORE, AND THE CLOSING DOCUMENTS, INCLUDING WITHOUT LIMITATION THE ENVIRONMENTAL ESCROW AGREEMENT.

4.20 No Untrue Statement. To the best knowledge of Seller, neither this Agreement nor any exhibit nor any written statement or Transaction Document furnished or to be furnished by Seller to Buyer in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of material fact or omits or will omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

5. WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

Buyer hereby warrants and represents as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

5.1 Organization; Authority. Buyer is a corporation duly organized, validly existing and in good standing under laws of Florida and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents on behalf of Buyer have been duly authorized to do so.

5.2 Authorization; Validity. The execution, delivery and performance of this Agreement and the other Transaction Documents have been duly and validly authorized by the Board of Directors of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of this Agreement by Seller) constitutes a legal, valid and binding agreement of Buyer enforceable against it in accordance with its terms.

5.3 Commissions. Buyer has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Buyer or Seller for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except R.A. Beard Co. and Richard A. Beard, III, whose commission shall be paid by Seller; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

5.4 Independent Representation. Each party is represented by legal counsel of its own selection in connection with the negotiation and execution of this Agreement and the closing of the acquisition of the Property and such legal counsel is not and has not been directly or indirectly identified, suggested or selected by the other party. With respect to this Agreement, neither party is in a significant disparate bargaining position.

6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing.

6.2 Risk of Loss. All risk of loss to the Property shall remain upon Seller until the conclusion of the Closing. If, before the possession of the Property has been transferred to Buyer, any material portion of the Property is damaged by fire or other casualty and will not be restored by the Closing Date or if any material portion of the Property is taken by eminent domain or there is a material obstruction of access to the Improvements by virtue of a taking by eminent domain, Seller shall, within ten (10) days of such damage or taking, notify Buyer thereof and Buyer shall have the option to:

(a) terminate this Agreement upon notice to Seller given within ten (10) business days after such notice from Seller, in which case Buyer shall receive a return of its Earnest Money Deposit; or

(b) proceed with the purchase of the Property, in which event Seller shall assign to Buyer all Seller's right, title and interest in all amounts due or collected by Seller under the insurance policies or as condemnation awards. In such event, the Purchase Price shall be reduced by the amount of any insurance deductible to the extent it reduced the insurance proceeds payable.

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance and Survey. Seller has provided or caused to be provided to Buyer the Title Insurance Commitment and the Survey (each of which are to be updated), and Buyer hereby acknowledges receipt of the same. Buyer has made comments concerning a previously issued title insurance commitment (but not the Survey), by letter dated October 27, 1997, which comments were not resolved by the Title Insurance Commitment, and such comments are hereby renewed. Buyer will have through the last day of the Inspection Period to notify Seller in writing of any additional objections, encroachments or other matters not acceptable to Buyer. Any unresolved objection on which Buyer commented in its October 27, 1997, letter, or which Buyer hereafter raises during the Inspection Period shall be deemed an objection. Seller shall notify Buyer in writing within five (5) days of Buyer's notice if Seller intends to cure any Title Defect or other objection. If Seller elects to cure, Seller shall use diligent efforts to cure the Title Defects and/or objections by the Closing Date (as it may be extended). If Seller elects not to cure or if such Title Defects and/or objections are not cured, Buyer shall have the right, in lieu of any other remedies, to: (i) refuse to purchase the Property, terminate this Agreement and receive a return of the Earnest Money Deposit;

or (ii) waive such Title Defects and/or objections and close the purchase of the Property subject to them.

(b) Miscellaneous Title Matters. If a search of the title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Seller, Seller shall on request deliver to Buyer an affidavit stating, if true, that such judgments, bankruptcies or the returns are not against Seller. Seller further agrees to execute and deliver to the Title Insurance agent at Closing such documentation, if any, as the Title Insurance underwriter shall reasonably require to evidence that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and that there are no mechanics' liens on the Property or parties in possession of the Property other than tenants under Leases and Seller.

8. CONDITIONS PRECEDENT

8.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to satisfaction or waiver by Buyer of each of the following conditions or requirements on or before the Closing Date:

(a) Seller's warranties and representations under this Agreement shall be true and correct as of the Closing Date, and Seller shall not be in default hereunder.

(b) All obligations of Seller contained in this Agreement, shall have been fully performed in all material respects and Seller shall not be in default under any covenant, restriction, right-of-way or easement affecting the Property.

(c) None of the following tenants leasing space in the Shopping Center shall have become a Bankrupt Tenant:

Publix	Walgreens
Ross Dress for Less	Shaner's, Inc.
	Mae's Fabrics

For purposes of this Agreement, the term "Bankrupt Tenant" shall mean any tenant (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the tenant a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the tenant in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to or acquiesces in the appointment of

a trustee, receiver, or liquidator of the tenant or of all or any substantial part of the tenant's properties; or (b) against which a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law has been commenced and one hundred twenty (120) days have expired without dismissal thereof or with respect to which, without the tenant's consent or acquiescence, a trustee, receiver or liquidator of the tenant or of all or any substantial part of the tenant's properties has been appointed and ninety (90) days have expired without the appointment having been vacated or stayed, or ninety (90) days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

(d) A Title Insurance Commitment in the full amount of the Purchase Price shall have been issued and "marked down" through Closing, subject only to Permitted Exceptions.

(e) The physical and environmental condition of the Property shall be unchanged from the date of this Agreement, ordinary wear and tear excepted and except for any activities conducted in the preparation or implementation of the Remedial Action Plan.

(f) Seller shall have delivered to Buyer the following in form reasonably satisfactory to Buyer:

- (1) A special warranty deed in proper form for recording, duly executed and acknowledged so as to convey to Buyer the fee simple title to the Property, subject only to the Permitted Exceptions;
- (2) Originals, if available, or if not, true copies of the Leases and of the contracts, agreements, permits and licenses, and such Materials as may be in the possession or control of Seller;
- (3) A blanket assignment (the "Assignment") to Buyer of all Leases and the Contracts, together with such permits and licenses (to the extent assignable) as may affect the Property, including an indemnity against breach of such instruments by Seller prior to the Closing Date, which indemnity shall be reciprocated by Buyer for breaches occurring from and after the Closing Date;
- (4) A bill of sale with respect to the Personal Property and Materials;
- (5) Notices of sale to tenants of the Shopping Center in form mutually agreeable to Seller and Buyer, duly executed by Seller;

- (6) A current rent roll for all Leases in effect showing no changes from the rent roll attached to this Agreement other than those set forth in the Leases or approved in writing by Buyer;
- (7) All Tenant Estoppel Letters obtained by Seller, which must include Publix, Walgreens, Ross Dress for Less, Shaner's, Inc., Mae's Fabrics and eighty percent (80%) of the other tenants who have signed leases for any portion of the Property, without any material exceptions, covenants or changes to the form approved by Buyer and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must confirm the Rent Roll;
- (8) A general assignment of all assignable existing warranties relating to the Property;
- (9) A mechanics lien and possessory affidavit, non-foreign affidavit, non-tax withholding certificates and such other documents as may reasonably be required by Buyer or its counsel in order to effectuate the provisions of this Agreement and the transactions contemplated herein;
- (10) The originals or copies of any real and tangible personal property tax bills for the Property for the tax year of Closing and the previous year, and, if requested, the originals or copies of any current water, sewer and utility bills which are in Seller's custody or control;
- (11) Certificates of Seller and its constituent entities as may be reasonably required by the title insurance company which affect the authorization of the transactions described herein;
- (12) All keys and other means of access to the Improvements in the possession of Seller or its agents;
- (13) The Environmental Escrow Agreement, executed by Seller;
- (14) Materials; and
- (15) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement.

In the event that all of the foregoing provisions of this Section are not satisfied and Buyer elects in writing to terminate this Agreement, then the Earnest

Money Deposit shall be promptly delivered to Buyer by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are subject to satisfaction or waiver by Seller of each of the following conditions or requirements on or before the Closing date:

(a) Buyer's warranties and representations under this Agreement shall be true and correct as of the Closing Date, and Buyer shall not be in default hereunder.

(b) All of the obligations of Buyer contained in this Agreement shall have been fully performed by or on the date of Closing in compliance with the terms and provisions of this Agreement.

(c) Buyer shall have delivered to Seller at or prior to the Closing the following, which shall be reasonably satisfactory to Seller:

- (1) Delivery and/or payment of the balance of the Purchase Price in accordance with Section at Closing;
- (2) Notices of sale to tenants of the Shopping Center in form mutually agreeable to Seller and Buyer, duly executed by Buyer;
- (3) The Environmental Escrow Agreement, executed by Buyer.
- (4) An original counterpart of the Assignment, executed by Buyer; and
- (5) Such other documents as Seller may reasonably request to effect the transactions contemplated by this Agreement.

In the event that all conditions precedent to Buyer's obligation to purchase shall have been satisfied but the foregoing provisions of this Section have not, and Seller elects in writing to terminate this Agreement, then the Earnest Money Deposit shall be promptly delivered to Seller by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

9. PRE-CLOSING BREACH; REMEDIES

9.1 Breach by Seller. In the event of a breach of Seller's covenants or warranties herein and failure by Seller to cure such breach within the time

provided for Closing, Buyer may, at Buyer's election (i) terminate this Agreement and receive a return of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement (except as survive termination); (ii) enforce this Agreement by suit for specific performance; or (iii) waive such breach and close the purchase contemplated hereby, notwithstanding such breach.

9.2 Breach by Buyer. In the event of a breach of Buyer's covenants or warranties herein and failure of Buyer to cure such breach within the time provided for Closing, Seller's sole remedy shall be to terminate this Agreement and retain Buyer's Earnest Money Deposit as agreed liquidated damages for such breach, and upon payment in full to Seller of such amounts, the parties shall have no further rights, claims, liabilities or obligations under this Agreement (except as survive termination). The limitation on Seller's remedies contained in this Section does not apply to (i) defaults or breaches by Buyer in respect of any obligation or agreement contained herein (or in any other document or agreement executed in connection with the Closing) that survives Closing, or (ii) any action taken by Buyer to interfere with the delivery of the Earnest Money Deposit to Seller if Seller is entitled to the delivery of the Earnest Money Deposit under this Agreement.

10. INTENTIONALLY OMITTED

11. MISCELLANEOUS

11.1 Disclosure. Neither party shall disclose the transactions contemplated by this Agreement without the prior approval of the other, except to its attorneys, accountants and other consultants, their lenders and prospective lenders, or where disclosure is required by law.

11.2 Radon Gas. Radon is a naturally occurring radioactive gas which, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon which exceed federal and state guidelines have been found in buildings in the state in which the Property is located. Additional information regarding radon and radon testing may be obtained from the county public health unit.

11.3 Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by Buyer and Seller.

11.4 Notices. All written notices and demands of any kind which either party may be required or may desire to serve upon the other party in connection with this Agreement shall be served by personal delivery, certified or overnight mail, reputable

overnight courier service or facsimile (followed promptly by hard copy) at the addresses set forth below:

As to Seller:

Beneva Shops Associates, Ltd.
c/o Sarofim Realty Advisors Co.
Attention: Jeff C. Spelman
8201 Preston Road, Suite 300
Dallas, Texas 75225
Facsimile: (214) 692-4222

Beneva Shops Associates, Ltd.
c/o R. A. Beard Co.
Attention: Richard A. Beard, III
100 North Tampa Street, Suite 3175
Tampa, Florida 33602
Facsimile: (813) 221-7296

Beneva Shops Associates, Ltd.
c/o Mr. William R. Cooper
10000 N. Central Expressway, Suite 1150
Dallas, Texas 75231
Facsimile: (214) 360-1844

With copies to:

Donohoe, Jameson & Carroll, P.C.
Attention: Rebecca Hurley, Esq.
3400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270
Facsimile: (214) 744-0231

Stutzman & Bromberg, P.C.
Attention: Myron D. Stutzman, Esq.
2323 Bryan Street, Suite 2200
Dallas, Texas 75201
Facsimile: (214) 969-4999

As to Buyer:

RRC Acquisitions Two, Inc.
Attention: Robert L. Miller
Suite 200, 121 W. Forsyth St.
Jacksonville, Florida 32202
Facsimile: (904) 354-1832

With a copy to: Rogers, Towers, Bailey, Jones & Gay
Attention: William E. Scheu, Esq.
1301 Riverplace Blvd., Suite 1500
Jacksonville, Florida 32207
Facsimile: (904) 396-0663

Any notice or demand so served shall constitute proper notice hereunder upon delivery to the United States Postal Service or to such overnight courier. A party may change its notice address by notice given in the aforesaid manner.

11.5 Headings. The titles and headings of the various sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

11.6 Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11.7 Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, whether or not incurred in trial or on appeal, incurred therein by the successful party, all of which may be included in and as a part of the judgment rendered in such litigation. Any indemnity provisions herein shall include indemnification for reasonable attorneys' fees and costs, whether or not suit be brought and including fees and costs on appeal.

11.8 Time of Essence. Time is of the essence of this Agreement.

11.9 Governing Law. This Agreement shall be governed by the laws of the state in which the Property is located, and the parties hereto agree that any litigation between the parties hereto relating to this Agreement shall take place (unless otherwise required by law) in a court located in the county in which Escrow Agent's principal place of business is located. Each party waives its right to jurisdiction or venue in any other location.

11.10 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto

and their respective successors and assigns. No third parties, including any brokers or creditors, shall be beneficiaries hereof.

11.11 Exhibits. All exhibits attached hereto are incorporated herein by reference to the same extent as though such exhibits were included in the body of this Agreement verbatim.

11.12 Gender; Plural; Singular; Terms. A reference in this Agreement to any gender, masculine, feminine or neuter, shall be deemed a reference to the other, and the singular shall be deemed to include the plural and vice versa, unless the context otherwise requires. The terms "herein," "hereof," "hereunder," and other words of a similar nature mean and refer to this Agreement as a whole and not merely to the specified section or clause in which the respective word appears unless expressly so stated.

11.13 Further Instruments, Etc. Seller and Buyer shall, at or after Closing, execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

11.14 Survival. The obligations of Seller and Buyer intended to be performed after the Closing shall survive the closing.

11.15 No Recording. Neither this Agreement nor any notice, memorandum or other notice or document relating hereto shall be recorded.

EXHIBIT

Audit Representation Letter

(Acquisition Completion Date)

KPMG Peat Marwick LLP
Suite 2700
One Independent Drive
Jacksonville, Florida 32202

Dear Sirs:

We are providing this letter in connection with your audit of the Statement of Revenues and Certain Expenses for the twelve months ended _____, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the results of its operations of _____ in conformity with generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. The financial statement referred to above is fairly presented in conformity with generally accepted accounting principles.
2. We have made available to you:
 - a. All financial records and related data.
 - b. All agreements or amendments to agreements which would have a material impact on the Statement of Revenues and Certain Expenses.
3. There have been no:
 - a. Instances of fraud involving management or employees who have significant roles in internal control.
 - b. Instances of fraud involving others that could have a material effect on the Statement of Revenue and Certain Expenses.
 - c. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the Statement of Revenue and Certain Expenses or as a basis for recording a loss contingency.

4. There are no:
- a. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 Accounting for Contingencies (SFAS No. 5).
 - b. Material gain or loss contingencies (including oral and written guarantees) that are required to be accrued or disclosed by SFAS No. 5.
 - c. Material transactions that have not been properly recorded in the accounting records underlying the Statement of Revenues and Certain Expenses.
 - d. Events that have occurred subsequent to _____ and through the date of this letter that would require adjustment to or disclosure in the Statement of Revenues and Certain Expenses.
5. The Company has complied with all aspects of contractual agreements that would have a material effect on the Statement of Revenues and Certain Expenses in the event of noncompliance.
6. All related party transactions have been properly recorded or disclosed in the Statement of Revenues and Certain Expenses.

Further, we acknowledge that we are responsible for the fair presentation of the Statements of Revenue and Certain Expenses in conformity with generally accepted accounting principles.

Very truly yours,

"Seller/Manager"

Name
Title

EXHIBIT

Environmental Assessment Reports

1. Phase II Soil and Groundwater Sampling; Malcolm-Pirnie, Inc. (MPI), September, 1996
2. Site Screening Report; HSA Environmental, Inc., September, 1996
3. Additional Phase II Assessment Report, LFR, April, 1997
4. Revised Site Screening Report; LFR, June, 1997
5. Source Area Delineation Report; LFR, July, 1997
6. Phase II Environmental Property Assessment for Beneva Place Apartments; Nutting Environmental of Florida, Inc., November, 1997
7. Pilot Test Results - Vacuum-Enhanced Recovery for Interim Remediation of Tetrachloroethene; LFR, December, 1997
8. Deep Well Installation and Sampling Report (Draft); LFR, February, 1998
9. Contamination Assessment Report; LFR, June, 1998
10. Additional Phase II Assessment Report; LFR, April, 1997
11. Contamination Assessment Report; LFR, June 1, 1998

EXHIBIT

Environmental Escrow Agreement

EXHIBIT

Legal Description of Real Property

EXHIBIT

Rent Roll

EXHIBIT

Form of Estoppel Letter

_____, 199_

RRC Acquisitions Two, Inc.
Regency Centers, L.P.
121 W. Forsyth St., Suite 200
Jacksonville, Florida 32202

RE: _____ (Name of Shopping Center)

Ladies and Gentlemen:

The undersigned (Tenant) has been advised you may purchase the above Shopping Center, and we hereby confirm to you that:

1. The undersigned is the Tenant of _____, Landlord, in the above Shopping Center, and is currently in possession and paying rent on premises known as Store No. _____ [or Address: _____], and containing approximately _____ square feet, under the terms of the lease dated _____, which has (not) been amended by amendment dated _____ (the "Lease"). There are no other written or oral agreements between Tenant and Landlord. Tenant neither expects nor has been promised any inducement, concession or consideration for entering into the Lease except as stated therein, and there are no side agreements or understandings between Landlord and Tenant.
2. The term of the Lease commenced on _____, expiring on _____, with options to extend of _____ (____) years each.
3. As of _____, monthly minimum rental is \$_____ a month.
4. Tenant is required to pay its pro rata share of Common Area Expenses and its pro rata share of the Center's real property taxes and insurance cost. Current additional monthly payments for expense reimbursement total \$_____ per month for common area maintenance, property insurance and real estate taxes.
5. Tenant has given [no security deposit] [a security deposit of \$_____].
6. No payments by Tenant under the Lease have been made for more than one (1) month in advance, and minimum rents and other charges under the Lease are current.
7. All matters of an inducement nature and all obligations Landlord under the Lease concerning the construction of the Tenant's premises and development of the Shopping Center, including without limitation, parking requirements, have been performed by Landlord.

8. The Lease contains no first right of refusal, option to expand, option to terminate, or exclusive business rights, except as follows:

9. Tenant knows of no default by either Landlord or Tenant under the Lease, and knows of no situations which, with notice or the passage of time, or both, would constitute a default. Tenant has no rights to off-set or defense against Landlord as of the date hereof.

10. The undersigned has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises except as follows:

11. Tenant has not generated, used, stored, spilled, disposed of, or released any hazardous substances at, on or in the Premises. "Hazardous Substances" means any flammable, explosive, toxic, carcinogenic, mutagenic, or corrosive substance or waste, including volatile petroleum products and derivatives and drycleaning solvents. To the best of Tenant's knowledge, no asbestos or polychlorinated biphenyl ("PCB") is located at, on or in the Premises. The term "Hazardous Substances" does not include those materials which are technically within the definition set forth above but which are contained in pre-packaged office supplies, cleaning materials or personal grooming items or other items which are sold for consumer or commercial use and typically used in other similar buildings or space.

The undersigned makes this statement for your benefit and protection with the understanding that you intend to rely upon this statement in connection with your intended purchase of the above described Premises from Landlord. The undersigned agrees that it will, upon receipt of written notice from Landlord, commence to pay all rents to you or to any Agent acting on your behalf.

Very truly yours,

(Tenant)

Mailing Address:

By: _____
Its: _____

EXHIBIT

DOCUMENT REQUEST LIST

Items To Be Provided By Seller (to the extent they are in existence and in Seller's possession or in the possession of Seller's property manager):

- 1) Property Specifications (Zoning)
- 2) As Built Plans & Specs (arch. and engineering)
- 3) Site Plan (including suite numbers)
- 4) Legal Description
- 5) Parking Information - Space count
- 6) Copy of All Leases (and amendments) & Lease Briefs
- 7) Certificates of Occupancy - All current tenants
- 8) Schedule of Security Deposits
- 9) Most recent Rent Roll (with suite #'s, rent escalations, and option period info)
- 10) Sales Reports (most recent 3 Years) for tenants reporting
- 11) Current Rent Billings (by category, base, CAM, etc.)
- 12) Current Delinquency Report (with explanations for balances > \$1,000)
- 13) Tenant Activity Register for all Current Tenants (billings & payments)
- 14) Tenant Estoppels
- 15) Property Operating Results - Most recent 3 Years
- 16) Property Capital Expenditures - Most recent 3 Years
- 17) Audited Financial Statements - 3 Years
- 18) Real Estate and other tax bills - 3 Years
- 19) Year to Date Financials & YTD detail general Ledger
- 20) Existing Service Agreements and Warranties
- 21) Three years loss history - reported claims
- 22) Most Recent Year Expense Recovery Reconciliation
- 23) Breakdown of CAM Pools
- 24) Proof Sales Tax Payments are Current
- 25) Seller's Budget for up-coming/current year
- 26) Utility Bills for last 12 mths/deposits
- 27) Personal Property Inventory
- 28) Existing Title Insurance Policy
- 29) Available Inspection Reports (environmental, roof, structural, etc.)
- 30) Summary of Tenant Contacts (with address and telephone numbers) With local (incl store#) & national addresses
- 31) Survey
- 32) Tax plat map

FIRST AMENDMENT TO
REINSTATEMENT AGREEMENT

THIS AGREEMENT, is made as of November 30, 1998, by and between BENEVA SHOPS ASSOCIATES, LTD., a Florida limited partnership ("Seller") and RRC ACQUISITIONS TWO, INC., a Florida corporation ("Buyer").

W I T N E S S E T H:

Seller and Buyer and RRC ACQUISITIONS, INC. heretofore entered into a Reinstatement Agreement dated as of October 28, 1998 (the "Agreement"), concerning the sale by Seller and acquisition by Buyer, as Assignee of RRC ACQUISITIONS, INC., of certain real and personal property described therein, located in Sarasota, Florida. Seller and Buyer desire to amend the Agreement as provided herein.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration, including the covenants herein contained, Seller and Buyer acknowledge and agree as follows:

1. Section 1.19 of Exhibit "A" of the Agreement is amended to read as follows:

1.19 Inspection Period means the period of time which expires at 11:59 PM, eastern standard time, on Tuesday, December 8, 1998.

2. As modified hereby, the Agreement continues in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses: RRC ACQUISITIONS TWO, INC.,
a Florida corporation

Name: By:
Its:

Name: Date:

Tax Identification No. 59-3210155

"BUYER"

BENEVA SHOPS ASSOCIATES, LTD.,
a Florida limited partnership

By Its General Partner:

Sarasota Beneva Company, Ltd.,
a Florida limited partnership

By Its General Partners:

Name: RAB Holdings, Inc., a Florida
corporation

Name: By:
Richard A. Beard, III
As to RAB Holdings, Inc. President

Name: WRC Holdings, Inc., a Texas
corporation

Name: By:
William R. Cooper
As to WRC Holdings, Inc. President

Tax Identification No: 75-2018292

Date:

SECOND AMENDMENT TO
REINSTATEMENT AGREEMENT

THIS AGREEMENT, is made as of December 8, 1998, by and between BENEVA SHOPS ASSOCIATES, LTD., a Florida limited partnership ("Seller") and RRC ACQUISITIONS TWO, INC., a Florida corporation ("Buyer").

W I T N E S S E T H:

Seller and Buyer and RRC ACQUISITIONS, INC. heretofore entered into a Reinstatement Agreement dated as of October 28, 1998, as amended (the "Agreement"), concerning the sale by Seller and acquisition by Buyer, as Assignee of RRC ACQUISITIONS, INC., of certain real and personal property described therein, located in Sarasota, Florida. Seller and Buyer desire to amend the Agreement as provided herein.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration, including the covenants herein contained, Seller and Buyer acknowledge and agree as follows:

1. Buyer hereby notifies Seller, that subject to the conditions to Closing set forth in the Agreement and to the additional conditions set forth herein, Buyer has elected to proceed to closing of the transaction contemplated hereby.

2. Section 2.1(a) of Exhibit "A" of the Agreement is replaced with the following:

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$11,288,850.00. The Purchase Price shall be payable in cash at Closing.

3. As modified hereby, the Agreement continues in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses: RRC ACQUISITIONS TWO, INC.,
a Florida corporation

Name: By:
Its:

Name: Date:

Tax Identification No. 59-3210155

"BUYER"

- - 1 -

BENEVA SHOPS ASSOCIATES, LTD.,
a Florida limited partnership

By Its General Partner:

Sarasota Beneva Company, Ltd.,
a Florida limited partnership

By Its General Partners:

Name: RAB Holdings, Inc., a Florida
corporation

Name: By:
Richard A. Beard, III
As to RAB Holdings, Inc. President

Name: WRC Holdings, Inc., a Texas
corporation

Name: By:
William R. Cooper
As to WRC Holdings, Inc. President

Tax Identification No: 75-2018292

Date:

EXHIBIT A

FORM OF ASSIGNMENT AND Acceptance AGREEMENT

THIS ASSIGNMENT AND Acceptance AGREEMENT dated as of _____, 199__ (the "Agreement") by and among _____ (the "Assignor"), _____ (the "Assignee"), REGENCY CENTERS, L.P. (the "Borrower"), REGENCY REALTY CORPORATION (the "Parent") and Wells Fargo BANK, NATIONAL ASSOCIATION, as Agent (the "Agent").

WHEREAS, the Assignor is a Lender under that certain Amended and Restated Credit Agreement dated as of February 26 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, the Parent, the financial institutions party thereto and their assignees under Section 12.8 thereof, the Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein;

WHEREAS, the Assignor desires to assign to the Assignee all or a portion of the Assignor's Commitment under the Credit Agreement, all on the terms and conditions set forth herein;

WHEREAS, the Borrower and the Agent consent to such assignment on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the parties hereto, the parties hereto hereby agree as follows:

Section 1. Assignment.

(a) Subject to the terms and conditions of this Agreement and in consideration of the payment to be made by the Assignee to the Assignor pursuant to Section 2 of this Agreement, effective as of _____, 199__ (the "Assignment Date") the Assignor hereby irrevocably sells, transfers and assigns to the Assignee, without recourse, a \$_____ interest (such interest being the "Assigned Commitment") in and to the Assignor's Commitment and all of the other rights and obligations of the Assignor under the Credit Agreement, such Assignor's Revolving Note and the other Loan Documents representing _____% in respect of the aggregate amount of all Lenders' Commitments, including without limitation, a principal amount of outstanding Revolving Loans equal to \$_____, all voting rights of the Assignor associated with the Assigned Commitment, all rights to receive interest on such amount of Loans and all commitment and other fees with respect to the Assigned Commitment and other rights of the Assignor under the Credit Agreement and the other Loan Documents with respect to the Assigned Commitment, all as if the Assignee were an original Lender under and signatory to the Credit Agreement having a Commitment equal to such amount of the Assigned Commitment. The Assignee, subject to the terms and conditions hereof, hereby assumes all obligations of the Assignor with respect to the Assigned Commitment as if the Assignee were an original Lender under and signatory to the Credit Agreement having a Commitment equal to the Assigned Commitment, which obligations shall include, but shall not be limited to, the obligation of the Assignor to make Revolving Loans to the Borrower with respect to the Assigned Commitment and the obligation to indemnify the Agent as provided therein (the foregoing enumerated obligations, together with all other similar obligations more particularly set forth in the Credit Agreement and the other Loan Documents, shall be referred to hereinafter, collectively, as the "Assigned Obligations"). [In addition, the Assignor hereby irrevocably sells, transfers and assigns to the Assignee, without recourse, a \$_____ interest in and to the Assignor's Bid Rate Note, including without limitation, a principal amount of outstanding Bid Rate Loans owing to the Assignor in an aggregate amount equal to \$_____, all rights to receive interest on such amount of Bid Rate Loans and other rights of the Assignor under the Credit Agreement and the other Loan Documents with respect to such Bid Rate Loans, all as if the Assignee had originally made such amount of Bid Rate Loans to the Borrower. The obligations assigned pursuant to the immediately preceding sentence shall constitute Assigned Obligations hereunder.] The Assignor shall have no further duties or obligations with respect to, and shall have no further interest in, the Assigned Obligations or the Assigned Commitment from and after the Assignment Date.

(b) The assignment by the Assignor to the Assignee hereunder is without recourse to the Assignor. The Assignee makes and confirms to the Agent, the Assignor, and the other Lenders all of the representations, warranties and covenants of a Lender under Article XI of the Credit Agreement. Not in limitation of the foregoing, the Assignee acknowledges and agrees that, except as set forth in Section 4 below, the Assignor is making no representations or warranties with respect to, and the Assignee hereby releases and discharges the Assignor for any responsibility or liability for: (i) the present or future solvency or financial condition of the Borrower, (ii) any representations, warranties, statements or information made or furnished by the Borrower in connection with the Credit Agreement or otherwise, (iii) the validity, efficacy, sufficiency, or enforceability of the Credit Agreement, any Loan Document or any other document or instrument executed in connection therewith, or the collectibility of the Assigned Obligations, (iv) the perfection, priority or validity of any Lien with respect to any collateral at any time securing the

Obligations or the Assigned Obligations under the Notes or the Credit Agreement and (v) the performance or failure to perform by the Borrower of any obligation under the Credit Agreement or any document or instrument executed in connection therewith. Further, the Assignee acknowledges that it has, independently and without reliance upon the Agent, or on any affiliate or subsidiary thereof, or any other Lender and based on the financial statements supplied by the Borrower

and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to become a Lender under the Credit Agreement. The Assignee also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any Note or pursuant to any other obligation. The Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide the Assignee with any credit or other information with respect to the Borrower or to notify the undersigned of any Event of Default except as expressly provided in the Credit Agreement. The Assignee has not relied on the Agent as to any legal or factual matter in connection therewith or in connection with the transactions contemplated thereunder.

Section 2. Payment by Assignee. In consideration of the assignment made pursuant to Section 1 of this Agreement, the Assignee agrees to pay to the Assignor on the Assignment Date, an amount equal to \$_____ representing the aggregate principal amount outstanding of the Revolving Loans owing to the Assignor under the Credit Agreement and the other Loan Documents being assigned hereby. [Further, the Assignee agrees to pay to the Assignor on the Assignment Date, an amount equal to \$_____ representing the aggregate principal amount outstanding of the Bid Rate Loans owing to the Assignor under the Credit Agreement and the other Loan Documents being assigned hereby.]

Section 3. Payments by Assignor. The Assignor agrees to pay to the Agent on the Assignment Date the administration fee, if any, payable under the applicable provisions of the Credit Agreement.

Section 4. Representations and Warranties of Assignor. The Assignor hereby represents and warrants to the Assignee that (a) as of the Assignment Date (i) the Assignor is a Lender under the Credit Agreement having a Commitment under the Credit Agreement immediately prior to the Assignment Date, equal to \$_____ and that the Assignor is not in default of its obligations under the Credit Agreement; and (ii) the outstanding balance of Revolving Loans owing to the Assignor [and the outstanding principal balance of Bid Rate Loans owing to the Assignor] (without reduction by any assignments thereof which have not yet become effective) is \$_____ [and \$_____, respectively]; and (b) it is the legal and beneficial owner of the Assigned Commitment which is free and clear of any adverse claim created by the Assignor.

Section 5. Representations, Warranties and Agreements of Assignee. The Assignee (a) represents and warrants that it is legally authorized to enter into this Agreement; (b) it is an "accredited investor" (as such term is used in Regulation D of the Securities Act); (c) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information (including without limitation the Loan Documents) as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof together with such powers as are reasonably incidental thereto; (e) agrees that it will become a party to and shall be bound by the Credit Agreement, the other Loan Documents to which the other Lenders are a party on the Assignment Date and will perform in accordance therewith all of the obligations which are required to be performed by it as a Lender.

Section 6. Recording and Acknowledgment by the Agent. Following the execution of this Agreement, the Assignor will deliver to the Agent (a) a duly executed copy of this Agreement for acknowledgment and recording by the Agent and (b) the Assignor's Revolving Note [and Bid Rate Note]. The Borrower agrees to exchange such Note[s] for [a] new Note[s] as provided in Section 12.8(c) of the Credit Agreement. Upon such acknowledgment and recording, from and after the Assignment Date, the Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, fees and other amounts) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Assignment Date directly between themselves. The Agent may unilaterally amend Annex I to the Credit Agreement to reflect the assignment effected hereby.

Section 7. Addresses. The Assignee specifies as its address for notices and its Lending Office for all Loans, the offices set forth below:

Notice Address:

Telephone No.:
Telecopy No.:

Domestic Lending Office:

Telephone No.:
Telecopy No.:

LIBOR Lending Office:

Telephone No.:
Telecopy No.:

Section 8. Payment Instructions. All payments to be made to the Assignee under this Agreement by the Assignor, and all payments to be made to the Assignee under the Credit Agreement, shall be made as provided in the Credit Agreement in accordance with the following instructions:

Section 9. Effectiveness of Assignment. This Agreement, and the assignment and assumption contemplated herein, shall not be effective until (a) this Agreement is executed and delivered by each of the Assignor, the Assignee, the Borrower and the Agent and (b) the payment to the Assignor of the amounts owing by the Assignee pursuant to Section 2 hereof and (c) the payment to the Agent of the amounts owing by the Assignor pursuant to Section 3 hereof. Upon recording and acknowledgment of this Agreement by the Agent, from and after the Assignment Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Credit Agreement; provided, however, that if the Assignor does not assign its entire interest under the Loan Documents, it shall remain a Lender entitled to all of the benefits and subject to all of the obligations thereunder with respect to its Commitment.

Section 10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

Section 11. Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one and the same agreement.

Section 12. Headings. Section headings have been inserted herein for convenience only and shall not be construed to be a part hereof.

Section 13. Amendments; Waivers. This Agreement may not be amended, changed, waived or modified except by a writing executed by the Assignee and the Assignor.

Section 14. Entire Agreement. This Agreement embodies the entire agreement between the Assignor and the Assignee with respect to the subject matter hereof and supersedes all other prior arrangements and understandings relating to the subject matter hereof.

Section 15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 16. Definitions. Terms not otherwise defined herein are used herein with the respective meanings given them in the Credit Agreement.

[Include this Section only if the Borrower's consent is required under Section 12.8.(c) of the Credit Agreement] Section 17. Agreements of the Borrower. The Borrower hereby agrees that the Assignee shall be a Lender under the Credit Agreement having a Commitment equal to the Assigned Commitment. The Borrower agrees that the Assignee shall have all of the rights and remedies of a Lender under the Credit Agreement and the other Loan Documents as if the Assignee were an original Lender under and signatory to the Credit Agreement, including, but not limited to, the right of a Lender to receive payments of principal and interest with respect to the Assigned Obligations, if any, and to the Revolving Loans made by the Lenders after the date hereof and to receive the commitment and other fees payable to the Lenders as provided in the Credit Agreement. Further, the Assignee shall be entitled to the indemnification provisions from the Borrower in favor of the Lenders as provided in the Credit Agreement and the other Loan Documents. The Borrower further agrees, upon the execution and delivery of this Agreement, to execute in favor of the Assignee a Revolving Note in an initial amount equal to the Assigned Commitment [and a Bid Rate Note]. Further, the Borrower agrees that, upon the execution and delivery of this Agreement, the Borrower shall owe the Assigned Obligations to the Assignee as if the Assignee were the Lender originally making such Loans and entering into such other obligations.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment and Acceptance Agreement as of the date and year first written above.

ASSIGNOR:

[Name of Assignor]

By:
Title:

ASSIGNEE:

[Name of Assignee]

By:
Title:

Agreed and Consented to as of the date first written above.

[Include signature of the Borrower only
if required under Section 12.8.(c) of the
Credit Agreement]

BORROWER:

Regency Centers, L.P.

By: Regency Realty Corporation, its sole general partner

By:
Title:

PARENT:

REGENCY REALTY CORPORATION

By:
Title:

Accepted as of the date first written above.

AGENT:

Wells Fargo BANK, NATIONAL ASSOCIATION, as Agent

By:

Title:

EXHIBIT B

FORM OF designation AGREEMENT

THIS designation AGREEMENT dated as of _____, _____ (the "Agreement") by and among _____ (the "Designating Lender"), _____ (the "Designated Lender") and Wells Fargo Bank, National Association, as Agent (the "Agent").

WHEREAS, the Designating Lender is a Lender under that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Regency Centers, L.P., a Delaware limited partnership (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), Wells Fargo Bank, National Association, as Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein;

WHEREAS, pursuant to Section 12.8(d), the Designating Lender desires to designate the Designated Lender as its "Designated Lender" under and as defined in the Credit Agreement; and

WHEREAS, the Agent consents to such designation on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the parties hereto, the parties hereto hereby agree as follows:

Section 1. Designation. Subject to the terms and conditions of this Agreement, the Designating Lender hereby designates the Designated Lender, and the Designated Lender hereby accepts such designation, to have a right to make Bid Rate Loans on behalf of the Designating Lender pursuant to Section 2.2. of the Credit Agreement. Any assignment by the Designating Lender to the Designated Lender of rights to make a Bid Rate Loan shall only be effective at the time such Bid Rate Loan is funded by the Designated Lender. The Designated Lender, subject to the terms and conditions hereof, hereby agrees to make such accepted Bid Rate Loans and to perform such other obligations as may be required of it as a Designated Lender under the Credit Agreement.

Section 2. Designating Lender Not Discharged. Notwithstanding the designation of the Designated Lender hereunder, the Designating Lender shall be and remain obligated to the Borrower, the Agent and the Lenders for each and every of the obligations of the Designating Lender and its related Designated Lender with respect to the Credit Agreement and the other Loan Documents, including, without limitation, any indemnification obligations under Section 11.7 and any sums otherwise payable to the Borrower by the Designated Lender.

Section 3. No Representations by Designating Lender. The Designating Lender makes no representation or warranty and, except as set forth in Section 8 below, assumes no responsibility pursuant to this Agreement with respect to (a) any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument and document furnished pursuant thereto and (b) the financial condition of the Borrower or any of its Subsidiaries or the performance or observance by the Borrower of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto.

Section 4. Representations and Covenants of Designated Lender. The Designated Lender makes and confirms to the Agent, the Designating Lender, and the other Lenders all of the representations, warranties and covenants of a Lender under Article XI of the Credit Agreement. Not in limitation of the foregoing, the Designated Lender (a) represents and warrants that it (i) is legally authorized to enter into this Agreement; (ii) is an "accredited investor" (as such term is used in Regulation D of the Securities Act) and (iii) meets the requirements of a "Designated Lender" contained in the definition of such term contained in the Credit Agreement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information (including without limitation the Loan Documents) as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (c) confirms that it has, independently and without reliance upon the Agent, or on any affiliate thereof, or any other Lender and based on such financial statements and such other documents and information, made its own credit analysis and decision to become a Designated Lender under the Credit Agreement; (d) appoints and authorizes the Agent to take such action as contractual representative on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof together with such powers as are reasonably incidental thereto; and (e) agrees that it will become a party to and shall be bound by the Credit Agreement, the other Loan Documents to which the other Lenders are a party on the Effective Date (as defined below) and will perform in accordance therewith all of the obligations which are required to be performed by it as a Designated Lender. The Designated Lender also acknowledges that it will, independently and without reliance upon the

Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any Note or pursuant to any other obligation. The Designated Lender acknowledges and agrees that except as expressly required under the Credit Agreement, the Agent shall have no duty or responsibility whatsoever, either initially or on a continuing basis, to provide the Designated Lender with any credit or other information with respect to the Borrower or any other Loan Party or to notify the Designated Lender of any Default or Event of Default.

Section 5. Appointment of Designating Lender as Attorney-In-Fact. The Designated Lender hereby appoints the Designating Lender as the Designated Lender's agent and attorney-in-fact, and grants to the Designating Lender an irrevocable power of attorney, to receive any and all payments to be made for the benefit of the Designated Lender under the Credit Agreement, to deliver and receive all notices and other communications under the Credit Agreement and other Loan Documents and to exercise on the Designated Lender's behalf all rights to vote and to grant and make approvals, waivers, consents of amendments to or under the Credit Agreement or other Loan Documents. Any document executed by the Designating Lender on the Designated Lender's behalf in connection with the Credit Agreement or other Loan Documents shall be binding on the Designated Lender. The Borrower, each Agent and each of the Lenders may rely on and are beneficiaries of the preceding provisions.

Section 6. Acceptance by the Agent. Following the execution of this Agreement by the Designating Lender and the Designated Lender, the Designating Lender will (i) deliver to the Agent a duly executed original of this Agreement for acceptance by the Agent and (ii) pay to the Agent the fee, if any, payable under the applicable provisions of the Credit Agreement whereupon this Agreement shall become effective as of the date of such acceptance or such other date as may be specified on the signature page hereof (the "Effective Date").

Section 7. Effect of Designation. Upon such acceptance and recording by the Agent, as of the Effective Date, the Designated Lender shall be a party to the Credit Agreement with a right to make Bid Rate Loans as a Lender pursuant to Section 2.2. of the Credit Agreement and the rights and obligations of a Lender related thereto; provided, however, that the Designated Lender shall not be required to make payments with respect to such obligations except to the extent of excess cash flow of such Designated Lender which is not otherwise required to repay obligations of such Designated Lender which are then due and payable. Notwithstanding the foregoing, the Designating Lender, as Agent for the Designated Lender, shall be and remain obligated to the Borrower, the Agent and the Lenders for each and every of the obligations of the Designated Lender and its Designating Lender with respect to the Credit Agreement.

Section 8. Indemnification of Designated Lender. The Designating Lender unconditionally agrees to pay or reimburse the Designated Lender and save the Designated Lender harmless against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed or asserted by any of the parties to the Loan Documents against the Designated Lender, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Designated Lender hereunder or thereunder, provided that the Designating Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from the Designated Lender's gross negligence or willful misconduct.

Section 9. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

Section 10. Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one and the same agreement.

Section 11. Headings. Section headings have been inserted herein for convenience only and shall not be construed to be a part hereof.

Section 12. Amendments; Waivers. This Agreement may not be amended, changed, waived or modified except by a writing executed by all parties hereto.

Section 13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 14. Definitions. Terms not otherwise defined herein are used herein with the respective meanings given them in the Credit Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Designation Agreement as of the date and year first written above.

Effective Date:

DESIGNATING LENDER:

[Name of Designating Lender]

Name:
Title:

Designated Lender:

[Name of Designated Lender]

By:
Name:
Title:

Accepted as of the date first written above.

AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent

By:
Name:
Title:

EXHIBIT C

Form of REVOLVING NOTE

\$ _____, 199_

FOR VALUE RECEIVED, the undersigned, REGENCY CENTERS, L.P., a Delaware limited partnership (the "Borrower") hereby unconditionally promises to pay to the order of _____ (the "Lender"), in care of Wells Fargo Bank, National Association, as Agent (the "Agent"), to Wells Fargo Bank, National Association, 111 Sutter Street, 8th Floor, San Francisco, California 94104 or at such other address as may be specified by the Agent to the Borrower, the principal sum of _____ AND ___/100 DOLLARS (\$ _____), or such lesser amount as may be the then outstanding and unpaid balance of all Revolving Loans or the Term Loan made by the Lender to the Borrower pursuant to, and in accordance with the terms of, the Credit Agreement.

The Borrower further agrees to pay interest at said office, in like money, on the unpaid principal amount owing hereunder from time to time on the dates and at the rates and at the times specified in the Credit Agreement.

This Revolving Note is one of the "Revolving Notes" referred to in that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), the Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein, and is subject to, and entitled to, all provisions and benefits thereof. Capitalized terms used herein and not defined herein shall have the respective meanings given to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of Revolving Loans by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, (b) permits the prepayment of the Loans by the Borrower subject to certain terms and conditions and (c) provides for the acceleration of the Revolving Loans and Term Loans upon the occurrence of certain specified events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

[The following text is to be included in only those Revolving Notes executed in favor of the Lenders who were a party to the Existing Credit Agreement at the time of the amendment and restatement thereof --This Note amends and restates that certain Note dated _____, 199_, in the original principal amount of \$ _____ executed and delivered by the Borrower, payable to the order of the Lender. THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH SUCH OTHER NOTE.]

Time is of the essence for this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note under seal as of the date written above.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation, its sole general partner

By:
Name:
Title:

[CORPORATE SEAL]

STATE OF GEORGIA
COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared _____, known to me to be a person who, as _____ of Regency Realty Corporation, as the general partner of Regency Centers, L.P., the entity which executed the foregoing Note, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of _____, _____.

Notary Public
My Commission Expires:

EXHIBIT D
FORM OF BID RATE NOTE

_____, 19__

FOR VALUE RECEIVED, the undersigned, REGENCY CENTERS, L.P., a Delaware limited partnership (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender"), in care of Wells Fargo Bank, National Association, as Agent (the "Agent"), to Wells Fargo Bank, National Association, 111 Sutter Street, 8th Floor, San Francisco, California 94104, or at such other address as may be specified by the Agent to the Borrower, the aggregate unpaid principal amount of Bid Rate Loans made by the Lender to the Borrower under the Credit Agreement, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Bid Rate Loan, at such office at the rates and on the dates provided in the Credit Agreement.

The date, amount, interest rate and maturity date of each Bid Rate Loan made by the Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this Note, endorsed by the Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Bid Rate Loans made by the Lender.

This Note is one of the Bid Rate Notes referred to in the Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement") among the Borrower, Regency Realty Corporation, the financial institutions initially party thereto and their assignees under Section 12.8. thereof, Wells Fargo Bank, National Association, as Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein, and evidences Bid Rate Loans made by the Lender thereunder. Terms used but not otherwise defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Bid Rate Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.8. of the Credit Agreement, this Note may not be assigned by the Lender to any other Person.

This Note shall be governed by, and construed in accordance with, the laws of the State of GEORGIA.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

[The following text is to be included in only those Bid Rate Notes executed in favor of the Lenders who were a party to the Existing Credit Agreement at the time of the amendment and restatement thereof --This Note amends and restates that certain Bid Rate Note dated _____, 199_, executed and delivered by the Borrower, payable to the order of the Lender. THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH SUCH OTHER NOTE.]

Time is of the essence for this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Bid Rate Note under seal as of the date first written above.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:

Name:
Title:

[CORPORATE SEAL]

STATE OF GEORGIA

COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared _____, known to me to be a person who, as _____ of Regency Realty Corporation, as the general partner of Regency Centers, L.P., the entity which executed the foregoing Note, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of _____, _____.

Notary Public

My Commission Expires:

SCHEDULE OF BID RATE LOANS

This Note evidences Bid Rate Loans made under the within-described Credit Agreement to the Borrower, on the dates, in the principal amounts, bearing interest at the rates and maturing on the dates set forth below, subject to the payments and prepayments of principal set forth below:

Date of Loan	Principal Amount of Loan	Interest Rate	Maturity Date of Loan	Amount Paid or Prepaid	Unpaid Principal Amount	Notation Made By
- - - -	- - - -	- - - -	- - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -

EXHIBIT E

FORM OF SWINGLINE NOTE

\$30,000,000

February 26, 1999

FOR VALUE RECEIVED, the undersigned, regency centers, l.p. (the "Borrower"), hereby promises to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION (the "Swingline Lender") to its address at 111 Sutter Street, 8th Floor, San Francisco, California 94104, or at such other address as may be specified by the Swingline Lender to the Borrower, the principal sum of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) (or such lesser amount as shall equal the aggregate unpaid principal amount of Swingline Loans made by the Swingline Lender to the Borrower under the Credit Agreement), on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount owing hereunder, at the rates and on the dates provided in the Credit Agreement.

The date, amount of each Swingline Loan, and each payment made on account of the principal thereof, shall be recorded by the Swingline Lender on its books and, prior to any transfer of this Note, endorsed by the Swingline Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Swingline Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Swingline Loans.

This Note is the Swingline Note referred to in the Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement") among the Borrower, Regency Realty Corporation, the financial institutions initially party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein, and evidences Swingline Loans made thereunder. Terms used but not otherwise defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Swingline Loans upon the terms and conditions specified therein.

This Note shall be governed by, and construed in accordance with, the laws of the State of GEORGIA.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

This Note amends and restates that certain Swingline Note dated March 27, 1998, in the original principal amount of \$20,000,000 executed and delivered by the Borrower, payable to the order of the Swingline Lender. THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH SUCH OTHER SWINGLINE NOTE.

Time is of the essence for this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Swingline Note under seal as of the date first written above.

Regency Centers, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

[CORPORATE SEAL]

STATE OF GEORGIA

COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared, known to me to be a person who, as _____ of Regency Realty Corporation, as the general partner of Regency Centers, L.P., the entity which executed the foregoing Note, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of _____, _____.

Notary Public

My Commission Expires:

SCHEDULE OF SWINGLINE LOANS

This Note evidences Swingline Loans made under the within-described Credit Agreement to the Borrower, on the dates and in the principal amounts set forth below, subject to the payments and prepayments of principal set forth below:

Date of Loan	Principal Amount of Loan	Amount Paid or Prepaid	Unpaid Principal Amount	Notation Made By
--------------	-----------------------------	---------------------------	----------------------------	---------------------

EXHIBIT G

FORM OF NOTICE OF CONTINUATION

_____, 199__

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.5 of the Credit Agreement, the Borrower hereby requests a Continuation of a Revolving Loan under the Credit Agreement, and in that connection sets forth below the information relating to such Continuation as required by such Section of the Credit Agreement:

1. The requested date of such Continuation is _____, 199__.
2. The aggregate principal amount of the Revolving Loan subject to the requested Continuation is \$_____ and the portion of such principal amount subject to such Continuation is \$_____.
3. The current Interest Period of the Revolving Loan subject to such Continuation ends on _____, 199__.
4. The duration of the Interest Period for the Revolving Loan or portion thereof subject to such Continuation is:

[Check one box only] one month
 two months
 three months
 six months

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the proposed date of the requested Continuation, and after giving effect to such Continuation, no Event of Default shall have occurred and be continuing.

If notice of the requested Continuation was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.5 of the Credit Agreement.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

EXHIBIT H

FORM OF NOTICE OF CONVERSION

_____, 199__

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.6 of the Credit Agreement, the Borrower hereby requests a Conversion of a Revolving Loan of one Type into a Revolving Loan of another Type under the Credit Agreement, and in that connection sets forth below the information relating to such Conversion as required by such Section of the Credit Agreement:

1. The requested date of such Conversion is _____, 199__.

2. The Type of Revolving Loan to be Converted pursuant hereto is currently:

[Check one box only] Base Rate Loan
LIBOR Loan

3. The aggregate principal amount of the Revolving Loan subject to the requested Conversion is \$_____ and the portion of such principal amount subject to such Conversion is \$-----.

4. The amount of such Revolving Loan to be so Converted is to be converted into a Revolving Loan of the following Type:

[Check one box only]
Base Rate Loan
LIBOR Loan, with an initial Interest Period for a duration of:
[Check one box only] one month
two months
three months
six months

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the proposed date of the requested Conversion, and after giving effect to such Conversion, no Event of Default shall have occurred and be continuing.

If notice of the requested Conversion was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.6 of the Credit Agreement.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

EXHIBIT I

FORM OF BID RATE QUOTE REQUEST

-----, -----

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

1. The Borrower hereby requests Bid Rate Quotes for the following proposed Bid Rate Borrowings:

Borrowing Date	Amount ¹	Type ²	Interest Period ³
_____, ____	\$ _____	_____	_____ days

2. The Borrower's Credit Rating as of the date hereof is:

S&P _____
Moody's _____

3. The proceeds of this Bid Rate borrowing will be used for the following purpose:

-----.

4. After giving effect to the Bid Rate Borrowing requested herein, the total amount of Bid Rate Loans outstanding shall be \$ _____ [must not be in excess of the lesser of (i) \$250,000,000 or (ii) one-half of the aggregate amount of all existing Commitments].

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the date of the making of the requested Bid Rate Loans, and after making such Bid Rate Loans, (a) no Default or Event of Default shall have occurred and be continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are and shall be true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents. In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Bid Rate Loans contained in Article VI. of the Credit Agreement will have been satisfied at the time such Bid Rate Loans are made.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

EXHIBIT J

FORM OF BID RATE QUOTE

-----, ----

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

In response to the Borrower's Bid Rate Quote Request dated _____, 19__, the undersigned hereby makes the following Bid Rate Quote(s) on the following terms:

1. Quoting Lender: _____
2. Person to contact at quoting Lender: _____
3. The undersigned offers to make Bid Rate Loan(s) in the following principal amount(s), for the following Interest Period(s) and at the following Bid Rate(s):

Borrowing Date	Amount1	Type2	Interest Period3	Bid Rate
_____, 19__	\$ _____	_____	_____ days	_____ %
_____, 19__	\$ _____	_____	_____ days	_____ %
_____, 19__	\$ _____	_____	_____ days	_____ %

The undersigned understands and agrees that the offer(s) set forth above, subject to satisfaction of the applicable conditions set forth in the Credit Agreement, irrevocably obligate[s] the undersigned to make the Bid Rate Loan(s) for which any offer(s) [is/are] accepted, in whole or in part.

By:
Name:
Title:

EXHIBIT K

FORM OF BID RATE QUOTE ACCEPTANCE

_____, 19__

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

The Borrower hereby accepts the following offer(s) of Bid Rate Quotes to be made available to the Borrower on _____, ____:

Quote Date	Quoting Lender	Type	Amount Accepted
_____, 19__	_____	_____	\$ _____
_____, 19__	_____	_____	\$ _____
_____, 19__	_____	_____	\$ _____

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the date of the making of the requested Bid Rate Loans, and after making such Bid Rate Loans, (a) no Default or Event of Default shall have occurred and be continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are and shall be true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents. In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Bid Rate Loans contained in

Article VI. of the Credit Agreement will have been satisfied at the time such Bid Rate Loans are made.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:

Name:
Title:

EXHIBIT L

FORM OF NOTICE OF SWINGLINE BORROWING

-----, -----

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

1. Pursuant to Section 2.3.(b) of the Credit Agreement, the Borrower hereby requests that the Swingline Lender make a Swingline Loan to the Borrower in an amount equal to \$-----.
2. The Borrower requests that such Swingline Loan be made available to the Borrower on _____, _____.
3. The proceeds of this Swingline Loan will be used for the following purpose:

-----.
4. The Borrower requests that the proceeds of such Swingline Loan be made available to the Borrower by _____.

The Borrower hereby certifies to the Agent, the Swingline Lender and the Lenders that as of the date hereof, as of the date of the making of the requested Swingline Loan, and after making such Swingline Loan, (a) no Default or Event of Default shall have occurred and be continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are and shall be true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents. In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Swingline Loan contained in Article VI. of the Credit Agreement will have been satisfied at the time such Swingline Loan is made.

If notice of the requested borrowing of this Swingline Loan was previously given by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.3.(b) of the Credit Agreement.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

EXHIBIT M

FORM OF EXTENSION REQUEST

_____, 199__

Wells Fargo Realty Bank, National Association, as
Agent
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999, as amended (the "Credit Agreement"), by and among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof, Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.10 of the Credit Agreement, the Borrower hereby requests that the Lenders and the Agent extend the current Revolving Credit Termination Date of _____, 199__ by a one-year period to _____, 199__.

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof (a) no Default or Event of Default has occurred and is continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:
Name:
Title:

EXHIBIT O
FORM OF GUARANTY

THIS GUARANTY dated as of February 26, 1999 executed and delivered by each of the undersigned and the other Persons from time to time party hereto pursuant to the execution and delivery of an Accession Agreement in the form of Annex I hereto (all of the undersigned, together with such other Persons each a "Guarantor" and collectively, the "Guarantors") in favor of (a) WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Amended and Restated Credit Agreement dated as of February 26, 1999, among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation (the "Parent"), the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), the Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein (as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement") and (b) the Lenders and the Swingline Lender.

WHEREAS, pursuant to the Credit Agreement, the Agent, the Lenders and the Swingline Lender have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Credit Agreement;

WHEREAS, the Parent is the sole general partner of the Borrower;

WHEREAS, each other Guarantor is owned or controlled by the Borrower, the Parent or is otherwise an Affiliate of the Borrower or the Parent;

WHEREAS, the Borrower, each Guarantor and the other Subsidiaries of the Borrower and the Parent, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent, the Lenders and the Swingline Lender through their collective efforts;

WHEREAS, each Guarantor acknowledges that it will receive direct and indirect benefits from the Agent the Lenders and the Swingline Lender making such financial accommodations available to the Borrower under the Credit Agreement and, accordingly, each Guarantor is willing to guarantee the Borrower's obligations to the Agent, the Lenders and the Swingline Lender on the terms and conditions contained herein; and

WHEREAS, each Guarantor's execution and delivery of this Guaranty is one of the conditions precedent to the Agent, the Lenders and the Swingline Lender making, or continuing to make, such financial accommodations to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Guarantor, each Guarantor agrees as follows:

Section 1. Guaranty. Each Guarantor hereby absolutely, irrevocably and unconditionally guaranties the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all of the following (collectively referred to as the "Guarantied Obligations"): (a) all indebtedness and obligations owing by the Borrower to any Lender, the Swingline Lender or the Agent under or in connection with the Credit Agreement and any other Loan Document to which the Borrower is a party, including without limitation, the repayment of all principal of the Loans and the payment of all interest, fees, charges, reasonable attorneys fees and other amounts payable to any Lender, the Swingline Lender or the Agent thereunder or in connection therewith; (b) any and all extensions, renewals, modifications, amendments or substitutions of the foregoing; (c) all expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are incurred by the Lenders, the Swingline Lender and the Agent in the enforcement of any of the foregoing or any obligation of such Guarantor hereunder and (d) all other Obligations.

Section 2. Guaranty of Payment and Not of Collection. This Guaranty is a guaranty of payment, and not of collection, and a debt of each Guarantor for its own account. Accordingly, the Lenders, the Swingline Lender and the Agent shall not be obligated or required before enforcing this Guaranty against any Guarantor: (a) to pursue any right or remedy the Lenders, the Swingline Lender or the Agent may have against the Borrower, any other Loan Party or any other Person or commence any suit or other proceeding against the Borrower, any other Loan Party or any other Person in any court or other tribunal; (b) to make any claim in a liquidation or bankruptcy of the Borrower, any other Loan Party or any other Person; or (c) to make demand of the Borrower, any other Loan Party or any other Person or to enforce or seek to enforce or realize upon any collateral security held by the Lenders, the Swingline Lender or the Agent which may secure any of the Guarantied Obligations. In this connection, each Guarantor hereby waives the right of such Guarantor to require any holder of the Guarantied Obligations to take action against the Borrower as provided in Official Code of Georgia Annotated ss.10-7-24.

Section 3. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the documents evidencing the same, regardless of any Applicable Law now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent, the Lenders or the Swingline Lender with respect thereto. The liability of each Guarantor under this Guaranty shall be absolute and unconditional in accordance with its terms and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation, the following (whether or not such Guarantor consents thereto or has notice thereof):

(a) (i) any change in the amount, interest rate or due date or other term of any of the Guaranteed Obligations, (ii) any change in the time, place or manner of payment of all or any portion of the Guaranteed Obligations, (iii) any amendment or waiver of, or consent to the departure from or other indulgence with respect to, the Credit Agreement, any other Loan Document, or any other document or instrument evidencing or relating to any Guaranteed Obligations, or (iv) any waiver, renewal, extension, addition, or supplement to, or deletion from, or any other action or inaction under or in respect of, the Credit Agreement, any of the other Loan Documents, or any other documents, instruments or agreements relating to the Guaranteed Obligations or any other instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

(b) any lack of validity or enforceability of the Credit Agreement, any of the other Loan Documents, or any other document, instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

(c) any furnishing to the Agent, the Lenders or the Swingline Lender of any security for the Guaranteed Obligations, or any sale, exchange, release or surrender of, or realization on, any collateral securing any of the Obligations;

(d) any settlement or compromise of any of the Guaranteed Obligations, any security therefor, or any liability of any other party with respect to the Guaranteed Obligations, or any subordination of the payment of the Guaranteed Obligations to the payment of any other liability of the Borrower or any other Loan Party;

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to such Guarantor, the Borrower, any other Loan Party or any other Person, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding;

(f) any act or failure to act by the Borrower, any other Loan Party or any other Person which may adversely affect such Guarantor's subrogation rights, if any, against the Borrower to recover payments made under this Guaranty;

(g) any application of sums paid by the Borrower, any other Loan Party or any other Person with respect to the liabilities of the Borrower to the Agent, the Lenders or the Swingline Lender, regardless of what liabilities of the Borrower remain unpaid;

(h) any defect, limitation or insufficiency in the borrowing powers of the Borrower or in the exercise thereof; or

(i) any other circumstance which might otherwise constitute a defense available to, or a discharge of, such Guarantor hereunder (other than termination of this Guaranty as provided in Section 20. hereof).

Section 4. Action with Respect to Guaranteed Obligations. The Lenders, the Swingline Lender and the Agent may, at any time and from time to time, without the consent of, or notice to, any Guarantor, and without discharging any Guarantor from its obligations hereunder take any and all actions described in Section 3. and may otherwise: (a) amend, modify, alter or supplement the terms of any of the Guaranteed Obligations, including, but not limited to, extending or shortening the time of payment of any of the Guaranteed Obligations or changing the interest rate that may accrue on any of the Guaranteed Obligations; (b) amend, modify, alter or supplement the Credit Agreement or any other Loan Document; (c) sell, exchange, release or otherwise deal with all, or any part, of any collateral securing any of the Obligations; (d) release any Loan Party or other Person liable in any manner for the payment or collection of the Guaranteed Obligations; (e) exercise, or refrain from exercising, any rights against the Borrower, any other Loan Party or any other Person; and (f) apply any sum, by whomsoever paid or however realized, to the Guaranteed Obligations in such order as the Lenders or the Swingline Lender shall elect.

Section 5. Representations and Warranties. Each Guarantor hereby makes to the Agent, the Lenders and the Swingline Lender all of the representations and warranties made by the Borrower with respect to or in any way relating to such Guarantor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

Section 6. Covenants. Each Guarantor will comply with all covenants which the Borrower is to cause such Guarantor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Waiver. Each Guarantor, to the fullest extent permitted by Applicable Law, hereby waives notice of acceptance hereof or any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of such Guarantor or which otherwise might operate to discharge such Guarantor from its obligations hereunder.

Section 8. Inability to Accelerate Loan. If the Agent, the Lenders and/or the Swingline Lender are prevented under Applicable Law or otherwise from demanding or accelerating payment of any of the Guaranteed Obligations by reason of any automatic stay or otherwise, the Agent, the Lenders and/or the Swingline Lender shall be entitled to receive from each Guarantor, upon demand therefor, the sums which otherwise would have been due had such demand or acceleration occurred.

Section 9. Reinstatement of Guaranteed Obligations. If claim is ever made on the Agent, any Lender or the Swingline Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations, and the Agent, such Lender or the Swingline Lender repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (b) any settlement or compromise of any such claim effected by the Agent, such Lender or the Swingline Lender with any such claimant (including the Borrower or a trustee in bankruptcy for the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Credit Agreement, any of the other Loan Documents, or any other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the Agent, such Lender or the Swingline Lender for the amounts so repaid or recovered to the same extent as if such amount had never originally been paid to the Agent, such Lender or the Swingline Lender.

Section 10. Subrogation. Upon the making by any Guarantor of any payment hereunder for the account of the Borrower, such Guarantor shall be subrogated to the rights of the payee against the Borrower; provided, however, that such Guarantor shall not enforce any right or receive any payment by way of subrogation or otherwise take any action in respect of any other claim or cause of action such Guarantor may have against the Borrower arising by reason of any payment or performance by such Guarantor pursuant to this Guaranty, unless and until all of the Guaranteed Obligations have been indefeasibly paid and performed in full. If any amount shall be paid to such Guarantor on account of or in respect of such subrogation rights or other claims or causes of action, such Guarantor shall hold such amount in trust for the benefit of the Agent, the Lenders and the Swingline Lender and shall forthwith pay such amount to the Agent to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement or to be held by the Agent as collateral security for any Guaranteed Obligations existing.

Section 11. Payments Free and Clear. All sums payable by each Guarantor hereunder, whether of principal, interest, fees, expenses, premiums or otherwise, shall be paid in full, without set-off or counterclaim or any deduction or withholding whatsoever (including any Taxes), and if such Guarantor is required by Applicable Law or by any Governmental Authority to make any such deduction or withholding, such Guarantor shall pay to the Agent, the Lenders and the Swingline Lender such additional amount as will result in the receipt by the Agent, the Lenders and the Swingline Lender of the full amount payable hereunder had such deduction or withholding not occurred or been required.

Section 12. Set-off. In addition to any rights now or hereafter granted under any of the other Loan Documents or Applicable Law and not by way of limitation of any such rights, each Guarantor hereby authorizes the Agent, at any time or from time to time upon the occurrence and during the continuance of an Event of Default, without any prior notice to such Guarantor or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, or any affiliate of the Agent, to or for the credit or the account of such Guarantor against and on account of any of the Guaranteed Obligations, although such obligations shall be contingent or unmatured. Each Guarantor agrees, to the fullest extent permitted by Applicable Law, that any Participant may exercise rights of setoff or counterclaim and other rights with respect to its participation as fully as if such Participant were a direct creditor of such Guarantor in the amount of such participation.

Section 13. Subordination. Each Guarantor hereby expressly covenants and agrees for the benefit of the Agent, the Lenders and the Swingline Lender that all obligations and liabilities of the Borrower to such Guarantor of whatever description, including without limitation, all intercompany receivables of such Guarantor from the Borrower (collectively, the "Junior Claims") shall be subordinate and junior in right of payment to all Guaranteed Obligations. If an Event of Default shall have occurred and be continuing, then no Guarantor shall accept any direct or indirect payment (in cash, property, securities by setoff or otherwise) from the Borrower on account of or in any manner in respect of any Junior Claim until all of the Guaranteed Obligations have been indefeasibly paid in full.

Section 14. Avoidance Provisions. It is the intent of each Guarantor, the Agent, the Lenders and the Swingline Lender that in any Proceeding, such Guarantor's maximum obligation hereunder shall equal, but not exceed, the maximum amount which would not otherwise cause the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender) to be avoidable or unenforceable against such Guarantor in such Proceeding as a result of Applicable Law, including without limitation, (a) Section 548 of the Bankruptcy Code of 1978, as amended (the "Bankruptcy Code") and (b) any state fraudulent transfer or fraudulent conveyance act or statute applied in such Proceeding, whether by virtue of Section 544 of the Bankruptcy Code or otherwise. The Applicable Laws under which the possible avoidance or unenforceability of the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender) shall be determined in any such Proceeding are referred to as the "Avoidance Provisions". Accordingly, to the extent that the obligations of any Guarantor hereunder would otherwise be subject to avoidance under the Avoidance Provisions, the maximum Guaranteed Obligations for which such Guarantor shall be liable hereunder shall be reduced to that amount which, as of the time any of the Guaranteed Obligations are deemed to have been incurred under the Avoidance Provisions, would not cause the obligations of any Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender), to be subject to avoidance under the Avoidance Provisions. This Section is intended solely to preserve the rights of the Agent, the Lenders and the Swingline Lender hereunder to the maximum extent that would not cause the obligations of any Guarantor hereunder to be subject to avoidance under the Avoidance Provisions, and no Guarantor or any other Person shall have any right or claim under this Section as against the Agent, the Lenders and the Swingline Lender that would not otherwise be available to such Person under the Avoidance Provisions.

Section 15. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the financial condition of the Borrower and the other Loan Parties, and of all other circumstances bearing upon the risk of nonpayment of any of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Agent, any Lender or the Swingline Lender shall have any duty whatsoever to advise any Guarantor of information regarding such circumstances or risks.

Section 16. Governing Law. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

SECTION 17. WAIVER OF JURY TRIAL. (a) EACH GUARANTOR, AND EACH OF THE AGENT, THE LENDERS AND THE SWINGLINE LENDER BY ACCEPTING THE BENEFITS HEREOF, ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG SUCH GUARANTOR, THE AGENT, ANY OF THE LENDERS OR THE SWINGLINE LENDER WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT. ACCORDINGLY, EACH GUARANTOR, AND EACH OF THE AGENT, THE LENDERS AND THE SWINGLINE LENDER BY ACCEPTING THE BENEFITS HEREOF, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST SUCH GUARANTOR ARISING OUT OF THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG SUCH GUARANTOR, THE AGENT, ANY OF THE LENDERS OR THE SWINGLINE LENDER OF ANY KIND OR NATURE.

(b) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE OBLIGATIONS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS GUARANTY.

Section 18. Loan Accounts. The Agent, each Lender and the Swingline Lender may maintain books and accounts setting forth the amounts of principal, interest and other sums paid and payable with respect to the Guaranteed Obligations, and in the case of any dispute relating to any of the outstanding amount, payment or receipt of any of the Guaranteed Obligations or otherwise, the entries in such books and accounts shall constitute prima facie evidence of the outstanding amount of such Guaranteed Obligations and the amounts paid and payable with respect thereto. The failure of the Agent, any Lender or the Swingline Lender to maintain such books and accounts shall not in any way relieve or discharge any Guarantor of any of its obligations hereunder.

Section 19. Waiver of Remedies. No delay or failure on the part of the Agent, any Lender or the Swingline Lender in the exercise of any right or remedy it may have against any Guarantor hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Agent, any Lender or the Swingline Lender of any such right or remedy shall preclude other or further exercise thereof or the exercise of any other such right or remedy.

Section 20. Termination. This Guaranty shall remain in full force and effect until the earlier of (a) indefeasible payment in full of the Obligations and the termination or cancellation of the Credit Agreement and (b) the release by the Agent of each Guarantor herefrom pursuant to Section 4.2 of the Credit Agreement.

Section 21. Successors and Assigns. Each reference herein to the Agent, the Lenders or the Swingline Lender shall be deemed to include such Person's respective successors and assigns (including, but not limited to, any holder of the Guaranteed Obligations) in whose favor the provisions of this Guaranty also shall inure, and each reference herein to each Guarantor shall be deemed to include such Guarantor's successors and assigns, upon whom this Guaranty also shall be binding. The Lenders and the Swingline Lender may, in accordance with the applicable provisions of the Credit Agreement, assign, transfer or sell any Guaranteed Obligations, or grant or sell participation in any Guaranteed Obligations, to any Person without the consent of, or notice to, any Guarantor and without releasing, discharging or modifying any Guarantor's obligations hereunder. Each Guarantor hereby consents to the delivery by the Agent, any Lender or the Swingline Lender to any Assignee or Participant (or any prospective Assignee or Participant) of any financial or other information regarding the Borrower or any Guarantor. No Guarantor may assign or transfer its obligations hereunder to any Person.

Section 22. Joint and Several Obligations. the obligations of the Guarantors HEREUNDER SHALL BE joint and several, and ACCORDINGLY, each Guarantor CONFIRMS THAT IT is liable for the full amount of the "GUARANTIED Obligations" AND ALL OF THE OBLIGATIONS AND LIABILITIES OF EACH OF THE OTHER gUARANTORS HEREUNDER.

Section 23. Amendments. This Guaranty may not be amended except in writing signed by the Agent and each Guarantor.

Section 24. Payments. All payments to be made by any Guarantor pursuant to this Guaranty shall be made in Dollars, in immediately available funds to the Agent at its Lending Office, not later than 11:00 a.m., on the date one Business Day after demand therefor.

Section 25. Notices. All notices, requests and other communications hereunder shall be in writing (including facsimile transmission or similar writing) and shall be given (a) to each Guarantor at its address set forth below its signature hereto, (b) to the Agent, any Lender or the Swingline Lender at its address for notices provided for in the Credit Agreement, or (c) as to each such party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (i) if mailed, when received; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered; provided, however, that any notice of a change of address for notices shall not be effective until received.

Section 26. Severability. In case any provision of this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 27. Headings. Section headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

Section 28. Definitions. (a) For the purposes of this Guaranty:

"Proceeding" means any of the following: (i) a voluntary or involuntary case concerning any Guarantor shall be commenced under the Bankruptcy Code of 1978, as amended; (ii) a custodian (as defined in such Bankruptcy Code or any other applicable bankruptcy laws) is appointed for, or takes charge of, all or any substantial part of the property of any Guarantor; (iii) any other proceeding under any Applicable Law, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up or composition for adjustment of debts, whether now or hereafter in effect, is commenced relating to any Guarantor; (iv) any Guarantor is adjudicated insolvent or bankrupt; (v) any order of relief or other order approving any such case or proceeding is entered by a court of competent jurisdiction; (vi) any Guarantor makes a general assignment for the benefit of creditors; (vii) any Guarantor shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; (viii) any Guarantor shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; (ix) any Guarantor shall by any act or failure to act indicate its consent to, approval of or acquiescence in any of the foregoing; or (x) any corporate action shall be taken by any Guarantor for the purpose of effecting any of the foregoing.

(b) Terms not otherwise defined herein are used herein with the respective meanings given them in the Credit Agreement.

Section 29. NO NOVATION. THE PARTIES HERETO HAVE ENTERED INTO THIS GUARANTY SOLELY TO AMEND AND RESTATE THE TERMS OF THE EXISTING GUARANTY. THE PARTIES DO NOT INTEND THIS AGREEMENT, NOR THE TRANSACTIONS CONTEMPLATED HEREBY, TO BE, AND THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OR WAIVER OF ANY OF THE OBLIGATIONS OWING BY ANY EXISTING GUARANTOR UNDER OR IN CONNECTION WITH THE EXISTING GUARANTY.

[Signatures on Next Page]

IN WITNESS WHEREOF, each Guarantor has duly executed and delivered this Guaranty as of the date and year first written above.

[GUARANTOR]
[GUARANTOR]

By:
Name:
Title:

Address for Notices for all Guarantors:

c/o Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Bruce Johnson
Telecopier: (904) 634-3428
Telephone: (904) 356-7000

ANNEX I

FORM OF ACCESSION AGREEMENT

THIS ACCESSION AGREEMENT dated as of _____, _____, executed and delivered by _____, a _____ (the "New Guarantor") in favor of (a) WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement"), by and among Regency Centers, L.P., a Delaware limited partnership (the "Borrower"), Regency Realty Corporation, a Florida corporation (the "Parent"), the financial institutions initially party thereto and their assignees under Section 12.8 thereof (the "Lenders"), the Agent, and the Syndication Agent, Documentation Agent and Managing Agents named therein and (b) the Lenders and the Swingline Lender.

WHEREAS, pursuant to the Credit Agreement, the Agent, the Lenders and the Swingline Lender have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Credit Agreement;

WHEREAS, the New Guarantor is owned or controlled by the Borrower, the Parent or is otherwise an Affiliate of the Borrower or the Parent;

WHEREAS, the Borrower, the New Guarantor, the other Subsidiaries of the Borrower and the Parent, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent, the Lenders and the Swingline Lender through their collective efforts;

WHEREAS, the New Guarantor acknowledges that it will receive direct and indirect benefits from the Agent, the Lenders and the Swingline Lenders making such financial accommodations available to the Borrower under the Credit Agreement and, accordingly, the New Guarantor is willing to guarantee the Borrower's obligations to the Agent, the Lenders and the Swingline Lenders on the terms and conditions contained herein; and

WHEREAS, the New Guarantor's execution and delivery of this Agreement is a condition to the Agent, the Lenders and the Swingline Lenders continuing to make such financial accommodations to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the New Guarantor, the New Guarantor agrees as follows:

Section 1. Accession to Guaranty. The New Guarantor hereby agrees that it is a "Guarantor" under that certain Guaranty dated as of February 26, 1999 (the "Guaranty"), made by each Subsidiary a party thereto in favor of the Agent, the Lenders and the Swingline Lender and assumes all obligations of a "Guarantor" thereunder, all as if the New Guarantor had been an original signatory to the Guaranty. Without limiting the generality of the foregoing, the New Guarantor hereby:

(a) irrevocably and unconditionally guarantees the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all Guaranteed Obligations;

(b) makes to the Agent, the Lenders and the Swingline Lender as of the date hereof each of the representations and warranties contained in Section 5 of the Guaranty and agrees to be bound by each of the covenants contained in Section 6 of the Guaranty; and

(c) consents and agrees to each provision set forth in the Guaranty.

SECTION 2. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

Section 3. Definitions. Capitalized terms used herein and not otherwise defined herein shall have their respective defined meanings given them in the Credit Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the New Guarantor has caused this Accession Agreement to be duly executed and delivered under seal by its duly authorized officers as of the date first written above.

[NEW GUARANTOR]

By: _____
Name: _____
Title: _____

(CORPORATE SEAL)

Address for Notices:

121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Bruce Johnson
Telecopier: (904) 634-3428
Telephone: (904) 356-7000

Accepted:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

EXHIBIT P

FORM OF UNENCUMBERED POOL CERTIFICATE

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, supplemented or restated from time to time, the "Credit Agreement") among Regency Centers, L.P., Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given to them in the Credit Agreement.

Pursuant to Section [4.1(b)(ii)][4.1(c)(x)][8.1] of the Credit Agreement, the undersigned hereby certifies to the Lenders and the Agent that Schedule 1 attached hereto accurately and completely sets forth, as of the date hereof: (i) the Net Operating Income of each Unencumbered Pool Property for the fiscal quarter most recently ended, (ii) the Unencumbered Pool Value, (iii) all Unsecured Liabilities (other than the Loans) of the Parent and its Subsidiaries on a consolidated basis, (iv) the aggregate amount of the Commitments, (v) the Maximum Loan Availability; (vi) the percentage amount of the Unencumbered Pool Value attributable to all Unencumbered Pool Properties which are owned by Subsidiaries of the Borrower that are not Wholly Owned Subsidiaries (which percentage amount shall not exceed 20%); and (vii) the weighted average Occupancy Rate of all Unencumbered Pool Properties calculated in accordance with Section 4.3 of the Credit Agreement.*

[For certificates delivered pursuant to Sections 4.1(b)(ii) and 4.1(c)(x) only For each Property submitted as an Eligible Property pursuant to Section [4.1(b)(ii)][4.1(c)(x)] on the date hereof Schedule 1 attached hereto also sets forth:

(I) the Occupancy Rate of such Property; and

[for certificates delivered pursuant to Section 4.1(b)(ii) only (II) the percentage amount of the total Unencumbered Pool Value attributable to each Unencumbered Pool Property (which percentage amount shall not exceed 5%)];

The undersigned further certifies to the Agent, the Lenders and the Swingline Lender that as of the date hereof (a) no Default or Event of Default has occurred and is continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents.

IN WITNESS WHEREOF, the undersigned has signed this Unencumbered Pool Certificate on and as of _____, 19__.

Name: _____
Title: Chief Financial Officer

EXHIBIT Q

FORM OF COMPLIANCE CERTIFICATE

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, supplemented or restated from time to time, the "Credit Agreement") among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given to them in the Credit Agreement.

Pursuant to Section 8.1(c) of the Credit Agreement, the undersigned hereby certifies to the Agent, the Lenders and the Swingline Lender that:

1. _____ (a) The undersigned has reviewed the terms of the Credit Agreement and has made a review of the transactions, financial condition and other affairs of the Parent, the Borrower and each other Guarantor as of, and during the relevant accounting period ending on, _____, 19__ and (b) such review has not disclosed the existence during such accounting period, and the undersigned does not have knowledge of the existence, as of the date hereof, of any condition or event constituting a Default or Event of Default [except as set forth on Attachment A hereto, which accurately describes the nature of the condition(s) or event(s) that constitute (a) Default(s) or (an) Event(s) of Default and the actions which the Borrower (is taking) (is planning to take) with respect to such condition(s) or event(s)].

2. _____ Schedule 1 attached hereto accurately and completely sets forth the calculations required to establish compliance with Sections 8.12 and 8.23 and each of the Sections contained in Article IX of the Credit Agreement on date of the financial statements for the accounting period set forth above.

3. _____ The aggregate outstanding principal amount of the Loans as of the date hereof is equal to or less than the Maximum Loan Availability and the aggregate outstanding principal amount of the Bid Rate Loans as of the date hereof is equal to or less than \$250,000,000.

4. _____ (a) No Default or Event of Default has occurred and is continuing, and (b) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Credit Agreement or the other Loan Documents.

IN WITNESS WHEREOF, the undersigned has signed this Unencumbered Pool Certificate on and as of _____, 19__.

Name: _____
Title: Chief Financial Officer

EXHIBIT R

FORM OF PROPERTY CERTIFICATE

Reference is made to that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") among Regency Centers, L.P. (the "Borrower"), Regency Realty Corporation, the financial institutions party thereto and their assignees under Section 12.8 thereof (the "Lenders"), Wells Fargo Bank, National Association, as Agent (the "Agent"), and the Syndication Agent, Documentation Agent and Managing Agents named therein. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given to them in the Credit Agreement.

Pursuant to Section 4.1(b)(iv) of the Credit Agreement, the undersigned hereby certifies to the Agent and the Lenders, with respect to each of the properties listed on Schedule 1 attached hereto, that:

- (a) such property is improved with one or more operating retail shopping centers and includes a grocery store as an anchor tenant.
- (b) such property is owned in fee simple by the entity designated as the owner of such property on Schedule 1. Schedule 1 sets forth the capital structure of each such owner if such owner is not the Borrower.
- (c) (i) such Property is owned in fee simple by only the Borrower or a Subsidiary of the Borrower;
- (ii) neither such Property, nor any interest of the Borrower or such Subsidiary therein, is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (iii) if such Property is owned by a Subsidiary of the Borrower, (A) none of the Borrower's direct or indirect ownership interest in such Subsidiary is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness and (B) the Borrower directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (I) to create Lien on such Property as security for Indebtedness of the Borrower or such Subsidiary, as applicable and (II) to sell, transfer or otherwise dispose of such Property; (iv) such Property is not a Development Property and has an Occupancy Rate which has remained stabilized; (v) such Property is free of all structural defects, title defects, environmental conditions or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property; (vi) such Property is not subject to a ground lease (other than a lease of land on such Property by the Borrower or such Subsidiary to a Person which is not an Affiliate) and (vii) such Property is improved with a shopping center with a shopping center or a stand-alone building containing a grocery store occupied by a Credit Tenant.
- (d) the value of the Property (when calculated in accordance with the definition of Unencumbered Pool Value), will not exceed 5% of the Unencumbered Pool Value (determined as if such Property were an Unencumbered Pool Property).
- (e) such Property is located in the United States.
- (f) (i) (A) Borrower has obtained, with respect to such property a "Phase I" environmental assessment, prepared as of the date indicated on Schedule 1, by the consultant identified on Schedule 1;
- (B) such consultant is of good repute within the region in which such property is located and is believed by Borrower to be competent;
- (C) Borrower has reviewed such assessment and believes it reasonable to rely upon such assessment; and
- (D) such assessment does not (1) identify any contamination or potential contamination that has resulted in, or that could reasonably be anticipated to result in a materially adverse effect upon the condition, market value, Net Operating Income or prospects of such property, (2) recommend that any further material investigation be undertaken or (3) identify any potential or actual recognized environmental condition; and

- (ii) (A) Borrower has obtained, with respect to such property a structural/physical report, prepared as of the date indicated on Schedule 1, by the consultant identified on Schedule 1;
- (B) such consultant is of good repute within the region in which such property is located and is believed by Borrower to be competent;
- (C) Borrower has reviewed such report and believes it reasonable to rely upon such report; and
- (D) such report does not identify any material defect in construction or physical condition of the property, material variance from any available plans and specifications for the property or material violation of applicable law, or other item of material concern with respect to the structural integrity or physical condition of the property.

(g) the value of all Properties which are owned by Subsidiaries that are not Wholly Owned Subsidiaries, including the Property described herein, if applicable (when calculated in accordance with the definition of Unencumbered Pool Value), does not exceed 20% of the Unencumbered Pool Value (determined as if such Property were an Unencumbered Pool Property). Schedule 1 sets forth the percentage of the Unencumbered Pool Value attributable to Unencumbered Pool Properties which are owned by Subsidiaries that are not Wholly Owned Subsidiaries (determined as if such Property were an Unencumbered Pool Property).

IN WITNESS WHEREOF, the undersigned has signed this Property Certificate on and as of _____, 19__.

Name: _____
Title: Chief Financial Officer

SCHEDULE 1
TO PROPERTY CERTIFICATE

A. Property Description [For each Property]

1. Property Name:

2. Owner: [If not Borrower, set forth capital structure of the owner]

3. Environmental Information:
 - a. _____ Date Phase 1 prepared: _____.
 - b. _____ The Phase 1 was prepared by _____.

4. Structural/Physical Report:
 - a. _____ Date Structural/Physical Report Prepared: _____.
 - b. The Structural/Physical Report was prepared by _____.

5. Percentage of Unencumbered Pool Value Attributable to Unencumbered Pool Properties owned by Subsidiaries which are not Wholly Owned Subsidiaries: ____%

- 1 Minimum amount of \$15,000,000 or larger multiple of \$1,000,000.
- 2 Insert either Absolute Rate (for Absolute Rate Loan) or LIBOR Margin (for LIBOR Margin Loan).
- 3 Must be 30, 60 or 90 days.
- 1 Minimum amount of \$5,000,000 or larger multiple of \$1,000,000.
- 2 Insert either Absolute Rate (for Absolute Rate Loan) or LIBOR Margin (for LIBOR Margin Loan).
- 3 Must be 30, 60 or 90 days.

* When the Unencumbered Pool Certificate is delivered in connection with Sections 4.1(b)(ii) and 4.1(c)(x) of the Credit Agreement the calculations set forth in items (i) through (v) should be determined on a pro forma basis assuming that the Eligible Property being submitted as an Unencumbered Pool Property is accepted as an Unencumbered Pool Property.

THIS AGREEMENT is made as of the ____ day of August, 1998, between PP CENTER LIMITED, an Ohio limited liability company ("Seller"), and RRC ACQUISITIONS TWO, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

Background

Buyer wishes to purchase a shopping center in the City of Columbus, State of Ohio, owned by Seller, known as Park Place Shopping Center (the "Shopping Center");

Seller wishes to sell the Shopping Center to Buyer;

In consideration of the mutual agreements herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase the Property (as hereinafter defined) on the following terms and conditions:

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1 Agreement means this instrument as it may be amended from time to time.

1.2 Allocation Date means the close of business on the day immediately prior to the Closing Date.

1.3 Audit Representation Letter means the form of Audit Representation Letter attached hereto as Exhibit .

1.4 Buyer means the party identified as Buyer on the initial page hereof.

1.5 Closing means generally the execution and delivery of those documents and funds necessary to effect the sale of the Property by Seller to Buyer.

1.6 Closing Date means the date on which the Closing occurs.

1.7 Contracts means all service contracts, agreements or other instruments to be assigned by Seller to Buyer at Closing.

1.8 Day means a calendar day, whether or not the term is capitalized.

1.9 Earnest Money Deposit means the deposit delivered by Buyer to Escrow Agent prior to the Closing under Sections and of this Agreement, together with the earnings thereon, if any.

1.10 Effective Date means the date which is the later of the date of execution by the last of Buyer or Seller to execute this Agreement and transmit a copy of the fully executed Agreement to the other, or (b) receipt by the Buyer of documents asterisked in Exhibit .

1.11 Environmental Claim means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous Material Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Material, Environmental Law or other order of a governmental authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment.

1.12 Environmental Law means any current legal requirement in effect at the Closing Date pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, protection or use of natural resources and wildlife, (c) the protection or use of source water and groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water, and groundwater); and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC ss.ss.9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC ss.ss.6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC ss.ss.1251 et seq., Clean Air Act of 1966, as amended, 42 USC ss.ss.7401 et seq., Toxic Substances Control Act of 1976, 15 USC ss.ss.2601 et seq., Hazardous Materials Transportation Act, 49 USC App. ss.ss.1801, Occupational Safety and Health Act of 1970, as amended, 29 USC ss.ss.651 et seq., Oil Pollution Act of 1990, 33 USC ss.ss.2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. ss.ss.11001 et seq., National Environmental Policy Act of 1969, 42 USC ss.ss.4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC ss.ss.300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

1.13 Escrow Agent means Ohio Title Corporation, as agent for First American Title Insurance Company, 115 W. Main Street, Columbus, Ohio 43215; Telephone 614/221-7701; Facsimile 614/221-8954, or any successor Escrow Agent.

1.14 Governmental Approval means any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, decision, action or approval of a governmental authority.

1.15 Hazardous Material means any asbestos, petroleum, petroleum product, drycleaning solvent or chemical, biological or medical waste, "sharps" or any other hazardous or toxic substance as defined in or regulated by any Environmental Law in effect at the pertinent date or dates.

1.16 Hazardous Material Activity means any activity, event, or occurrence at or prior to the Closing Date involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling or corrective or response action to any Hazardous Material.

1.17 Improvements means all buildings, structures or other improvements situated on the Real Property.

1.18 Inspection Period means the period of time which expires at midnight on the fortieth (40th) day after the later of the (a) date of execution by the last of Buyer or Seller to execute this Agreement and transmit a copy of the fully executed Agreement to the other, or (b) receipt by the Buyer of documents asterisked in Exhibit . If such expiration date is a weekend or national holiday, the Inspection Period shall expire at midnight on the next immediately succeeding business day.

1.19 Leases means all leases and other occupancy agreements permitting persons to lease or occupy all or a portion of the Property.

1.20 Materials means all plans, drawings, specifications, soil test reports, environmental reports, market studies, surveys, and similar documentation, if any, owned by or in the possession of Seller with respect to the Property, Improvements and any proposed improvements to the Property, which Seller may lawfully transfer to Buyer except proprietary, confidential Materials, and except that, as to financial and other records, Materials shall include only photostatic copies.

1.21 Partnership means Regency Centers, L.P., a Delaware limited partnership, of which Regency is the sole general partner.

1.22 Partnership Agreement means the Amended and Restated Partnership Agreement of the Partnership, a copy of which is attached hereto as Exhibit

1.23 Partnership Units means units representing limited partnership interests in the Partnership.

1.24 Permitted Exceptions means only the following interests, liens and encumbrances:

- (a) Liens for ad valorem taxes not payable on or before Closing;
- (b) The Surviving Mortgage and related loan documents;
- (c) Rights of tenants under Leases;
- (d) Zoning ordinances; and
- (e) Other matters determined by Buyer to be acceptable.

1.25 Personal Property means all (a) sprinkler, plumbing, heating, air-conditioning, electric power or lighting, incinerating, ventilating and cooling systems, with each of their respective appurtenant furnaces, boilers, engines, motors, dynamos, radiators, pipes, wiring and other apparatus, equipment and fixtures, elevators, partitions, fire prevention and extinguishing systems located in or on the Improvements, (b) all Materials, and (c) all other personal property used in connection with the Improvements, provided the same are now owned or are acquired by Seller prior to the Closing.

1.26 Property means collectively the Real Property, the Improvements and the Personal Property.

1.27 Prorated means the allocation of items of expense or income between Buyer and Seller based upon that percentage of the time period as to which such item of expense or income relates which has expired as of the date at which the proration is to be made.

1.28 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section (subject to adjustments as provided herein).

1.29 Real Property means the lands more particularly described on Exhibit , together with all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of such lands.

1.30 Redemption Agreement means the form of Redemption Agreement attached hereto as Exhibit .

1.31 Regency means Regency Realty Corporation, a Florida corporation.

1.32 Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material at or prior to the Closing Date.

1.33 Rent Roll means the list of Leases attached hereto as Exhibit, identifying with particularity the space leased by each tenant, the term (including extension options), square footage and applicable rent, common area maintenance, tax and other reimbursements, security deposits and similar data.

1.34 Seller means the party identified as Seller on the initial page hereof.

1.35 Seller Financial Statements means the unaudited balance sheets and statements of income, cash flows and changes in financial positions prepared by Seller for the Property, as of and for the two (2) calendar years next preceding the date of this Agreement and all monthly reports of income, expense and cash flow prepared by Seller for the Property, which shall be consistent with past practice, for any period beginning after the latest of such calendar years, and ending prior to Closing.

1.36 Shopping Center means the Shopping Center identified on the initial page hereof.

1.37 Survey means a map of a stake survey of the Real Property which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey, which is dated not earlier than thirty (30) days prior to the Closing, and which is certified to Buyer, Seller, the Title Insurance company providing Title Insurance to Buyer and the holder of the Surviving Mortgage.

1.38 Surviving Mortgage. means a mortgage or other instrument dated September 26, 1995, from Seller to USG Annuity and Life Company with a principal balance of \$7,570,482.74 as of July 1, 1998, bearing interest at eight percent (8.0%) per annum, amortizing over a twenty-five (25) year period, and maturing on October 1, 2002.

1.39 Tenant Estoppel Letter means a letter or other certificate from a tenant certifying as to certain matters regarding such tenant's Lease, in substantially the same form as attached hereto as Exhibit , or in the case of national or regional "credit" tenants identified as such on the Rent Roll, the form customarily used by such tenant provided the information disclosed is acceptable to Buyer.

1.40 Title Defect means any exception in the Title Insurance Commitment or any matter disclosed by the Survey, other than a Permitted Exception.

1.41 Title Insurance means an ALTA Form B Owners Policy of Title Insurance for the full Purchase Price insuring marketable title in Buyer in fee simple, subject only to the Permitted Exceptions, issued by a title insurer acceptable to Buyer.

1.42 Title Insurance Commitment means a binder whereby the title insurer agrees to issue the Title Insurance to Buyer.

1.43 Transaction Documents means this Agreement, the deed conveying the Property, the assignment of leases, the bill of sale conveying the Personal Property and all other documents required or appropriate in connection with the transactions contemplated hereby.

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$10,750,000, less the outstanding principal balance of the Surviving Mortgage as of the Allocation Date. The Purchase Price shall be payable in cash at Closing, or alternatively as provided in Section below, Seller may elect to contribute the Property to the Partnership in exchange for Partnership Units therein.

(b) Adjustments to the Purchase Price. The Purchase Price shall be adjusted as of the Closing Date by:

(1) prorating the Closing year's real and tangible personal property taxes as of the Allocation Date (if the amount of the current year's property taxes are not available, such taxes will be prorated based upon the prior year's assessment);

(2) prorating as of the Allocation Date cash receipts and expenditures for the Shopping Center, interest on the debt secured by the Surviving Mortgage and other items customarily prorated in transactions of this sort; and

(3) subtracting the amount of tenant security deposits held by Seller the obligations for which are to be assumed by Buyer, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants. Any rents, percentage rents or tenant reimbursements payable by tenants after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any reasonable expenses of the Property actually incurred on or prior to the Allocation Date but discovered by Buyer after Closing. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller have received no proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less any reasonable costs of collection. Buyer will not interfere in Seller's efforts to collect sums due it prior to the Closing. Seller will remit to Buyer promptly after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Allocation Date. Undesignated receipts after Closing of either Buyer or Seller from tenants in the Shopping Center shall be applied first to then current rents and reimbursements for such tenant(s), then to delinquent rents and reimbursements attributable to post-Allocation Date periods, and then to pre-Allocation Date periods. Utility deposits and similar deposits made by Seller shall be transferred to Buyer, who shall reimburse Seller therefor, or Buyer shall make its own deposits and Seller shall obtain refunds of the deposits made by Seller, as Buyer and Seller shall agree prior to Closing.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$25,000 shall be delivered to Escrow Agent within three (3) days after the date of execution by the last of Buyer or Seller to execute and transmit a copy of this Agreement to the other. This Agreement may be terminated by Seller if the Earnest Money Deposit is not received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be deposited by Escrow Agent in an interest bearing account at First Union National Bank, and shall be held and disbursed by Escrow Agent as specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 Closing Costs.

(a) Seller shall pay:

- (1) Transfer taxes imposed upon the transactions contemplated hereby;

- (2) Cost of satisfying any liens on the Property other than the Surviving Mortgage;
- (3) Cost of title insurance and the costs, if any, of curing title defects and recording any curative title documents;
- (4) Transfer fees, assumption charges and other costs and fees charged by the holder of the Surviving Mortgage, if any;
- (5) Seller's attorneys' fees relating to the sale of the Property.

(b) Buyer shall pay:

- (1) Cost of Buyer's due diligence inspection;
- (2) Costs of the Phase 1 environmental site assessment to be obtained by Buyer;
- (3) Cost of the Survey;
- (4) Brokerage commission to R.A. Kennedy and Associates/Mark Kennedy in the amount of \$50,000.00, if and when the transaction closes; and
- (5) Cost of recording the deed; and
- (6) Buyer's attorneys' fees.

2.4 Contribution Alternative. As an alternative to selling the Property to Buyer, and if Buyer does not elect to terminate during the Inspection Period, Seller, by notice to Buyer given within ten (10) business days after the end of the Inspection Period, may elect to contribute the Property to the Partnership in exchange for Partnership Units, as hereinafter provided. In such event the Purchase Price for the Property shall be payable by exchanging for the Property, Partnership Units in the Partnership having an aggregate value equal to the Purchase Price, adjusted by the allocations, credits, charges and adjustments provided in this Agreement, in which event there shall be no credit against the Purchase Price for the Earnest Money Deposit, which shall be returned to Buyer at Closing. The number of Partnership Units to be issued to Seller shall be established by dividing such adjusted Purchase Price by the average closing price of a share of the common stock of Regency over the twenty trading days immediately preceding the fifth (5th) trading day prior to the Closing Date on the New York Stock Exchange (or the exchange or quotation system on which the common stock of Regency is then listed for trading). Under the terms of the Redemption Agreement Seller, as a limited partner of the Partnership, shall have

the right to require Regency to acquire all of its Partnership Units in the Partnership (i) in exchange for common stock of Regency on the basis of one Regency share for each Partnership Unit exchanged (the "Put Price"), provided that such shares shall have such restrictions as are agreed upon in the Partnership Agreement and in the Redemption Agreement, and further provided such rights shall not be exercised in a manner or at any time which would be or cause a violation of any law or regulation governing the sale or disposition of securities, including without limitation Rule 144 or (ii) in exchange for cash, as provided in the Redemption Agreement. If such exercise results in a fractional share, Regency shall pay cash in lieu thereof in an amount equal to such fraction multiplied by the average closing price of a Regency share during the twenty (20) business days preceding the date of Seller's notice. Regency or Seller may elect to pay or receive the Put Price in cash instead of shares with respect to all or any portion of the Partnership Units to be exchanged. The Redemption Agreement shall also provide that:

(a) Partnership and Seller agree that for federal income tax purposes, they will report the transfer of the Property to the Partnership as a contribution to the Partnership pursuant to Section 721 of the Internal Revenue Code of 1986 (the "Code") for consideration consisting solely of Partnership Units;

(b) For purposes of Section 704(c) of the Internal Revenue Code of 1986, as amended (the "Code"), the Partnership will use the "traditional method" described in Treasury Regulation Section 1.704-3(b) with respect to the Property or any interest therein;

(c) So long as the Partnership Units held by the original limited partners executing the Redemption Agreement (the "L.P.'s"), which L.P.'s are intended to be Tod J. Ortlip and Jay Ortlip, constitute no less than fifty percent (50%) in the aggregate of the Partnership Units originally issued to such L.P.'s, until the maturity date of the Surviving Mortgage, the Partnership will not take any action which will cause a reduction in the amount of Partnership liabilities allocable to the L.P.'s pursuant to Treas. Reg. ss. 1.752-3(a)(2), except for scheduled payments of debt service; and

(d) So long as the Partnership Units held by the L.P.'s constitute no less than fifty percent (50%) in the aggregate of the Partnership Units originally issued to such L.P.'s, until the fifth anniversary of the Closing, the Partnership shall not voluntarily dispose of the Property except in a Section 1031 transaction under the Internal Revenue Code (or in a similar transaction that would not be taxable to such L.P.'s for federal income tax purposes).

(e) So long as the Partnership Units held by the L.P.'s constitute no less than fifty percent (50%) in the aggregate of the Partnership Units originally issued

to such L.P.'s, from and after the maturity date of the Surviving Mortgage (or at any earlier time with the consent of the general partner, which consent shall not be unreasonably withheld), the general partner, if requested by one of the L.P.'s shall cooperate with the L.P.'s to allow the L.P.'s to timely incur the "economic risk of loss" for purposes of Section 752 of the Code (the "guarantee") with respect to the bottom portion of any indebtedness of the Partnership (such indebtedness to be reasonably selected by the general partner), provided that the bottom portion guaranteed does not constitute more than thirty-five percent (35%) of the then outstanding principal balance of the indebtedness. Such guarantee shall be limited to a maximum aggregate balance of \$ _____ (the "Amount") at any one time. The guarantee shall be joint and several as to the L.P.'s electing to execute the guarantee and in the absence of any agreement among the L.P.'s to the contrary, the portion of the indebtedness to be guaranteed shall be allocated among the L.P.'s electing to execute the guarantee in proportion to the number of Partnership Units held by each. An election to execute the guarantee of any indebtedness of the Partnership shall be made by delivery of a written election notice to the general partner, which indicates that a majority of the L.P.'s then holding Partnership Units have elected to guarantee Partnership indebtedness pursuant to this Section 2.4(d), the amount of the indebtedness (up to the limit set forth above) and the allocation of responsibility of such guarantee among the L.P.'s making the election. The election may be made only once. In satisfying its obligations hereunder, the general partner of the Partnership shall reasonably endeavor to identify an amount of indebtedness such that the guarantee can be made in an amount approximately equal to the Amount, to cooperate with the L.P.'s to structure any guarantee in a manner that the guarantee terminates at a time determined by the L.P.'s and to provide indebtedness to be guaranteed that the Partnership anticipates will be outstanding for no less than five (5) years after the date of the guarantee. The general partner shall not be obligated to incur any expenses with respect to the foregoing other than expenses for which they will be reimbursed by the L.P.'s.

3. INSPECTION PERIOD AND CLOSING

3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the Property, review the economic data, underwrite the tenants and review their Leases, and to otherwise conduct its due diligence review of the Property and all books, records and accounts of Seller related thereto. Buyer hereby agrees to indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury arising out of such inspection and investigation by Buyer or its agents or independent contractors; and Buyer agrees to repair and restore the Property to its condition immediately prior to Buyer's entry thereon to the extent any damage to the Property arose because of Buyer's entry thereon or the entry thereon

of Buyer's agents, employees, contractors and consultants. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to Closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer so elects to go forward, the Earnest Money Deposit shall be increased by an additional deposit of \$100,000 (to be deposited with Escrow Agent no later than three (3) business days following the end of the Inspection Period), and shall not be refundable except upon the terms otherwise set forth herein.

(b) Seller will promptly furnish or make available to Buyer the documents enumerated on Exhibit attached hereto, and Buyer agrees to keep confidential any information derived from such documents, except as necessary to share with its attorneys, consultants and lenders. Buyer further agrees to return said documents to Seller should this transaction fail to close. Buyer, through its officers, employees and other authorized representatives, shall have the right to reasonable access to the Property and all records of Seller related thereto, including without limitation all Leases and Seller Financial Statements, at reasonable times during the Inspection Period for the purpose of inspecting the Property, taking soil and ground water samples, conducting Hazardous Materials inspections, reviewing the books and records of Seller concerning the Property and otherwise conducting its due diligence review of the Property. Seller shall cooperate with and assist Buyer in making such inspections and reviews. Seller shall give Buyer any authorizations which may be required by Buyer in order to gain access to records or other information pertaining to the Property or the use thereof maintained by any governmental or quasi-governmental authority or organization. Buyer, for itself and its agents, agrees not to enter into any contract with existing tenants without the written consent of Seller if such contract would be binding upon Seller should this transaction fail to close. Buyer shall have the right to have due diligence interviews and other discussions or negotiations with tenants.

(c) Buyer, through its officers or other authorized representatives, shall have the right to reasonable access to all Materials (other than privileged or confidential litigation materials) for the purpose of reviewing and copying the same.

3.2 Hazardous Material. Prior to the end of the Inspection Period Buyer may order environmental assessments of the Property. A copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If an assessment report discloses the existence of any Hazardous Material or any other matters concerning the environmental condition of the Property or its environs, Buyer may notify Seller in writing, within ten (10) business days after receipt of the

assessment report that it elects to terminate this Agreement, whereupon this Agreement shall terminate and Escrow Agent shall return to Buyer its Earnest Money Deposit.

3.3 Time and Place of Closing. Unless otherwise agreed by the parties, the Closing shall take place at the offices of Escrow Agent at 10:00 A.M. on the date which is the fifteenth (15th) business day following the expiration of the Inspection Period, provided that Buyer may designate an earlier date for Closing.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

Seller warrants and represents as follows as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

4.1 Organization; Authority. Seller is duly organized, validly existing and in good standing under the laws of the state of its organization and the state in which the Shopping Center is located, and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents have been duly authorized to do so on behalf of Seller. Seller is not a "foreign person" under Sections 1445 or 897 of the Internal Revenue Code nor is this transaction subject to any withholding under any state or federal law.

4.2 Authorization; Validity. The execution and delivery of this Agreement by Seller and Seller's consummation of the transactions contemplated by this Agreement have been duly and validly authorized. This Agreement constitutes a legal, valid and binding agreement of Seller enforceable against it in accordance with its terms.

4.3 Title. Seller is the owner in fee simple of all of the Property, subject only to the Permitted Exceptions.

4.4 Commissions. Seller has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Seller, Buyer or the Property for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except for R.G. Kennedy & Associates/Mark Heath (whose commission is payable by Buyer). Seller agrees to indemnify Buyer from any other such claim arising by, through or under Seller. The provisions of this section shall survive Closing indefinitely.

4.5 Sale Agreements. The Property is not subject to any outstanding agreement(s) of sale, option(s), or other right(s) of third parties to acquire any interest therein, except for Permitted Exceptions and this Agreement.

4.6 Litigation. There is no litigation or proceeding pending, or to the best of Seller's knowledge, threatened against Seller relating to the Property.

4.7 Leases. There are no Leases affecting the Property, oral or written, except as listed on the Rent Roll, and any Leases or modifications entered into between the date of this Agreement and the Closing Date with the reasonable consent of Buyer. Copies of the Leases, which have been delivered to Buyer or shall be delivered to Buyer within five (5) days from the date hereof, are, to the best knowledge of Seller, true, correct and complete copies thereof, subject to the matters set forth on the Rent Roll. Between the date hereof and the Closing Date, Seller will not terminate or modify existing Leases or enter into any new Leases without the reasonable consent of Buyer. All of the Property's tenant leases are in good standing and to the best of Seller's knowledge no defaults exist thereunder except as noted on the Rent Roll. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as stated on the Rent Roll. No tenants under the Leases are entitled to interest on any security deposits. No tenant under any Lease has or will be promised any inducement, concession or consideration by Seller other than as expressly stated in such Lease, and except as stated therein there are and will be no side agreements between Seller and any tenant.

4.8 Financial Statements. Each of the Seller Financial Statements delivered or to be delivered to Buyer hereunder has or will have been prepared in accordance with the books and records of Seller and presents fairly in all material respects the financial condition, results of operations and cash flows for the Property as of and for the periods to which they relate. All are in conformity with Seller's customary income tax accounting standards applied by Seller on a consistent basis. There has been no material adverse change in the operations of the Property or its prospects since the date of the most recent Seller Financial Statements. Seller covenants to furnish promptly to Buyer copies of the Seller Financial Statements together with unaudited updated monthly reports of cash flow for interim periods beginning after December 31, 1997. Buyer and its independent certified accountants shall be given access to Seller's books and records at any time prior to and for six (6) months following Closing upon reasonable advance notice in order that they may verify the financial statements prior to Closing. Seller agrees to execute and deliver to Buyer or its accountants the Audit Representation Letter should Buyer's accountants audit the records of the Shopping Center.

4.9 Contracts. Except for Leases and Permitted Exceptions, there are no management, service, maintenance, utility or other contracts or agreements affecting the Property, oral or written, which extend beyond the Closing Date and which would bind Buyer or encumber the Property, at Buyer's option, more than thirty (30) days after Closing. All such Contracts are in full force and effect in accordance with their respective terms, and all obligations of Seller under the Contracts required to be

performed to date have been performed in all material respects; no party to any Contract has asserted any claim of default or offset against Seller with respect thereto and no event has occurred or failed to occur, which would, to the best of Seller's knowledge, in any way materially and adversely affect the validity or enforceability of any such Contract; and the copies of the Contracts delivered to Buyer prior to the date hereof are true, correct and complete copies thereof. Between the date hereof and the Closing, Seller covenants to fulfill all of its obligations under all Contracts, and covenants not to terminate or modify any such Contracts or enter into any new contractual obligations relating to the Property without the consent of Buyer (not to be unreasonably withheld) except such obligations as are freely terminable without penalty by Seller upon not more than thirty (30) days' written notice.

4.10 Maintenance and Operation of Property. From and after the date hereof and until the Closing, Seller covenants to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated and covenants not to cause or permit any waste of the Property nor undertake any action with respect to the operation thereof outside the ordinary course of business without Buyer's prior written consent. In connection therewith, Seller covenants to make all necessary repairs and replacements until the Closing so that the Property shall be of substantially the same quality and condition at the time of Closing as on the date hereof. Seller covenants not to remove from the Improvements or the Real Property any article included in the Personal Property. Seller covenants to maintain such casualty and liability insurance on the Property as it is presently being maintained.

4.11 Permits and Zoning. To the best knowledge of Seller, there are no material permits and licenses (collectively referred to as "Permits") required to be issued to Seller by any governmental body, agency or department having jurisdiction over the Property which materially affect the ownership or the use thereof which have not been issued. The Property is properly zoned for its present use and is not subject to any local, regional or state development order. The use of the Property is consistent with the land use designation for the Property under the comprehensive plan or plans applicable thereto. There are no outstanding assessments, impact fees or other charges related to the Property.

4.12 Rent Roll; Tenant Estoppel Letters. The Rent Roll is true and correct in all respects. Seller agrees to use commercially reasonable efforts to obtain current Tenant Estoppel Letters acceptable to Buyer from all Tenants under Leases, which Tenant Estoppel Letters shall confirm the matters reflected by the Rent Roll as to the particular tenant and shall be otherwise acceptable to Buyer in all respects.

4.13 Condemnation. Neither the whole nor any portion of the Property, including access thereto or any easement benefitting the Property, is subject to temporary requisition of use by any governmental authority or has been condemned,

or taken in any proceeding similar to a condemnation proceeding, nor is there now pending any condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof. Seller has received no notice nor has any knowledge that any such proceeding is contemplated.

4.14 Governmental Matters. Seller has not entered into any commitments or agreements with any governmental authorities or agencies affecting the Property that have not been disclosed in writing to Buyer and Seller has received no notices from any such governmental authorities or agencies of uncured violations at the Property of building, fire, air pollution or zoning codes, rules, ordinances or regulations, environmental and hazardous substances laws, or other rules, ordinances or regulations relating to the Property. Seller shall be responsible for the remittance of all sales tax for periods occurring prior to the Allocation Date directly to the appropriate state department of revenue.

4.15 Repairs. Seller has received no notice of any requirements or recommendations by any lender, insurance companies, or governmental body or agencies requiring or recommending any repairs or work to be done on the Property which have not already been completed.

4.16 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will (a) require Seller to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority; (b) conflict with or breach any provision of the organizational documents of Seller; (c) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Seller is a party, or by which Seller, the Property or any of Seller's material assets may be bound, except the Surviving Mortgage, the transactions contemplated hereby requiring the consent of the holder of the Surviving Mortgage; or (d) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Seller, the Property or any of Seller's material assets.

4.17 Environmental Matters.

(a) Seller represents and warrants as of the date hereof and as of the Closing that:

(1) Seller has not, and has no knowledge of any other person who has, caused any Release, threatened Release, or disposal of any Hazardous Material at the Property in any material quantity.

(2) The Property does not now contain and to the best of Seller's knowledge has not contained any: (a) underground storage tank, (b) material amounts of asbestos-containing building material, (c) landfills or dumps, or (d) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act ("RCRA") or any comparable state law. The Property is not a site on or nominated for the National Priority List promulgated pursuant to Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or any state remedial priority list promulgated or published pursuant to any comparable state law. Seller discloses and Buyer acknowledges that a drycleaning facility is presently being operated on the Property.

(3) There are to the best of Seller's knowledge no conditions or circumstances at the Property which pose a risk to the environment or the health or safety of persons in violation of Environmental Law.

(b) Seller shall indemnify, hold harmless, and hereby waives any claim for contribution against Buyer for any damages to the extent they arise from the inaccuracy or breach of any representation or warranty by Seller in this section of this Agreement. This indemnity shall survive Closing for a period of two (2) years and shall be in addition to the post-closing indemnities contained in Section .

4.18 Surviving Mortgage. To Seller's knowledge, the Surviving Mortgage is presently held by USG Annuity and Life Company and is in good standing with no defaults existing thereunder. The principal balance outstanding as of July 1, 1998, is \$7,570,482.74, and the monthly payment of principal and interest is \$60,780.53. The interest rate is eight percent (8.0%) per annum. Seller has deposits with the holder of the Surviving Mortgage totalling \$14,036.11 for taxes. Such deposits will be assigned at Closing, Buyer to reimburse Seller therefor. The transfer of the Property to Buyer will require the consent of the holder of the Surviving Mortgage. Prior to the end of the Inspection Period, Seller shall use reasonable efforts to cause the holder of the Surviving Mortgage to execute and deliver to Buyer an estoppel letter and consent consenting to this transaction and certifying as to the foregoing matters in form and substance reasonably satisfactory to Buyer. Seller will maintain the Surviving Mortgage in good standing, without default, until Closing.

4.19 No Untrue Statement. Neither this Agreement nor any exhibit nor any written statement or Transaction Document furnished or to be furnished by Seller to Buyer in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of material fact or omits or will omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

5. WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

Buyer hereby warrants and represents as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

5.1 Organization; Authority. Buyer is a corporation duly organized, validly existing and in good standing under laws of Florida and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents on behalf of Buyer have been duly authorized to do so.

5.2 Authorization; Validity. The execution, delivery and performance of this Agreement and the other Transaction Documents have been duly and validly authorized by the Board of Directors of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of this Agreement by Seller) constitutes a legal, valid and binding agreement of Buyer enforceable against it in accordance with its terms.

5.3 Partnership and Regency Organization. Partnership is a Delaware limited partnership, the sole general partner of which is Regency. Partnership is or at Closing will be qualified to transact business in the state in which the Property is located. Buyer is a wholly owned subsidiary of Regency, whose common shares are traded on the New York Stock Exchange. The authorized capital stock of Regency consists of (i) 150,000,000 shares of Common Stock, (ii) 10,000,000 shares of special Common Stock, \$0.01 par value, and (iii) 10,000,000 shares of preferred stock, \$0.01 par value. As of March 31, 1998, there were 24,865,205 shares of Common Stock issued and outstanding, and 2,500,000 shares of Special Common Stock in the form of Class B Non-voting Common Stock, par value \$0.01 issued and outstanding. The Class B Common Stock is held by a single investor and is convertible in stages beginning in December, 1998, into a total of 2,975,468 shares of Common Stock.

5.4 Commissions. Buyer has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Buyer or Seller for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except R.G. Kennedy & Associates/Mark Heath, whose commission shall be paid by Buyer. Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer. The provisions of this section shall survive Closing indefinitely.

6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing.

6.2 Risk of Loss. All risk of loss to the Property shall remain upon Seller until the conclusion of the Closing. If, before the possession of the Property has been transferred to Buyer, any material portion of the Property is damaged by fire or other casualty and will not be restored by the Closing Date or if any material portion of the Property is taken by eminent domain or there is a material obstruction of access to the Improvements by virtue of a taking by eminent domain, Seller shall, within ten (10) days of such damage or taking, notify Buyer thereof and Buyer shall have the option to:

(a) terminate this Agreement upon notice to Seller given within ten (10) business days after such notice from Seller, in which case Buyer shall receive a return of its Earnest Money Deposit; or

(b) proceed with the purchase of the Property, in which event Seller shall assign to Buyer all Seller's right, title and interest in all amounts due or collected by Seller under the insurance policies or as condemnation awards. In such event, the Purchase Price shall be reduced by the amount of any insurance deductible to the extent it reduced the insurance proceeds payable.

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance and Survey. Promptly after the full execution hereof Buyer's counsel shall order the Title Insurance Commitment and a Survey (Seller agreeing to furnish to Buyer copies of any existing surveys and title information in its possession promptly after execution of this Agreement). Buyer will have ten (10) days from receipt of the Title Commitment (including legible copies of all recorded exceptions noted therein) and Survey within which to notify Seller in writing of any Title Defects, encroachments or other matters not acceptable to Buyer which are not permitted by this Agreement. Any Title Defect or other objection disclosed by the Title Insurance Commitment (other than liens removable by the payment of money, except the Surviving Mortgage) or the Survey which is not timely specified in Buyer's written notice to Seller of Title Defects shall be deemed a Permitted Exception. Seller shall notify Buyer in writing within five (5) days of Buyer's notice if Seller intends to cure any Title Defect or other objection. If Seller elects to cure, Seller shall use diligent efforts to cure the Title Defects and/or objections by the Closing Date (as it may be extended). If Seller elects not to cure or if such Title Defects and/or objections are not cured,

Buyer shall have the right, in lieu of any other remedies, to: (i) refuse to purchase the Property, terminate this Agreement and receive a return of the Earnest Money Deposit as its sole remedy; or (ii) waive such Title Defects and/or objections and close the purchase of the Property subject to such Title Defects.

(b) Miscellaneous Title Matters. If a search of the title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Seller, Seller shall on request deliver to Buyer an affidavit stating, if true, that such judgments, bankruptcies or the returns are not against Seller. Seller further agrees to execute and deliver to the Title Insurance agent at Closing such documentation, if any, as the Title Insurance underwriter shall reasonably require to evidence that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and that there are no mechanics' liens on the Property or parties in possession of the Property other than tenants under Leases and Seller.

8. CONDITIONS PRECEDENT

8.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to satisfaction or waiver by Buyer of each of the following conditions or requirements on or before the Closing Date:

(a) Seller's warranties and representations under this Agreement shall be true and correct in all material respects as of the Closing Date, and Seller shall not be in default hereunder.

(b) All obligations of Seller contained in this Agreement, shall have been fully performed in all material respects and Seller shall not be in default under any covenant, restriction, right-of-way or easement affecting the Property.

(c) There shall have been no material adverse change in the Property, its operations or future prospects, the Leases or the financial condition of tenants leasing space in the Shopping Center.

(d) A Title Insurance Commitment in the full amount of the Purchase Price shall have been issued and "marked down" through Closing, subject only to Permitted Exceptions.

(e) The physical and environmental condition of the Property shall be unchanged from the date of this Agreement, ordinary wear and tear excepted.

(f) Seller shall have delivered to Buyer the following in form reasonably satisfactory to Buyer:

- (1) A limited warranty deed in proper form for recording, duly executed and acknowledged so as to convey to Buyer the fee simple title to the Property, subject only to the Permitted Exceptions;
- (2) Originals, if available, or if not, true copies of the Leases and of the contracts, agreements, permits and licenses, and such Materials as may be in the possession or control of Seller, including without limitation all tenant files and correspondence;
- (3) A blanket assignment to Buyer of all Leases and the contracts, agreements, permits and licenses (to the extent assignable) as they affect the Property, including an indemnity against breach of such instruments by Seller prior to the Closing Date;
- (4) A bill of sale with respect to the Personal Property and Materials;
- (5) The Survey;
- (6) A current rent roll for all Leases in effect showing no changes from the rent roll attached to this Agreement other than those set forth in the Leases or approved in writing by Buyer;
- (7) All Tenant Estoppel Letters obtained by Seller, which must include Big Bear, Blockbuster, H&R Block, Society Bank and Subway, and eighty percent (80%) of the other tenants who have signed leases for any portion of the Property, without any material exceptions, covenants, or changes to the form approved by Buyer and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must be acceptable to Buyer in all respects;
- (8) A general assignment of all assignable existing warranties relating to the Property;
- (9) An owner's affidavit, non-foreign affidavits, non-tax withholding certificates and such other documents as may reasonably be required by Buyer or its counsel in order to effectuate the provisions of this Agreement and the transactions contemplated herein;
- (10) The originals or copies of any real and tangible personal property tax bills for the Property for the tax year of Closing and the previous year, and, if requested, the originals or copies of any current water, sewer and utility bills which are in Seller's custody or control;

(11) Resolutions and/or affidavits of Seller authorizing the transactions described herein;

(12) All keys and other means of access to the Improvements in the possession of Seller or its agents;

(13) Materials; and

(14) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement.

(g) Buyer shall have received from the holder of the Surviving Mortgage, and approved, the estoppel letter and the documents by which such holder approves the transfer of the Property to Buyer and the assumption by Buyer, if necessary, of the obligations of the Surviving Mortgage.

(h) If applicable, Regency and Seller shall have executed the Partnership Agreement and the Redemption Agreement.

In the event that all of the foregoing provisions of this Section are not satisfied and Buyer elects in writing to terminate this Agreement, then the Earnest Money Deposit shall be promptly delivered to Buyer by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are subject to satisfaction or waiver by Seller of each of the following conditions or requirements on or before the Closing date:

(a) Buyer's warranties and representations under this Agreement shall be true and correct in all material respects as of the Closing Date, and Buyer shall not be in default hereunder.

(b) All of the obligations of Buyer contained in this Agreement shall have been fully performed by or on the date of Closing in compliance with the terms and provisions of this Agreement.

(c) Buyer shall have delivered to Seller at or prior to the Closing the following, which shall be reasonably satisfactory to Seller:

(1) If applicable, delivery and/or payment of the balance of the Purchase Price in accordance with Section at Closing;

(2) Such other documents as Seller may reasonably request to effect the transactions contemplated by this Agreement.

(d) Seller shall have received and approved the estoppel letter from the holder of the Surviving Mortgage and the terms and conditions of the release of Seller from the obligations imposed by the Surviving Mortgage.

(e) If applicable, Regency and Seller shall have executed the Partnership Agreement and the Redemption Agreement.

In the event that all conditions precedent to Buyer's obligation to purchase shall have been satisfied but the foregoing provisions of this Section have not, and Seller elects in writing to terminate this Agreement, then the Earnest Money Deposit shall be promptly delivered to Seller by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

8.3 Best Efforts. Each of the parties hereto agrees to use reasonable best efforts to take or cause to be taken all actions necessary, proper or advisable to consummate the transactions contemplated by this Agreement.

9. PRE-CLOSING BREACH; REMEDIES

9.1 Breach by Seller. In the event of a breach of Seller's covenants or warranties herein and failure by Seller to cure such breach within the time provided for Closing, Buyer may, at Buyer's election (i) terminate this Agreement and receive a return of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement (except as survive termination); (ii) enforce this Agreement by suit for specific performance; or (iii) waive such breach and close the purchase contemplated hereby, notwithstanding such breach.

9.2 Breach by Buyer. In the event of a breach of Buyer's covenants or warranties herein and failure of Buyer to cure such breach within the time provided for Closing, Seller's sole remedy shall be to terminate this Agreement and retain Buyer's Earnest Money Deposit as agreed liquidated damages for such breach, and upon payment in full to Seller of such amounts, the parties shall have no further rights, claims, liabilities or obligations under this Agreement (except as survive termination).

10. POST CLOSING INDEMNITIES AND COVENANTS

10.1 Seller's Indemnity. Should this transaction close, Seller, subject to the limitations set forth herein, shall indemnify, defend and hold harmless Buyer from all claims, demands, liabilities, damages, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, which may be imposed upon, asserted against or incurred or paid by Buyer by reason of, or on account of, any breach by Seller of Seller's warranties, representations and covenants. Except as set forth in this Agreement to the contrary, Seller's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of two (2) years. Buyer's rights and remedies herein against Seller shall be in addition to, and not in lieu of all other rights and remedies of Buyer at law or in equity.

10.2 Buyer's Indemnity. Should this transaction close, Buyer shall indemnify, defend and hold harmless Seller from all claims, demands, liabilities, damages, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, which may be imposed upon, asserted against or incurred or paid by Seller by reason of, or on account of, any breach by Buyer of Buyer's warranties, representations and covenants. Except as set forth in this Agreement to the contrary, Buyer's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of two (2) years. Seller's rights and remedies herein against Buyer shall be in addition to, and not in lieu of all other rights and remedies of Seller at law or in equity.

11. MISCELLANEOUS

11.1 Disclosure. Neither party shall disclose the transactions contemplated by this Agreement without the prior approval of the other, except to its attorneys, accountants and other consultants, their lenders and prospective lenders, or where disclosure is required by law.

11.2 Partnership Issues. Buyer and Seller agree that in the event Seller elects the Contribution Alternative in Section 2.4 of this Agreement, that Buyer shall assign this Agreement to Partnership, which shall assume all of Buyer's obligations hereunder. Partnership has joined in this Agreement for the purpose of agreeing to assume such obligations and be bound hereby if this Agreement is assigned to it.

11.3 Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by Buyer and Seller.

11.4 Notices. All notices and demands of any kind which either party may be required or may desire to serve upon the other party in connection with this Agreement shall be in writing and shall be served by personal delivery, certified or overnight mail, reputable overnight courier service or fax (followed promptly by hard copy) at the addresses set forth below:

As to Seller: PP Center Limited
Attention: Terry L. Sternad
110-B Northwoods Drive
Columbus, Ohio 43235
Phone: (614) 846-5330
Fax: (614) 846-7783

With a copy to: Jones, Day
Attention: Harlan W. Robins, Esq.
1900 Huntington Center
Columbus, Ohio 43215
Phone: (614) 469-3925
Fax: (614) 461-4198

As to Buyer: RRC Acquisitions Two, Inc.
Attention: Robert L. Miller
Suite 200, 121 W. Forsyth St.
Jacksonville, Florida 32202
Phone: (904) 356-7000
Fax: (904) 354-1832

With a copy to: Rogers, Towers, Bailey, Jones & Gay
Attention: William E. Scheu, Esq.
1301 Riverplace Blvd., Suite 1500
Jacksonville, Florida 32207
Phone: (904) 398-3911
Fax: (904) 396-0663

Any notice or demand so served shall constitute proper notice hereunder upon delivery to the United States Postal Service or to such overnight courier. A party may change its notice address by notice given in the aforesaid manner.

11.5 Headings. The titles and headings of the various sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

11.6 Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11.7 Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees actually incurred, whether or not incurred in trial or on appeal, incurred therein by the successful party, all of which may be included in and as a part of the judgment rendered in such litigation. Any indemnity provisions herein shall include indemnification for reasonable attorneys' fees and costs, whether or not suit be brought and including fees and costs actually incurred, whether or not suit be brought and including fees and costs actually occurred on appeal.

11.8 Time of Essence. Time is of the essence of this Agreement.

11.9 Governing Law. This Agreement shall be governed by the laws of the state in which the Property is located.

11.10 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No third parties, including any brokers or creditors, shall be beneficiaries hereof.

11.11 Exhibits. All exhibits attached hereto are incorporated herein by reference to the same extent as though such exhibits were included in the body of this Agreement verbatim.

11.12 Gender; Plural; Singular; Terms. A reference in this Agreement to any gender, masculine, feminine or neuter, shall be deemed a reference to the other, and the singular shall be deemed to include the plural and vice versa, unless the context otherwise requires. The terms "herein," "hereof," "hereunder," and other words of a similar nature mean and refer to this Agreement as a whole and not merely to the specified section or clause in which the respective word appears unless expressly so stated.

11.13 Further Instruments, Etc. This Agreement may be executed in counterparts and when so executed shall be deemed executed as one agreement.

Seller and Buyer shall execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

11.14 Survival. The obligations of Seller and Buyer intended to be performed after the Closing shall survive the closing.

11.15 No Recording. Neither this Agreement nor any notice, memorandum or other notice or document relating hereto shall be recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses:

RRC ACQUISITIONS TWO, INC.,
a Florida corporation

Name:

By:
Name:
Title:

Name:

Date: August , 1998
Tax Identification No: 59-3478325

"BUYER"

REGENCY CENTERS, L.P., a Delaware
limited partnership

By its General Partner:

REGENCY REALTY CORPORATION,
a Florida corporation

Name:

By:
Name:
Title:

Name:

Date: August , 1998
Tax Identification No: 59-3429602

"PARTNERSHIP"

PP CENTER LIMITED, an Ohio
limited liability company

By Its Authorized Member:

Name:

By:

Name:

Name:

Title:

Date: August , 1998

Tax Identification No:

"SELLER"

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of agreeing to comply with the terms hereof insofar as they apply to Escrow Agent. Escrow Agent shall receive and hold the Earnest Money Deposit in trust, to be disposed of in accordance with the provisions of this joinder and the foregoing Agreement. The Earnest Money Deposit shall be invested by Escrow Agent in an interest bearing account at a national bank acceptable to Buyer and Seller.

2. Indemnity. Escrow Agent shall not be liable to either party except for claims resulting from the gross negligence or willful misconduct of Escrow Agent. If the escrow is involved in any controversy or litigation, the parties hereto shall jointly and severally indemnify and hold Escrow Agent free and harmless from and against any and all loss, cost, damage, liability or expense, including costs of reasonable attorneys' fees actually incurred by Escrow Agent or to which Escrow Agent may be put incur by reason of or in connection with such controversy or litigation, except to the extent it is finally determined that such controversy or litigation resulted from Escrow Agent's gross negligence or willful misconduct. If the indemnity amounts payable hereunder result from the fault of Buyer or Seller (or their respective agents), the party at fault shall pay, and hold the other party harmless against, such amounts.

3. Conflicting Demands. If conflicting demands are made upon Escrow Agent or Escrow Agent is uncertain with respect to the escrow, the parties hereto expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require; or (ii) file suit for declaratory relief and/or interpleader and obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights between themselves. Upon the filing of any such declaratory relief or interpleader suit and tender of the Earnest Money Deposit to the court, Escrow Agent shall thereupon be fully released and discharged from any and all obligations to further perform the duties or obligations imposed upon it. Buyer and Seller agree to respond promptly in writing to any request by Escrow Agent for clarification, consent or instructions. Any action proposed to be taken by Escrow Agent for which approval of Buyer and/or Seller is requested shall be considered approved if Escrow Agent does not receive written notice of disapproval within five (5) business days after a written request for approval is received by the party whose approval is being requested. Escrow Agent shall not be required to take any action for which approval of Buyer and/or Seller has been sought unless such approval has been received. No disbursements shall be made, other than as provided in Sections and of the foregoing Agreement, or to a court in an interpleader action, unless Escrow Agent shall have given written notice of the proposed disbursement to Buyer and Seller and neither Buyer nor Seller shall have delivered any written objection to the disbursement within five (5) business days after receipt of Escrow Agent's notice. No notice by Buyer or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

4. Tax Identification. Seller and Buyer shall provide to Escrow Agent appropriate Federal tax identification numbers.

OHIO TITLE CORPORATION, AS AGENT FOR
FIRST AMERICAN TITLE INSURANCE
COMPANY

By:
Its Authorized Agent

Date: , 1998

"ESCROW AGENT"

EXHIBIT

Audit Representation Letter

(Acquisition Completion Date)

KPMG Peat Marwick LLP
Suite 2700
One Independent Drive
Jacksonville, Florida 32202

Dear Sirs:

We are providing this letter in connection with your audit of the Statement of Revenues and Certain Expenses for the twelve months ended _____, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the results of its operations of Park Place Shopping Center.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. The financial statement referred to above is fairly presented in conformity with Seller's customary accounting standards, consistently applied.
2. We have made available to you:
 - a. All financial records and related data.

b. All agreements or amendments to agreements which would have a material impact on the Statement of Revenues and Certain Expenses.

3. There have been no:

- a. Instances of fraud involving management or employees who have significant roles in internal control.
- b. Instances of fraud involving others that could have a material effect on the Statement of Revenue and Certain Expenses.
- c. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the Statement of Revenue and Certain Expenses or as a basis for recording a loss contingency.

4. There are no:

- a. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 Accounting for Contingencies (SFAS No. 5).
- b. Material gain or loss contingencies (including oral and written guarantees) that are required to be accrued or disclosed by SFAS No. 5.
- c. Material transactions that have not been properly recorded in the accounting records underlying the Statement of Revenues and Certain Expenses.
- d. Events that have occurred subsequent to and through the date of this letter that would require adjustment to or disclosure in the Statement of Revenues and Certain Expenses.

5. The Company has complied with all aspects of contractual agreements that would have a material effect on the Statement of Revenues and Certain Expenses in the event of noncompliance.

6. All related party transactions have been properly recorded or disclosed in the Statement of Revenues and Certain Expenses.

Further, we acknowledge that we are responsible for the fair presentation of the Statements of Revenue and Certain Expenses in conformity with generally accepted accounting principles.

Very truly yours,

"Seller/Manager"

Name
Title

EXHIBIT

Partnership Agreement

EXHIBIT

Legal Description of Real Property

EXHIBIT

Redemption Agreement

EXHIBIT

Rent Roll

EXHIBIT
Form of Estoppel Letter

_____, 199_

RRC Acquisitions Two, Inc.
Regency Centers, L.P.
121 W. Forsyth St., Suite 200
Jacksonville, Florida 32202

RE: _____ (Name of Shopping Center)

Ladies and Gentlemen:

The undersigned (Tenant) has been advised you may purchase the above Shopping Center, and we hereby confirm to you that:

1. The undersigned is the Tenant of _____, Landlord, in the above Shopping Center, and is currently in possession and paying rent on premises known as Store No. _____ [or Address: _____], and containing approximately _____ square feet, under the terms of the lease dated _____, which has (not) been amended by amendment dated _____ (the "Lease"). There are no other written or oral agreements between Tenant and Landlord. Tenant neither expects nor has been promised any inducement, concession or consideration for entering into the Lease, except as stated therein, and there are no side agreements or understandings between Landlord and Tenant.
2. The term of the Lease commenced on _____, expiring on _____, with options to extend of _____ (____) years each.
3. As of _____, monthly minimum rental is \$_____ a month.
4. Tenant is required to pay its pro rata share of Common Area Expenses and its pro rata share of the Center's real property taxes and insurance cost. Current additional monthly payments for expense reimbursement total \$_____ per month for common area maintenance, property insurance and real estate taxes.
5. Tenant has given [no security deposit] [a security deposit of \$_____].

6. No payments by Tenant under the Lease have been made for more than one (1) month in advance, and minimum rents and other charges under the Lease are current.
7. All matters of an inducement nature and all obligations of the Landlord under the Lease concerning the construction of the Tenant's premises and development of the Shopping Center, including without limitation, parking requirements, have been performed by Landlord.
8. The Lease contains no first right of refusal, option to expand, option to terminate, or exclusive business rights, except as follows:
9. Tenant knows of no default by either Landlord or Tenant under the Lease, and knows of no situations which, with notice or the passage of time, or both, would constitute a default. Tenant has no rights to off-set or defense against Landlord as of the date hereof.
10. The undersigned has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises except as follows:
11. Tenant has not generated, used, stored, spilled, disposed of, or released any hazardous substances at, on or in the Premises. "Hazardous Substances" means any flammable, explosive, toxic, carcinogenic, mutagenic, or corrosive substance or waste, including volatile petroleum products and derivatives and drycleaning solvents. To the best of Tenant's knowledge, no asbestos or polychlorinated biphenyl ("PCB") is located at, on or in the Premises. The term "Hazardous Substances" does not include those materials which are technically within the definition set forth above but which are contained in pre-packaged office supplies, cleaning materials or personal grooming items or other items which are sold for consumer or commercial use and typically used in other similar buildings or space.

The undersigned makes this statement for your benefit and protection with the understanding that you intend to rely upon this statement in connection with your intended purchase of the above described Premises from Landlord. The undersigned agrees that it will, upon receipt of written notice from Landlord, commence to pay all rents to you or to any Agent acting on your behalf.

Very truly yours,

_____ (Tenant)

Mailing Address:

By: _____

Its: _____

- - - - -

EXHIBIT

Document Request List

Items Required from the Seller:

- 1) Property Specifications (Zoning)
- 2) As Built Plans & Specs (arch. and engineering)
- ** 3) Site Plan (including suite numbers)
- 4) Location maps
- 5) Aerial photographs
- 6) Demographics (including traffic counts)
- 7) Legal Description
- 8) Parking Information - Space count
- ** 9) Copy of All Leases (and amendments) & Lease Briefs
- 10) Certificates of Occupancy - All current tenants
- 11) Schedule of Security Deposits
- ** 12) Most recent Rent Roll (with suite #'s, rent escalations, and option period info)
- ** 13) Sales Reports (most recent 3 Years) for tenants reporting
- 14) Current Rent Billings (by category, base, CAM, etc.)
- ** 15) Current Delinquency Report (with explanations for balances > \$1,000)
- 16) Tenant Activity Register for all Current Tenants (billings & payments)
- 17) Tenant Estoppels
- ** 18) Property Operating Results - Most recent 3 Years 19) Property Capital Expenditures - Most recent 3 Years 20) Audited Financial Statements - 3 Years 21) Real Estate and other tax bills - 3 Years 22) Year to Date Financials & YTD detail general Ledger
- ** 23) Existing Service Agreements and Warranties
- 24) Three years loss history - reported claims
- ** 25) Most Recent Year Expense Recovery Reconciliation
- 26) Breakdown of CAM Pools
- 27) Proof Sales Tax Payments are Current
- 28) Appraisal (last available)
- ** 29) Seller's Budget for up-coming/current year
- 30) Utility Bills for last 12 mths/deposits
- 31) Personal Property Inventory
- 32) Existing Title Insurance Policy
- ** 33) Available Inspection Reports (environmental, roof, structural, etc.)
- 34) Summary of Tenant Contacts (with address and telephone numbers) With local (incld store#) & national addresses
- **35) Seller's Existing Survey
- 36) Tax plat map

** Required documents for commencement of Inspection Period.

AGREEMENT

THIS AGREEMENT, dated as of the ____ day of July, 1998, by and between REAL SUB, INC., a Florida corporation, whose address is 1936 George Jenkins Blvd., Lakeland, Florida 33815 ("Partner One"), and REGENCY CENTERS, L.P., a Delaware limited partnership, whose address is Suite 200, 121 W. Forsyth Street, Jacksonville, Florida 32202 ("Regency").

W I T N E S S E T H:

Partner One is the Class A Limited Partner under that certain Limited Partnership Agreement of Queensborough Associates, L.P., a Georgia limited partnership (the "Partnership"), dated July 16, 1992, as amended by First Amendment dated December 31, 1992 (the "Agreement"). There are no additional amendments to the Agreement. The Partnership owns a shopping center and related expansion properties. The partners of the Partnership and their respective percentage interests are as follows:

Partnership Interest		
General Partner:	Branch Investment Partners, L.P.	25%
Class A Limited Partner:	Real Sub, Inc.	37.5%
Limited Partner:	Branch/Interallianz Realty Fund, L.P.	18.75%
Limited Partner:	G. Kloiber	18.75%

Under Article 18 of the Agreement, a buy-sell procedure is established. In Section 18.1, special treatment is designated for the respective partners: Partner One is treated as one Partner, and all remaining partners are aggregated and treated as one Partner. The Article therefore operates as if there were only two partners, which for purposes of this agreement are designated as Partner One (Real Sub, Inc.), and Partner Two (the other partners).

Partner One has determined to institute the buy-sell procedures under the Agreement, and to make an offer (the "First Offer") to Partner Two. Partner One has made such determination based on the agreement of Regency and/or its affiliate(s) to become the general partner and a limited partner of the Partnership, such that if the First Offer is accepted or deemed accepted by Partner Two, upon closing of the transactions contemplated by the First Offer, Regency will have acquired fifty percent (50%) of the aggregate capital and profits interests in the Partnership, and become with Partner One, all of the partners of the Partnership. It is intended that upon such closing, Regency and its affiliate(s) will own fifty percent (50%) of the aggregate percentage interests of the Partnership, and that Partner One will continue as the Class A Limited Partner, also owning fifty percent (50%) of the aggregate percentage interests of the Partnership. It is also contemplated that upon closing, the third party debt of the Partnership would be paid in full and that the capital accounts of Partner One, on the one hand, and Regency (and its affiliate[s]) on the other, would be equal.

Partner One and Regency desire to memorialize their agreements concerning the foregoing matters.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is acknowledged, Partner One and Regency acknowledge and agree as follows:

1. The foregoing recitals are true.

2. Attached hereto as Exhibit "1" is the "First Offer" to be delivered by Partner One to Partner Two under the provisions of Article 18 of the Agreement, the said "First Offer" being acceptable to each of Partner One and Regency. The "First Offer" is contingent upon (i) the status of title to the Partnership's property not changing between the date the "First Offer" is made and the date of the closing, and (ii) the interests being purchased being free of any lien or encumbrance.

3. Partner One shall promptly execute and cause the First Offer to be delivered to Partner Two in accordance with the provisions of the Agreement and upon making the First Offer shall designate Regency as the entity to receive title to fifty percent (50%) of the aggregate capital and profits interests in the Partnership should the First Offer be accepted. Partner One shall furnish Regency with a copy of the executed First Offer accompanied by such designation and a schedule of the required responses and consequent events following thereon. Upon receipt, Regency will accept such designation, Regency hereby agreeing to assume and perform the obligations of the First Offer to the extent of the interests to be acquired by Regency thereunder. Regency shall promptly notify Partner Two of its acceptance of such designation and of its assumption of such obligations. Partner One shall keep Regency regularly and fully advised of the status of the First Offer and of responses made by Partner Two, if any. Partner One shall furnish to Regency promptly after receipt, copies of all correspondence and responses made by Partner Two in connection herewith. Partner One shall not modify or amend the First Offer without the prior consent of Regency.

4. Attached hereto collectively as Exhibit "2" are (i) a current rent roll; (ii) a copy of a recent title insurance policy covering the Partnership's property, and (iii) a survey of the Partnership's property dated July 17, 1995, all of which are acceptable to Regency. Partner One shall not do any act or permit any act or omission which would cause a change in occupancy, the state of the title or the condition of the property from the date hereof to the closing, without the prior consent of Regency.

5. Should Partner Two make or be deemed to have made a counteroffer in accordance with the provisions of the Agreement, this agreement shall terminate and neither party shall have any further liability hereunder.

6. Should the First Offer be or be deemed to have been accepted,

Partner One and Regency shall proceed as expeditiously as possible to close the transaction as contemplated by the First Offer and the Agreement. Immediately following closing the Partnership shall be constituted as follows:

General Partner	Regency	25%
Limited Partner	Regency	25%
Class A Limited Partner	Real Sub, Inc.	50%

Regency shall thereupon pay to Partner Two, or reimburse Partner One, as the case may be, an amount equal to (i) 100% of that portion of the First Offer payable to Partner Two which is attributable to Partner Two's Preferred Return Accounts and Adjusted Capital (as defined in the Agreement) of Partner Two, and (ii) eighty percent (50/62.5) of the balance of the amounts paid or payable by Partner One to Partner Two under the terms of the First Offer, if any. Simultaneously therewith, Partner One shall pay Partner Two the remaining amounts due under the terms of the First Offer. Prior to the closing Partner One shall cause the Development Agreement and the Property Management Agreement to be terminated, effective as of the closing. Upon closing (i) the Agreement and the Partnership's Certificate of Limited Partnership shall be amended to reflect the transactions contemplated hereby and any other matters to which Partner One and Regency may agree; and (ii) the Partnership will enter into an agreement with Regency Centers, L.P. prior to the closing of the transaction contemplated by the First Offer for the management of the property, upon terms and conditions and in form mutually agreeable to the parties hereto.

7. Promptly after closing Partner One and Regency (and/or its affiliate[s]) shall each contribute or cause to be contributed to the Partnership an amount equal to one-half (1/2) of the aggregate sums necessary to satisfy all of the Partnership's third party debt, it being intended that upon consummation of this transaction that except for ordinary and necessary operational expenses, similar liabilities, the Partnership shall have no debt unless and until the partners shall otherwise agree.

8. It is the intention of the parties that upon consummation of the transactions contemplated hereby, Partner One, on the one hand, and Regency and its affiliate(s) on the other, shall have equal percentage interests and capital accounts in the Partnership. For that reason Partner One and Regency agree to share equally the out-of-pocket costs of this transaction, including transfer charges and similar closing expenses (excluding however the fees of their respective counsel, which shall be paid separately by each).

9. Neither Partner One nor Regency have employed a broker or real estate agent in connection with these matters and to the best of their knowledge no brokerage fee or commission is or will be due in connection with this transaction. The parties have considered such issues as casualty, condemnation and the financial condition of tenants in the shopping center, and agree that none shall have a bearing on this transaction, except that the proceeds of any insurance or condemnation payable hereafter shall be shared in such fashion that each of Partner One and Regency shall be entitled to the benefits thereof as partners of the Partnership.

10. This Agreement and the benefits and obligations hereunder are not assignable by either party except as specifically agreed in writing by both parties. This Agreement constitutes the entire agreement of the parties with respect to the matters contemplated hereby.

11. This Agreement shall be construed and enforced in accordance with the laws of Florida.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

Witnesses:

REAL SUB, INC.,
a Florida corporation

Name:

By:
"Partner One"

Name:

REGENCY CENTERS, L.P.,
a Delaware limited partnership

By its sole general partner:

REGENCY REALTY CORPORATION,
a Florida corporation

Name:

By:
Name:
Title:

Name:

"Regency"

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") dated as of February 26, 1999 by and among REGENCY CENTERS, L.P., a Delaware limited partnership (the "Borrower"), REGENCY REALTY CORPORATION, a Florida corporation (the "Parent"), each of the financial institutions initially a signatory hereto together with their assignees under Section 12.8. (the "Lenders"), FIRST UNION NATIONAL BANK, as Syndication Agent (the "Syndication Agent"), WACHOVIA BANK, N.A., as Documentation Agent (the "Documentation Agent"), each of COMMERZBANK AKTIENGESELLSCHAFT, ATLANTA AGENCY and pnc bank, national Association, as a Managing Agent (each a "Managing Agent"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as contractual representative of the Lenders to the extent and in the manner provided in Article XI. below (in such capacity, the "Agent").

WHEREAS, certain of the Lenders and other financial institutions have made available to Borrower a \$300,000,000 revolving credit facility on the terms and conditions contained in that certain Credit Agreement dated as of March 27, 1998 (as amended and in effect immediately prior to the date hereof, the "Existing Regency Credit Agreement") by and among the Borrower, the Parent, such Lenders, such other financial institutions and Wells Fargo Bank, National Association, as Agent;

WHEREAS, pursuant to the Merger Agreement (as defined below), Pacific Retail Trust, a Maryland real estate investment trust ("PRT"), is to merge with and into the Parent;

WHEREAS, certain of the Lenders and other financial institutions have made available to PRT a \$325,000,000 revolving credit facility on the terms and conditions contained in that certain Amended and Restated Credit Agreement dated as of May 18, 1998 (as amended and in effect immediately prior to the date hereof, the "Existing PRT Credit Agreement") by and among PRT, certain of the Lenders and other financial institutions, and Wells Fargo Bank, National Association, as Agent;

WHEREAS, the proceeds of the initial loans to be borrowed by the Borrower hereunder on the Effective Date (as defined below) will be used to satisfy in full all outstanding financial obligations owing by PRT under the Existing PRT Credit Agreement; and

WHEREAS, the Borrower, the Lenders and the Agent desire to amend and restate the terms of the Existing Regency Credit Agreement in order to make available to Borrower a \$635,000,000 revolving credit facility, including a \$30,000,000 swingline subfacility and a \$2,000,000 letter of credit subfacility, all pursuant to the terms hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree that the Existing Regency Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I. DEFINITIONS

SECTION 1.1. Definitions.

The following terms, as used herein, have the following meanings:

"Absolute Rate" has the meaning given that term in Section 2.2.(c)(ii)(C).

"Absolute Rate Auction" means a solicitation of Bid Rate Quotes setting forth Absolute Rates pursuant to Section 2.2.

"Absolute Rate Loan" means a Bid Rate Loan the interest rate on which is determined on the basis of an Absolute Rate pursuant to an Absolute Rate Auction.

"Accession Agreement" means an Accession Agreement substantially in the form of Annex I to the Guaranty.

"Acquisition" means any transaction, or any series of related transactions, by which a Person directly or indirectly acquires any assets of another Person, whether through purchase of assets, merger or otherwise.

"Additional Costs" has the meaning given that term in Section 5.1.

"Adjusted Base Rents" means the total rentals from a given Property which are denominated as base rent or minimum rent under the applicable leases which shall in any event exclude all percentage rent and reimbursements for operating expenses, taxes or insurance, and shall be based on actual rents presently being paid without any rent leveling adjustments.

"Affiliate" means any Person (other than the Agent or any Lender): (a) directly or indirectly controlling, controlled by, or under common control with, the Borrower; (b) directly or indirectly owning or holding ten percent (10%) or more of any equity interest in the Borrower; or (c) ten percent (10%) or more of whose voting stock or other equity interest is directly or indirectly owned or held by the Borrower. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement Date" means February 26, 1999.

"Applicable Facility Fee" means the percentage set forth in the table

below corresponding to the Level at which the "Applicable Margin" is determined in accordance with the definition thereof:

Level	Facility Fee
1	0.20%
2	0.25%
3	0.30%
4	0.30%
5	0.40%

As of the Agreement Date, the Applicable Facility Fee equals 0.30%.

"Applicable Law" means all applicable provisions of local, state, federal and foreign constitutions, statutes, rules, regulations, ordinances, decrees, permits, concessions and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

"Applicable Margin" shall mean, as of any date of determination, the respective percentage rates set forth below corresponding to the Borrower's Credit Rating as assigned by the Rating Agencies:

Level	Borrower's Credit Rating (S&P/Moody's or equivalent)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-/A3 or equivalent or higher	0.85%	0.00%
2	BBB+/Baa1 or equivalent	0.90%	0.00%
3	BBB/Baa2 or equivalent	1.00%	0.00%
4	BBB-/Baa3 or equivalent	1.15%	0.00%
5	Less than BBB-/Baa3 or equivalent	1.35%	0.00%

The Agent shall determine the Applicable Margin from time to time in accordance with the above table and the provisions of this definition and notify the Borrower and the Lenders of such determination. If the Rating Agencies assign Credit Ratings which correspond to different Levels in the above table resulting in different Applicable Margin determinations, the Applicable Margin will be determined based on the Level corresponding to the lower of the two Credit Ratings. During any period that the Borrower receives more than two Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin shall equal the average of the Applicable Margins as determined in accordance with the two lowest of such Credit Ratings; provided that one of such Credit Ratings has been issued by either S&P or Moody's and such Credit Rating is an Investment Grade Rating. Each change in the Applicable Margin resulting from a change in a Credit Rating of the Borrower shall take effect on the first calendar day of the month following the month in which such Credit Rating is publicly announced by the relevant Rating Agency. As of the Agreement Date, the Applicable Margin for LIBOR Loans equals 1.075% and for Base Rate Loans equals 0.0%.

"Asset Value" means

(a) with respect to any Subsidiary at a given time, the sum of (i) the Capitalized EBITDA of such Subsidiary at such time, plus (ii) the Capitalized Fee Income of such Subsidiary at such time, plus (iii) the book value of all Construction in Process of such Subsidiary as of the end of the Parent's fiscal quarter most recently ended, and

(b) with respect to any Unconsolidated Affiliate at a given time the sum of (i) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Parent's pro rata share of the book value of Construction in Process for such Property as of the end of the Parent's fiscal quarter most recently ended and (ii) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Parent's pro rata share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties.

"Assignee" has the meaning given that term in Section 12.8.(c).

"Assignment and Acceptance Agreement" means an Assignment and Acceptance Agreement among a Lender, an Assignee and the Agent, substantially in the form of Exhibit A.

"Base Rate" means the greater of (a) the rate of interest per annum established from time to time by Wells Fargo, San Francisco, California and designated as its prime rate (which rate of interest may not be the lowest rate charged by such bank, the Agent or any of the Lenders on similar loans) and (b) the Federal Funds Rate plus one-half of one percent (0.5%). Each change in the

Base Rate shall become effective without prior notice to the Borrower or the Lenders automatically as of the opening of business on the date of such change in the Base Rate.

"Base Rate Loan" means any Revolving Loan or Term Loan hereunder with respect to which the interest rate is calculated by reference to the Base Rate.

"Bid Rate Borrowing" has the meaning given that term in Section 2.2.(b).

"Bid Rate Loan" means a loan made by a Lender under Section 2.2.(b).

"Bid Rate Note" has the meaning given that term in Section 2.12.

"Bid Rate Quote" means an offer in accordance with Section 2.2.(c) by a Lender to make a Bid Rate Loan with one single specified interest rate.

"Bid Rate Quote Request" has the meaning given that term in Section 2.2.(b).

"Bridge Facility" has the meaning given that term in Section 6.1.(v)(ii).

"Business Day" means (a) any day other than Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia or San Francisco, California are authorized or required to close and (b) with reference to LIBOR Loans, any such day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capitalized EBITDA" means, with respect to a Person and as of a given date, (a) such Person's EBITDA for the fiscal quarter most recently ended times (b) 4 and divided by (c) 9.25%. In determining Capitalized EBITDA (i) EBITDA attributable to real estate properties either acquired or disposed of by such Person during such fiscal quarter shall be disregarded, (ii) Fee Income for the applicable period shall be excluded from EBITDA, (iii) any amounts deducted from the net earnings of Properties owned by Consolidated Subsidiaries in which a third party owns a minority equity interest shall be included in EBITDA; and (iv) distributions of cash received by such Person during such period from any of its Unconsolidated Affiliates shall be excluded from EBITDA.

"Capitalized Fee Income" means, with respect to a Person and as of a given date, (a) such Person's Fee Income for the fiscal quarter most recently ended times (b) 4 and divided by (c) 20.0%.

"Capitalized Lease Obligation" means Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with such principles.

"Collateral Account" means a special non-interest bearing deposit account maintained by the Agent under its sole dominion and control.

"Commitment" means, as to each Lender, such Lender's obligation to make Revolving Loans pursuant to Section 2.1. and to issue (in the case of the Agent) or participate in (in the case of the Lenders other than the Agent in such capacity) Letters of Credit pursuant to Section 2.15.(a) and 2.15.(f) respectively, in an amount up to, but not exceeding (but in the case of the Agent, excluding the aggregate amount of participations in the Letters of Credit held by other Lenders), the amount set forth for such Lender on its signature page hereto as such Lender's "Commitment Amount" or as set forth in the applicable Assignment and Acceptance Agreement, as the same may be reduced from time to time pursuant to Section 2.9. or as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 12.8.

"Compliance Certificate" means the certificate described in Section 8.1.(c).

"Consolidated Subsidiary" means, with respect to a Person at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements in accordance with GAAP, if such statements were prepared as of such date. The term "Consolidated Subsidiary" shall also include any Preferred Stock Entity the accounts of which are consolidated with those of such Person in its consolidated financial statements in accordance with GAAP.

"Construction Budget" means the fully budgeted costs for the construction, development and redevelopment of a given Development Property, such budget to include an adequate operating deficiency reserve. For purposes of

this definition the "fully budgeted costs" of a Development Property to be acquired by a Person upon completion pursuant to a contract in which the seller is required to develop or renovate prior to, and as a condition precedent to, such acquisition shall equal the maximum amount reasonably estimated to be payable by such Person under the contract assuming performance by the seller of its obligations under the contract which amount shall include, without limitation, any amounts payable after consummation of such acquisition which may be based on certain performance levels or other related criteria.

"Construction in Process" means construction in process as determined in accordance with GAAP.

"Contingent Obligation" means, for any Person, any commitment, undertaking, Guarantee or other obligation constituting a contingent liability that must be accrued under GAAP.

"Continue", "Continuation" and "Continued" each refers to the continuation of a LIBOR Loan from one Interest Period to the next Interest

Period pursuant to Section 2.5.

"Convert", "Conversion" and "Converted" each refers to the conversion of a Revolving Loan of one Type into a Revolving Loan of another Type pursuant to Section 2.6.

"Credit Rating" means the lowest rating assigned by a Rating Agency to each series of rated senior unsecured long term indebtedness of the Borrower.

"Credit Tenant" means any Person which has entered into, and continues to be subject to, a lease of any portion of a Property and has a rating of at least BBB- assigned to its senior long-term debt obligations by S&P or Moody's. For purposes of this Agreement, Publix Super Markets, Inc. shall be deemed a Credit Tenant.

"Debt Service" means, with respect to any Person and for any period, the sum of (a) Interest Expense of such Person for such period plus (b) regularly scheduled principal payments on Indebtedness of such Person during such period, other than any balloon, bullet or similar principal payment payable on any Indebtedness of such Person which repays such Indebtedness in full.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" has the meaning given that term in Section 3.5.

"Designated Lender" means a special purpose corporation which is an affiliate of, or sponsored by, a Lender, that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and that issues (or the parent of which issues) commercial paper rated at least P-1 (or the then equivalent grade) by Moody's or A-1 (or the then equivalent grade) by S&P that, in either case, (a) is organized under the laws of the United States of America or any state thereof, (b) shall have become a party to this Agreement pursuant to Section 12.8.(d) and (c) is not otherwise a Lender.

"Designated Lender Note" means a Bid Rate Note of the Borrower evidencing the obligation of the Borrower to repay Bid Rate Loans made by a Designated Lender.

"Designating Lender" has the meaning given that term in Section 12.8.(d).

"Designation Agreement" means a Designation Agreement between a Lender and a Designated Lender and accepted by the Agent, substantially in the form of Exhibit B or such other form as may be agreed to by such Lender, such Designated Lender and the Agent.

"Development Property" means either (a) a real estate project acquired by the Borrower, any Subsidiary, any Unconsolidated Affiliate or any Preferred Stock Entity as unimproved real estate to be developed as a Property or (b) a Property acquired by the Borrower, any Subsidiary, any Unconsolidated Affiliate or any Preferred Stock Entity on which the Borrower, such Subsidiary, such Unconsolidated Affiliate or such Preferred Stock Entity is to increase materially the rentable square footage of such Property, in each case for which an 85% Occupancy Rate has not been achieved. The term "Development Property" shall include real property of the type described in the immediately preceding clause (a) or (b) to be (but not yet) acquired by the Borrower, any Subsidiary, any Unconsolidated Affiliate or any Preferred Stock Entity upon completion of construction pursuant to a contract in which the seller of such real property is required to develop or renovate prior to, and as a condition precedent to, such acquisition, but shall not include any build-to-suit Property which is 100% preleased by a single tenant having an investment grade rating assigned to its senior long-term unsecured debt obligations by a nationally recognized securities rating agency.

"Dollars" or "\$" means the lawful currency of the United States of America.

"EBITDA" means, with respect to any Person for any period and without duplication, net earnings (loss) of such Person for such period (excluding equity in net earnings or net loss of Unconsolidated Affiliates) plus the sum of the following amounts (but only to the extent included in determining net earnings (loss) for such period): (a) depreciation and amortization expense and other non-cash charges of such Person for such period plus (b) interest expense of such Person for such period plus (c) income tax expense of such Person in respect of such period plus (d) distributions of cash received by such Person during such period from any of its Unconsolidated Affiliates. EBITDA shall exclude extraordinary gains of such Person and gains from sales of assets of such Person for such period but will include extraordinary losses of such Person, losses from sales of assets of such Person and losses resulting from forgiveness by such Person of Indebtedness for such period. For purposes of this definition, net earnings (loss) shall be determined before minority interests and distributions to holders of Preferred Stock.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 6.1.

"Eligible Assignee" means any Person who is, at the time of determination: (a) a Lender; (b) a commercial bank, trust company, savings and loan association, savings bank, insurance company, investment bank or pension fund organized under the laws of the United States of America, or any state thereof, and having total assets in excess of \$5,000,000,000; or (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development ("OECD"), or a political subdivision of any such country, and having total assets in excess of \$10,000,000,000, provided that such bank is acting through a branch or agency located in the United States of America. If such Person is not currently a

Lender, such Person's senior unsecured long term indebtedness must be rated BBB or higher by S&P, Baa2 or higher by Moody's, or the equivalent or higher of either such rating by another rating agency acceptable to the Agent.

"Eligible Property" means a Property which satisfies all of the following requirements as confirmed by the Agent: (a) such Property is owned in fee simple by only the Borrower or a Subsidiary of the Borrower; (b) neither such Property, nor any interest of the Borrower or such Subsidiary therein, is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (c) if such Property is owned by a Subsidiary of the Borrower, (i) none of the Borrower's direct or indirect ownership interest in such Subsidiary is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness and (ii) the Borrower directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (A) to create Lien on such Property as security for Indebtedness of the Borrower or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Property; (d) such Property is not a Development Property and has an Occupancy Rate which has remained stabilized; (e) such Property is free of all structural defects, title defects, environmental conditions or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property; (f) such Property is not subject to a ground lease (other than a lease of land on such Property by the Borrower or such Subsidiary to a Person which is not an Affiliate) and (g) such Property is improved with a shopping center or a stand-alone building containing a grocery store occupied by a Credit Tenant. Prior to March 31, 1999, the requirements contained in the immediately preceding clauses (a) through (c), shall be disregarded with respect to each Regency Office Property so long as (1) such Regency Office Property is otherwise an Eligible Property; (2) such Regency Office Property is owned in fee simple by Regency Office; (3) Regency Office is a Wholly Owned Subsidiary of the Parent; (4) such Regency Office Property is not, nor is any interest of Regency Office therein, subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; and (5) none of the Parent's direct or indirect ownership interest in Regency Office is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness. For purposes of this definition only, when determining the Occupancy Rate for a given Property which is a retail shopping center, an anchor tenant who has vacated its space shall nonetheless be deemed to occupy such space if such tenant is continuing to pay all rental payments when due under its lease and either of the following two conditions apply, as the case may be: (i) if such Property has two or more anchor tenants and the other anchor tenants still actually occupy their respective spaces or (ii) such space is undergoing construction to meet the specific needs of a new anchor tenant who has either subleased the space from the existing tenant or who is obligated to lease such space upon substantial completion of such construction.

"Environmental Laws" means any Applicable Law relating to environmental protection or the manufacture, storage, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. ss. 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. ss. 1251 et seq.; Solid Waste Disposal Act, 42 U.S.C. ss. 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq.; National Environmental Policy Act, 42 U.S.C. ss. 4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that are treated as a single employer under Section 414 of the Internal Revenue Code.

"ERISA Plan" means any employee benefit plan subject to Title I of ERISA.

"Event of Default" means the occurrence of any of the events specified in Section 10.1., whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body; provided that any requirement for notice or lapse of time or any other condition has been satisfied.

"Executive Memorandum" means the set of information provided to the investment committee of the Parent's board of directors in connection with the purchase or acquisition of a Property. The Executive Memorandum shall include, at a minimum, the following information relating to such Property: (a) a description of such Property, such description to include the age, location, site plan and current occupancy rate of such Property; (b) the purchase price paid or to be paid for such Property; (c) the capitalization rate for such Property; (d) a summary of the existing tenants of such Property; (e) grocery sales information for any grocery store tenants of such Property and a competitive retail inventory for such Property; (f) either current operating statements for such Property for the immediately preceding fiscal year and for current fiscal year through the fiscal quarter most recently ending (to the extent reasonably available to Borrower) or pro forma operating statements for such Property; and (g) other demographic and trade information relating to such Property.

"Existing PRT Credit Agreement" is defined in the recitals herein.

"Existing Regency Credit Agreement" is defined in the recitals herein.

"Extension Request" has the meaning given that term in Section 2.10.(a).

"Federal Funds Rate" means, on any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as reasonably determined by the Agent.

"Fee Income" means, with respect to a Person and for a given period, the amount of net income accrued by such Person during such period from fees, commissions and other compensation derived from (a) managing and/or leasing properties owned by third parties; (b) developing properties for third parties; (c) arranging for property acquisitions by third parties; (d) arranging financing for third parties and (e) consulting and business services performed for third parties.

"Funds From Operations" means, with respect to a Person and for a given period, net earnings (loss) of such Person for such period (excluding equity in net earnings or net loss of Unconsolidated Affiliates) plus the sum of the following amounts (but only to the extent included in determining net income (loss) for such period): (a) depreciation and amortization expense, deferred taxes and other non-cash charges of such Person with respect to its real estate assets for such period plus (b) losses from sales of assets of such Person and losses resulting from restructuring of Indebtedness of such Person, all for such period minus (c) gains from sales of assets of such Person and gains resulting from restructuring of Indebtedness of such Person, all for such period plus (d) such Person's pro rata share of Funds From Operations of such Person's Unconsolidated Affiliates plus (e) adjustments for straight-line rent leveling for such period.

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

"Gross Asset Value" means, at a given time, the sum of (a) the Capitalized EBITDA of the Parent and its Consolidated Subsidiaries at such time, plus (b) the Capitalized Fee Income of the Parent and its Consolidated Subsidiaries at such time, plus (c) the purchase price paid by the Parent or any Consolidated Subsidiary (less any amounts paid to the Parent or such Consolidated Subsidiary as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements) for any real property acquired by the Parent or such Consolidated Subsidiary as a Property other than a Development Property during the Parent's fiscal quarter most recently ended, plus (d) all of Parent's and its Consolidated Subsidiaries' cash and cash equivalents as of the end of such fiscal quarter (excluding tenant deposits and other cash and cash equivalents the disposition of which is restricted in any way (excluding restrictions in the nature of early withdrawal penalties)), plus (e) with respect to each of the Parent's Unconsolidated Affiliates, (i) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Parent's pro rata share of the book value of Construction in Process for such Property as of the end of such fiscal quarter and (ii) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Parent's pro rata share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties, plus (f) the book value of all Construction in Process for real property acquired for development the Parent or any Consolidated Subsidiary as a Property as such book value is set forth on the Parent's consolidated balance sheet most recently delivered to the Lenders under Section 8.1.(a) or (b) plus (g) the contractual purchase price of any property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could be specifically enforced by the seller of such property, but only to the extent such obligations are included in the Parent's or any Consolidated Subsidiary's Total Liabilities plus (h) in the case of any property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could not be specifically enforced by the seller of such property, the aggregate amount of due diligence deposits, earnest money payments and other similar payments made under the applicable contract which, at such time, would be subject to forfeiture upon termination of the contract, but only to the extent such amounts are included in the Parent's or any Consolidated Subsidiary's Total Liabilities.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of

such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means any Person that is party to the Guaranty as a "Guarantor"

"Guaranty" means the Guaranty executed and delivered by the Guarantors substantially in the form of Exhibit O.

"Hazardous Materials" means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic substances" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity or "TLCP" toxicity, "EP toxicity"; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; and (d) asbestos in any form or (e) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

"Hedge Agreements" means, collectively, Interest Rate Agreements, commodity future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Indebtedness" means, with respect to a Person, at the time of computation thereof, all of the following (without duplication and determined on a consolidated basis): (a) obligations of such Person in respect of money borrowed; (b) obligations of such Person (other than trade debt incurred in the ordinary course of business), whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property; (c) Capitalized Lease Obligations of such Person; (d) all reimbursement obligations of such Person under any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Indebtedness of other Persons which (i) such Person has Guaranteed or which is otherwise recourse to such Person or (ii) is secured by a Lien on any property of such Person; (f) all Indebtedness of any other Person of which such Person is a general partner; and (g) with respect to Indebtedness of an Unconsolidated Affiliate, (i) all such Indebtedness which such Person has Guaranteed or is otherwise obligated on a recourse basis and (ii) such Person's Ownership Share of all other Indebtedness of such Unconsolidated Affiliate.

"Interest Expense" means, with respect to a Person and for any period, (a) the total interest expense (including, without limitation, capitalized interest expense and interest expense attributable to Capitalized Lease Obligations) of such Person and in any event shall include all letter of credit fees and all interest expense with respect to any Indebtedness in respect of which such Person is wholly or partially liable whether pursuant to any repayment, interest carry, performance Guarantee or otherwise, plus (b) to the extent not already included in the foregoing clause (a) such Person's Ownership Share of all paid, accrued or capitalized interest expense for such period of Unconsolidated Affiliates of such Person.

"Interest Period" means,

(a) with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made or the last day of the next preceding Interest Period for such Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. In addition to such periods, the Borrower may request Interest Periods for LIBOR Loans having durations of at least 7, but not more than 30, days no more than ten times during any 12-month period beginning during the term of this Agreement but only in anticipation of (i) the Borrower's prepayment of such LIBOR Loans from equity or debt offerings, financings or proceeds resulting from the sale or other disposition of major assets of the Borrower or any of its Subsidiaries or (ii) changes in the amount of the Lenders' Commitments associated with a modification of this Agreement;

(b) with respect to any Absolute Rate Loan, the period commencing on the date such Absolute Rate Loan is made and ending on the numerically corresponding day in the first, second, or third calendar month thereafter, as the Borrower may select as provided in Section 2.2.(b), except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; and

(c) with respect to any LIBOR Margin Loan, each period commencing on

the date such LIBOR Margin Loan is made and ending on the numerically corresponding day in the first, second or third calendar month thereafter, as the Borrower may select as provided in Section 2.2.(b), except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month.

Notwithstanding the foregoing: (i) if any Interest Period for a Revolving Loan or a Bid Rate Loan would otherwise end after the Revolving Credit Termination Date, such Interest Period shall end on the Revolving Credit Termination Date; (ii) if any Interest Period would otherwise end after the Termination Date, such Interest Period shall end on the Termination Date; (iii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day (or, if such next succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day); and (iv) notwithstanding either of the immediately preceding clauses (i) and (ii) but except as otherwise provided in the second sentence of the immediately preceding clause (a), no Interest Period for any LIBOR Loan shall have a duration of less than one month and, if the Interest Period for any LIBOR Loan would otherwise be a shorter period, such Loan shall not be available hereunder for such period.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar contractual agreement or arrangement entered into by a Person with a nationally recognized then rated investment grade financial institution for the purpose of protecting such Person against fluctuations in interest rates.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means, with respect to any Person and whether or not such investment constitutes a controlling interest in such Person: (a) the purchase or other acquisition of any share of capital stock or other equity interest, evidence of Indebtedness or other security issued by any other Person; (b) any loan, advance or extension of credit to, or contribution to the capital of, any other Person; (c) any Guarantee of the Indebtedness of any other Person; (d) the subordination of any claim against a Person to other Indebtedness of such Person; and (e) any other investment in any other Person.

"Investment Grade Rating" means a Credit Rating of BBB- or higher by S&P or Baa3 or higher by Moody's.

"L/C Commitment Amount" means an amount equal to \$2,000,000.

"Lender" means each financial institution from time to time party hereto as a "Lender" or a "Designated Lender," together with its respective successors and assigns; provided, however, that the term "Lender" shall exclude each Designated Lender when used in reference to any Loan other than a Bid Rate Loan, the Commitments or terms relating to any Loan other than a Bid Rate Loan and the Commitments and shall further exclude each Designated Lender for all other purposes hereunder except that any Designated Lender which funds a Bid Rate Loan shall, subject to Section 12.8.(d), have the rights (including the rights given to a Lender contained in Sections 12.3. and 12.5.) and obligations of a Lender associated with holding such Bid Rate Loan.

"Lending Office" means, for each Lender and for each Type of Loan, the office of such Lender specified as such on its signature page hereto, or in any applicable Assignment or Acceptance Agreement or such other office of such Lender as such Lender may notify the Agent from time to time.

"Letter of Credit" has the meaning set forth in Section 2.15.(a).

"Letter of Credit Documents" means, with respect to any Letter of Credit, collectively, any application therefor, any certificate or other document presented in connection with a drawing under such Letter of Credit and any other agreement, instrument or other document governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations.

"Letter of Credit Liabilities" shall mean, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender (other than the Agent in its capacity as such) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.15.(f), and the Agent shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Lenders other than the Agent of their participation interests under such Section.

"LIBO Rate" means, with respect to each Interest Period, for any LIBOR Loan or LIBOR Margin Loan, the average rate of interest per annum (rounded upwards, if necessary, to the next highest 1/16th of 1%) at which deposits in immediately available funds in Dollars are offered to Wells Fargo Bank, National Association (at approximately 9:00 a.m., two Business Days prior to the first day of such Interest Period) by first class banks in the interbank Eurodollar market, for delivery on the first day of such Interest Period, such deposits being for a period of time equal or comparable to such Interest Period and in an amount equal to or comparable to the principal amount of the LIBOR Loan to which such Interest Period relates. Each determination of the LIBO Rate by the Agent shall, in absence of demonstrable error, be conclusive and binding.

"LIBOR Auction" means a solicitation of Bid Rate Quotes setting forth LIBOR Margins based on the LIBO Rate pursuant to Section 2.2.

"LIBOR Loan" means any Revolving Loan or Term Loan hereunder with respect to which the interest rate is calculated by reference to the LIBO Rate for a particular Interest Period.

"LIBOR Margin" shall have the meaning assigned to such term in Section 2.2.(c)(ii)(D).

"LIBOR Margin Loan" means a Bid Rate Loan the interest rate on which is determined on the basis of the LIBO Rate pursuant to a LIBOR Auction.

"Lien" as applied to the property of any Person means: (a) any mortgage, deed to secure debt, deed of trust, pledge, lien, charge or lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security interest, security title or encumbrance of any kind in respect of any property of such Person, or upon the income or profits therefrom; (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; and (c) the filing of, or any agreement to give, any financing statement under the Uniform Commercial Code or its equivalent in any jurisdiction.

"Loan" means a Revolving Loan, a Bid Rate Loan, a Swingline Loan or a Term Loan.

"Loan Document" means this Agreement, each of the Notes, each Letter of Credit Document, the Guaranty, each Accession Agreement, any agreement evidencing the fees referred to in Section 3.1.(e) and each other document or instrument executed and delivered by the Borrower or any other Loan Party in connection with this Agreement or any of the other foregoing documents.

"Loan Party" means each of the Borrower and each Guarantor.

"Majority Lenders" means, as of any date, (a) all Lenders, if there are fewer than three Lenders party hereto at such time and (b) the Lenders whose combined Pro Rata Shares equal or exceed 66-2/3%, if there are three or more Lenders party hereto at such time.

"Material Contract" means any agreement, lease, Mortgage, indenture, or other contract or other arrangement (other than Loan Documents), whether written or oral, to which the Borrower, any Guarantor or any other Subsidiary is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could have a Materially Adverse Effect.

"Materially Adverse Effect" means a materially adverse effect on (a) the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower and Consolidated Subsidiaries, or the Parent and its Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of such Loan Documents, (d) the rights and remedies of the Lenders and the Agent under any of such Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith. Except with respect to representations made or deemed made by the Borrower under Article VII. or in any of the other Loan Documents to which it is a party, all determinations of materiality shall be made by the Agent in its reasonable judgment unless expressly provided otherwise.

"Maximum Loan Availability" means, at any time, the lesser of (a) an amount equal to the positive difference, if any, of (i) the Unencumbered Pool Value divided by 1.75, minus (ii) all Unsecured Liabilities (other than the Loans and the Letter of Credit Liabilities), of the Parent and its Subsidiaries determined on a consolidated basis and (b) the aggregate amount of the Commitments at such time.

"Merger Agreement" means that certain Agreement and Plan of Merger dated as of September 23, 1998, between the Parent and PRT pursuant to which, among other things, PRT will merge with and into the Parent.

"Moody's" means Moody's Investors Services, Inc.

"Mortgage" means a mortgage, deed of trust, deed to secure debt or similar security instrument made or to be made by a Person owning an interest in real estate granting a Lien on such interest in real estate as security for the payment of Indebtedness.

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Borrower or any ERISA Affiliate and which is covered by Title IV of ERISA.

"Net Operating Income" means, for any Property and for a given period, the sum of the following (without duplication): (a) rents and other revenues received in the ordinary course from such Property (including proceeds of rent loss insurance but excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants' obligations for rent) minus (b) all expenses paid or accrued related to the ownership, operation or maintenance of such property, including but not limited to taxes, assessments and the like, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses (including an appropriate allocation for legal, accounting, advertising, marketing and other expenses incurred in connection with such property, but specifically excluding general overhead expenses of Borrower and any property management fees) minus (c) the Reserve for Replacements for such Property as of the end of such period minus (d) the greater of (i) the actual property management fee paid during such period and (ii) an imputed management fee in the amount of four percent (4.0%) of the gross revenues for such Property for such period.

"Net Worth" means, for any Person and as of a given date, such Person's total consolidated stockholder's equity plus, in the case of the Parent and its Consolidated Subsidiaries, increases in accumulated depreciation accrued after the Agreement Date minus (to the extent reflected in determining stockholders' equity of such Person): (a) the amount of any write-up in the book value of any assets contained in any balance sheet resulting from revaluation thereof or any write-up in excess of the cost of such assets acquired, and (b) the aggregate of all amounts appearing on the assets side of any such balance sheet for franchises, licenses, permits, patents, patent applications, copyrights, trademarks, trade names, goodwill, treasury stock, experimental or organizational expenses and other like assets which would be classified as intangible assets under GAAP, all determined on a consolidated basis.

"Non-ERISA Plan" means any Plan subject to Section 4975 of the Internal Revenue Code.

"Non-Guarantor Entity" means (a) any Subsidiary not required to become a party to the Guaranty under to Section 8.24.(a); (b) any Preferred Stock Entity; and (c) any Unconsolidated Affiliate of the Parent or the Borrower.

"Nonrecourse Indebtedness" means, with respect to a Person, Indebtedness for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, environmental matters, waste, misapplication of insurance proceeds, and other similar exceptions acceptable to the Agent in its sole discretion) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

"Note" means a Revolving Note, a Bid Rate Note or a Swingline Note.

"Notice of Borrowing" means a notice in the form of Exhibit F to be delivered to the Agent pursuant to Section 2.1. evidencing the Borrower's request for a borrowing of Revolving Loans.

"Notice of Continuation" means a notice in the form of Exhibit G to be delivered to the Agent pursuant to Section 2.5. evidencing the Borrower's request for the Continuation of a borrowing of Revolving Loans.

"Notice of Conversion" means a notice in the form of Exhibit H to be delivered to the Agent pursuant to Section 2.6. evidencing the Borrower's request for the Conversion of a borrowing of Revolving Loans.

"Notice of Swingline Borrowing" means a notice in the form of Exhibit L to be delivered to the Swingline Lender pursuant to Section 2.3.(b) evidencing the Borrower's request for a Swingline Loan.

"Obligations" means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities; (c) any and all renewals and extensions of any of the foregoing and (d) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower owing to the Agent and/or the Lenders and/or the Swingline Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

"Occupancy Rate" means, with respect to a Property at any time, the ratio, expressed as a percentage, of (a) the net rentable square footage of such Property actually occupied by tenants paying rent pursuant to binding leases as to which no monetary default has occurred and is continuing to (b) the aggregate net rentable square footage of such Property.

"Ownership Share" means, with respect to any Subsidiary of a Person that is not a Wholly Owned Subsidiary, and any Preferred Stock Entity or any Unconsolidated Affiliate of a Person, the greater of (a) such Person's relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate or (b) subject to compliance with Section 8.1.(t), such Person's relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate.

"Parent" means Regency Realty Corporation, a Florida corporation.

"Participant" has the meaning given that term in Section 12.8.(b).

"PBG" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Liens" means (a) pledges or deposits made to secure payment of worker's compensation (or to participate in any fund in connection with worker's compensation insurance), unemployment insurance, pensions or social security programs; (b) encumbrances consisting of zoning restrictions, easements, or other restrictions on the use of real property, provided that such items do not materially impair the use of such property for the purposes intended and none of which is violated in any material respect by existing or proposed structures or land use; (c) the following to the extent no Lien has been filed in any jurisdiction or agreed to: (i) Liens for taxes not yet due and payable; or (ii) Liens imposed by mandatory provisions of Applicable Law such as for materialmen's, mechanic's, warehousemen's and other like Liens arising in the ordinary course of business, securing payment of Indebtedness the payment of which is not yet due; (d) Liens for taxes, assessments and governmental charges or assessments that are being contested in good faith by appropriate proceedings diligently conducted, and in which reserves acceptable to the Agent have been

provided; (e) Liens expressly permitted under the terms of the Loan Documents; and (f) any extension, renewal or replacement of the foregoing to the extent such Lien as so extended, renewed or replaced would otherwise be permitted hereunder.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

"Preferred Stock" means, with respect to any Person, shares of capital stock of, or other equity interests in, such Person which are entitled to preference or priority over any other capital stock of, or other equity interest in, such Person in respect of the payment of dividends or distribution of assets upon liquidation or both.

"Preferred Stock Entity" means any Person (other than a Subsidiary) in whom the Borrower or the Parent owns, directly or indirectly, all of the Preferred Stock or other equity interests which are not Voting Stock and which Preferred Stock or other equity interests entitle the Borrower to receive the majority of all economic benefits associated with ownership of all equity interests issued by such Person.

"Principal Office" means the office of the Agent located at 2120 E. Park Place, Suite 100, El Segundo, California 90245, or such other office of the Agent as the Agent may designate from time to time.

"Pro Rata Share" means, with respect to any Lender, the percentage obtained by dividing (a) the amount of such Lender's Commitment by (b) the aggregate amount of Commitments of all the Lenders, or, if the Commitments shall have been terminated, the percentage obtained by dividing (i) the aggregate unpaid principal amount of Loans and Letter of Credit Liabilities owing to such Lender by (ii) the aggregate unpaid principal amount of all Loans and Letter of Credit Liabilities.

"Property" means real property improved with (a) one or more operating retail shopping centers or (b) a stand-alone building containing a grocery store occupied by a Credit Tenant, in either case that is owned directly or indirectly, in whole or in part, by the Borrower, or solely for purposes of determining Unencumbered NOI, owned directly or indirectly, in whole or in part, by the Parent.

"Property Certificate" means a certificate substantially in the form of Exhibit R.

"PRT" means Pacific Retail Trust, a Maryland real estate investment trust.

"PRT Acquisition" means the Acquisition by the Parent of all of the shares of beneficial interest of PRT pursuant to the terms and conditions of the Merger Agreement.

"Rating Agencies" means any two nationally recognized securities rating agencies designated by the Borrower and acceptable to the Agent. One of such ratings agencies must be either (a) Moody's or (b) S&P, but if both such corporations cease to act as a securities rating agency or cease to provide ratings with respect to the senior long-term unsecured debt obligations of the Borrower, the Borrower may designate as a replacement Rating Agency any nationally recognized securities rating agency acceptable to the Agent.

"Regency Office" means Regency Office Partnership, L.P.

"Regency Office Properties" means the two Properties owned by Regency Office and referred to as the "Cherry Grove" shopping center and the "Bloomingdale" shopping center.

"Regulations U and X" means Regulations U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Regulatory Change" means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy.

"Reimbursement Obligation" means the absolute, unconditional and irrevocable obligation of the Borrower to reimburse the Agent for any drawing honored by the Agent under a Letter of Credit.

"REIT" means a Person qualifying for treatment as a "real estate investment trust" under the Internal Revenue Code.

"Reportable Event" has the meaning set forth in Section 4043(b) of ERISA, but shall not include a Reportable Event as to which the provision for 30 days' notice to the PBGC is waived under applicable regulations.

"Reserve for Replacements" means, for any period and with respect to any Property, an amount equal to (a) (i) the aggregate square footage of all completed space of such Property if such Property is owned by the Parent or any of its Subsidiaries or (ii) the Parent's or such Subsidiary's Ownership Share of

the aggregate square footage of all completed space of such Property if such Property is owned by an Unconsolidated Affiliate or Preferred Stock Entity times (b) \$0.15 times (c) the number of days in such period divided by (d) 365.

"Restricted Payment" means, with respect to a Person: (a) any dividend or other distribution, direct or indirect, on account of any shares or other equity units of any class of stock, partnership interest or other equity interest, as applicable, of such Person now or hereafter outstanding, except a dividend payable solely in shares or other equity units of that class of stock, partnership interest or other equity interest, as applicable, to the holders of that class; (b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares or other equity units of any class of stock, partnership interests or other equity interests, as applicable, of such Person now or hereafter outstanding; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares or other equity units of any class of stock, partnership interests or other equity interests, as applicable, of such Person now or hereafter outstanding.

"Revolving Credit Termination Date" means the earlier to occur of (a) February 26, 2001, or such later date to which such date may be extended in accordance with Section 2.10. or (b) the date on which the Revolving Loans are converted into Term Loans pursuant to Section 2.11.

"Revolving Loan" means a loan made by a Lender under Section 2.1.

"Revolving Note" has the meaning given that term in Section 2.12.

"Revolving Period" means the period commencing on the Effective Date and ending on the earlier of (a) the Revolving Credit Termination Date or (b) the date on which the Revolving Loans are converted into the Term Loan pursuant to Section 2.11.

"Secured Indebtedness" means, with respect to any Person, any Indebtedness of such Person that is secured in any manner by any Lien on any real property and shall include such Person's Ownership Share of the Secured Indebtedness of any of such Person's Unconsolidated Affiliates.

"Securities Act" means the Securities Act of 1933, as amended, and all rules and regulations issued pursuant thereto.

"Single Asset Subsidiary" means a Subsidiary that meets all of the following requirements: (a) such Subsidiary only owns a single Property; (b) such Subsidiary is engaged only in the business of leasing such Property to other Persons; (c) such Subsidiary receives substantially all of its gross revenues from the leasing of such Property; and (d) such Subsidiary is not obligated in respect of any Indebtedness other than Indebtedness for borrowed money secured by a Lien encumbering such Property.

"Solvent" means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets (excluding any Indebtedness due from any Affiliate of such Person) are each in excess of the fair valuation of its total liabilities (including all contingent liabilities); and (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature and (c) that the Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

"S&P" means Standard & Poor's Rating Services, a division of McGraw-Hill Companies, Inc.

"Stated Amount" means the amount available to be drawn by a beneficiary under a Letter of Credit from time to time, as such amount may be increased or reduced from time to time in accordance with the terms of such Letter of Credit.

"Stein Parties" means (a) Joan Stein, Richard Stein, Robert Stein and Martin E. Stein, Jr. and (b) The Regency Group, Inc., The Regency Group II, Ltd. and Regency Square II but only so long as the foregoing individuals own, directly or indirectly, all of the capital stock of any such entity.

"Subsidiary" means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person. "Wholly Owned Subsidiary" means any such corporation, partnership or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are so owned or controlled.

"Swingline Commitment" means the Swingline Lender's obligation to make Swingline Loans pursuant to Section 2.3. in an amount up to, but not exceeding, \$30,000,000, as such amount may be reduced from time to time in accordance with the terms hereof.

"Swingline Lender" means Wells Fargo Bank, National Association, together with its respective successors and assigns.

"Swingline Loan" means a loan made by the Swingline Lender to the Borrower pursuant to Section 2.3.(a).

"Swingline Termination Date" means the date which is seven Business Days prior to the Revolving Credit Termination Date.

"Swingline Note" means the promissory note of the Borrower payable to the order of the Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed,

substantially in the form of Exhibit E.

"Taxes" has the meaning given that term in Section 3.11.

"Term Loan" has the meaning given that term in Section 2.11.

"Termination Date" means the date two years after the Revolving Credit Termination Date.

"Termination Event" means (a) a Reportable Event; (b) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA or (c) the institution of proceedings to terminate a Plan by the PBGC under Section 4042 of ERISA, or the appointment of a trustee to administer any Plan.

"Total Liabilities" means, as to any Person as of a given date, all liabilities which would, in conformity with GAAP, be properly classified as a liability on the consolidated balance sheet of such Person as of such date, and in any event shall include (without duplication): (a) all Indebtedness of such Person; (b) all accounts payable of such Person; (c) all purchase and repurchase obligations and forward commitments of such Person to the extent such obligations or commitments are evidenced by a binding purchase agreement (forward commitments shall include without limitation (i) forward equity commitments and (ii) commitments to purchase any real property under development, redevelopment or renovation); (d) all unfunded obligations of such Person; (e) all lease obligations of such Person (including ground leases) to the extent required under GAAP to be classified as a liability on the balance sheet of such Person; (f) all Contingent Obligations of such Person including, without limitation, all Guarantees of Indebtedness by such Person; and (g) all liabilities of any Unconsolidated Affiliate of such Person, which liabilities such Person has Guaranteed or is otherwise obligated on a recourse basis. For purposes of clauses (c) and (d) of this definition, the amount of Total Liabilities of a Person at any given time in respect of a contract to purchase or otherwise acquire unimproved or fully developed real property shall be equal to (i) the total purchase price payable by such Person under the contract if, at such time, the seller of such real property would be entitled to specifically enforce the contract against such Person, otherwise, (ii) the aggregate amount of due diligence deposits, earnest money payments and other similar payments made by such Person under the contract which, at such time, would be subject to forfeiture upon termination of the contract. For purposes of clauses (c) and (d) of this definition, the amount of Total Liabilities of a Person at any given time in respect of a contract relating to the acquisition of real property which the seller is required to develop or renovate prior to, and as a condition precedent to, such acquisition shall equal the maximum amount reasonably estimated to be payable by such Person under the contract assuming performance by the seller of its obligations under the contract which amount shall include, without limitation, any amounts payable after consummation of such acquisition which may be based on certain performance levels or other related criteria.

"Type" with respect to any Revolving Loan or Term Loan, refers to whether such Loan is a LIBOR Loan or a Base Rate Loan, or in the case of a Bid Rate Loan only, an Absolute Rate Loan or a LIBOR Margin Loan.

"Unconsolidated Affiliate" shall mean, with respect to any Person, any other Person in whom such Person holds an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person. The term "Unconsolidated Affiliate" shall also include any Preferred Stock Entity in which a Person has made an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person.

"Unencumbered NOI" means, for any period, the aggregate Net Operating Income for such period of Unencumbered Pool Properties and any other Property which satisfies the following requirements: (a) such Property is owned in fee simple by only the Parent or a Subsidiary; (b) neither such Property, nor any interest of the Parent or such Subsidiary therein, is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (c) if such Property is owned by a Subsidiary, (i) none of the Parent's direct or indirect ownership interest in such Subsidiary is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness and (ii) the Parent directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (A) to create Lien on such Property as security for Indebtedness of the Parent or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Property; and (d) such Property is free of all structural defects, title defects, environmental conditions or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property.

"Unencumbered Pool Certificate" means a report, certified by the chief financial officer of the Borrower in the manner provided for in Exhibit P, setting forth the calculations required to establish the Unencumbered Pool Value as of a specified date, all in form and detail satisfactory to the Agent.

"Unencumbered Pool Properties" means those Eligible Properties that have been approved pursuant to Article IV. for inclusion when calculating the Maximum Loan Availability.

"Unencumbered Pool Value" means, at any time, the sum of the following amounts as determined for each Unencumbered Pool Property: (a) the Net Operating Income of such Unencumbered Pool Property for the fiscal quarter most recently

ended times (b) 4 and divided by (c) 9.25%. For purposes of this definition, the Unencumbered Pool Value for any period for any Unencumbered Pool Property owned by a Subsidiary which is not a Wholly Owned Subsidiary shall be limited to the Borrower's Ownership Share of the distributed Net Operating Income of such Unencumbered Pool Property for such period. Notwithstanding anything set forth in this definition to the contrary, not more than 20% of the total Unencumbered Pool Value can be attributable to Unencumbered Pool Properties owned by Subsidiaries of the Borrower that are not Wholly Owned Subsidiaries.

"Unprotected Floating Rate Debt" means all Indebtedness of a Person (including, without limitation, Indebtedness of Unconsolidated Affiliates of such Person which Indebtedness is recourse to such Person) which bears interest at a variable rate that fluctuates during the scheduled life of such Indebtedness and for which such Person has not obtained Interest Rate Agreements which effectively cause such variable rates to be equivalent to fixed rates less than or equal to 9% per annum.

"Unsecured Indebtedness" means, with respect to a Person, all Indebtedness of such Person that is not Secured Indebtedness.

"Unsecured Liabilities" means, as to any Person as of a given date, (a) all liabilities which would, in conformity with GAAP, be properly classified as a liability on the consolidated balance sheet of such Person as at such date plus (b) all Indebtedness of such Person (to the extent not included in the preceding clause (a)) minus (c) all Secured Indebtedness of such Person. When determining the Unsecured Liabilities of the Parent and its Subsidiaries: (i) the following (to the extent not in excess of \$1,500,000 in the aggregate) shall be excluded: (A) any amounts related to contributions by the Borrower paid in the Borrower's capital stock to the 401(k) plan maintained by the Borrower and (B) contributions paid by the Borrower to the Borrower's Long-term Omnibus Plan; (ii) accounts payable and accrued dividends payable shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of unrestricted cash then reportable on a consolidated balance sheet of the Borrower and (iii) accrued property taxes in respect of real property shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of cash held by the Borrower and its Subsidiaries in escrow for the payment of such taxes at such time.

"Unsecured Interest Expense" means, with respect to a Person and for a given period, all Interest Expense for such period attributable the Unsecured Indebtedness of such Person.

"U.S. Realty" means Security Capital U.S. Realty, a Luxembourg societe d'investissement a capital variable.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency

"Wells Fargo" means Wells Fargo Bank, National Association.

SECTION 1.2. General; References to Time.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with, and all financial statements required to be delivered under any Loan Document shall be prepared in accordance with, GAAP. With respect to any Property which has not been owned by a Loan Party for a full fiscal quarter, financial amounts with respect to such Property shall be adjusted appropriately to account for such lesser period of ownership unless specifically provided otherwise herein. References in this Agreement to "Sections", "Articles", "Exhibits" and "Schedules" are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. references in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to "Subsidiary" means a Subsidiary of the Parent or a Subsidiary of such Subsidiary and a reference to an "Affiliate" means a reference to an Affiliate of the Borrower. Unless otherwise indicated, all references to time are references to San Francisco, California time.

ARTICLE II. CREDIT FACILITY

SECTION 2.1. Revolving Loans.

(a) Making of Revolving Loans. Subject to the terms and conditions set forth in this Agreement and the limitations set forth in Section 2.14., each Lender severally and not jointly agrees to make Revolving Loans to the Borrower during the period from and including the Effective Date to but excluding the Revolving Credit Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding such, Lender's Pro Rata Share of the Maximum Loan Availability. Each borrowing of Revolving Loans hereunder shall be in an aggregate principal amount of \$1,000,000 and integral multiples of \$100,000 in excess of that amount (except that any such borrowing of Revolving Loans may be in the aggregate amount of the unused Commitments, which Revolving Loans, if less than \$1,000,000, must be Base Rate Loans). Within the foregoing limits and subject to the other terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans. Upon the Effective Date, all Revolving Loans (as defined under the Existing Regency Credit Agreement) then outstanding under the Existing Regency Credit Agreement shall be deemed to be

Revolving Loans to the Borrower outstanding hereunder being of the same Types, and in the case of LIBOR Loans, having the same Interest Periods. As of the Effective Date, such Revolving Loans shall be allocated among the Lenders in accordance with their respective Pro Rata Shares. Each Lender agrees to make such payments to the other Lenders and any Person who ceased to be a "Lender" under the Existing Regency Credit Agreement upon the Effective Date in such amounts as are necessary to effect such allocation. All such payments shall be made to the Agent for the account of the Person to be paid.

(b) Requests for Revolving Loans. Not later than 9:00 a.m. at least two Business Days prior to a borrowing of Base Rate Loans and not later than 9:00 a.m. at least three Business Days prior to a borrowing of LIBOR Loans, the Borrower shall deliver to the Agent a Notice of Borrowing. Each Notice of Borrowing shall specify the principal amount of the Revolving Loan to be borrowed, the date such Revolving Loan is to be borrowed (which must be a Business Day), the use of the proceeds of such Revolving Loan, the Type of the requested Revolving Loan and if such Revolving Loan is to be a LIBOR Loan, the initial Interest Period for such Revolving Loan. Each Notice of Borrowing shall be irrevocable once given and binding on the Borrower. Prior to delivering a Notice of Borrowing, the Borrower may (without specifying whether a Revolving Loan will be a Base Rate Loan or a LIBOR Loan) request that the Agent provide the Borrower with the most recent LIBO Rate available to the Agent. The Agent shall provide such quoted rate to the Borrower and to the Lenders on the date of such request or as soon as possible thereafter.

(c) Funding of Revolving Loans. Promptly after receipt of a Notice of Borrowing under Section 2.1.(b), the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed borrowing. Each Lender shall deposit an amount equal to its Pro Rata Share of the Revolving Loan requested by the Borrower with the Agent at the Principal Office, in immediately available funds not later than 9:00 a.m. on the date of such proposed Revolving Loan. Upon fulfillment of all applicable conditions set forth herein, the Agent shall make available to the Borrower at the Principal Office, not later than 12:00 noon on the date of the requested Revolving Loan, the proceeds of such amounts received by the Agent. The failure of any Lender to deposit the amount described above with the Agent shall not relieve any other Lender of its obligations hereunder to make its Pro Rata Share of a Revolving Loan.

(d) Unless the Agent shall have been notified by any Lender that such Lender will not make available to the Agent such Lender's Pro Rata Share of a proposed Revolving Loan, the Agent may in its discretion assume that such Lender has made such Pro Rata Share of such Revolving Loan available to the Agent in accordance with this Section and the Agent may, if it chooses, in reliance upon such assumption, make such Pro Rata Share of such Revolving Loan available to the Borrower.

SECTION 2.2. Bid Rate Loans.

(a) Bid Rate Loans. In addition to borrowings of Revolving Loans, at any time during the period from the Effective Date to but excluding the Revolving Credit Termination Date, and so long as the Borrower continues to maintain an Investment Grade Rating from both S&P and Moody's, the Borrower may, as set forth in this Section, request the Lenders to make offers to make Bid Rate Loans to the Borrower in Dollars. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section. Upon the Effective Date, all Bid Rate Loans owing to a Lender then outstanding under the Existing Credit Agreement shall be deemed to be Bid Rate Loans to Borrower and made by such Lender outstanding hereunder being of the same Types and having the same Interest Periods.

(b) Requests for Bid Rate Loans. When the Borrower wishes to request from the Lenders offers to make Bid Rate Loans, it shall give the Agent notice (a "Bid Rate Quote Request") so as to be received no later than 9:00 a.m. on (x) the Business Day immediately preceding the date of borrowing proposed therein, in the case of an Absolute Rate Auction and (y) on the date four Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction. The Agent shall deliver to each Lender a copy of each Bid Rate Quote Request promptly upon receipt thereof by the Agent. The Borrower may request offers to make Bid Rate Loans for up to 3 different Interest Periods in each Bid Rate Quote Request (for which purpose Interest Periods in different lettered clauses of the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous); provided that the request for each separate Interest Period shall be a separate Bid Rate Quote Request for a separate borrowing (a "Bid Rate Borrowing"). Each Bid Rate Quote Request shall be substantially in the form of Exhibit I and shall specify as to each Bid Rate Borrowing:

(i) the proposed date of such borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Bid Rate Borrowing which shall be in a minimum amount of \$15,000,000 and integral multiples of \$1,000,000 in excess thereof which shall not cause any of the limits specified in Section 2.14. to be violated;

(iii) whether the Bid Rate Quote Request is for LIBOR Margin Loans or Absolute Rate Loans; and

(iv) the duration of the Interest Period applicable thereto.

The Borrower shall deliver no more than one Bid Rate Quote Request in any calendar month and no Bid Rate Quote Request shall be delivered within five Business Days of the giving of any other Bid Rate Quote Request.

(c) Bid Rate Quotes.

(i) Each Lender may submit one or more Bid Rate Quotes, each

containing an offer to make a Bid Rate Loan in response to any Bid Rate Quote Request; provided that, if the Borrower's request under Section 2.2.(b) specified more than one Interest Period, such Lender may make a single submission containing only one Bid Rate Quote for each such Interest Period. Each Bid Rate Quote must be submitted to the Agent not later than 7:30 a.m. (x) on the proposed date of borrowing, in the case of an Absolute Rate Auction and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction, and in either case the Agent shall disregard any Bid Rate Quote received after such time; provided that the Lender then acting as the Agent may submit a Bid Rate Quote only if it notifies the Borrower of the terms of the offer contained therein not later than 30 minutes prior to the latest time by which the Lenders must submit applicable Bid Rate Quotes. Subject to Articles VI. and X., any Bid Rate Quote so made shall be irrevocable. Such Bid Rate Loans may be funded by a Lender's Designated Lender (if any) as provided in Section 12.8.(d), however such Lender shall not be required to specify in its Bid Rate Quote whether such Bid Rate Loan will be funded by such Designated Lender.

(ii) Each Bid Rate Quote shall be substantially in the form of Exhibit J and shall specify:

(A) the proposed date of borrowing and the Interest Period therefor;

(B) the principal amount of the Bid Rate Loan for which each such offer is being made; provided that the aggregate principal amount of all Bid Rate Loans for which a Lender submits Bid Rate Quotes (x) may be greater or less than the Commitment of such Lender but (y) shall not exceed the principal amount of the Bid Rate Borrowing for a particular Interest Period for which offers were requested;

(C) in the case of an Absolute Rate Auction, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/1,000th of 1%) offered for each such Absolute Rate Loan (the "Absolute Rate");

(D) in the case of a LIBOR Auction, the margin above or below applicable LIBOR (the "LIBOR Margin") offered for each such LIBOR Margin Loan, expressed as a percentage (rounded upwards, if necessary, to the nearest 1/1,000th of 1%) to be added to (or subtracted from) the applicable LIBOR;

(E) the identity of the quoting Lender; and

(F) any Bid Rate Quote shall be in a minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess thereof.

No Bid Rate Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those set forth in the applicable Bid Rate Quote Request and, in particular, no Bid Rate Quote may be conditioned upon acceptance by the Borrower of all (or some specified minimum) of the principal amount of the Bid Rate Loan for which such Bid Rate Quote is being made.

(d) Notification by Agent. The Agent shall, as promptly as practicable after the Bid Rate Quotes are submitted (but in any event not later than 8:30 a.m. (x) on the proposed date of borrowing, in the case of an Absolute Rate Margin and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction), notify the Borrower of the terms (i) of any Bid Rate Quote submitted by a Lender that is in accordance with Section 2.2.(c) and (ii) of any Bid Rate Quote that amends, modifies or is otherwise inconsistent with a previous Bid Rate Quote submitted by such Lender with respect to the same Bid Rate Quote Request. Any such subsequent Bid Rate Quote shall be disregarded by the Agent unless such subsequent Bid Rate Quote is submitted solely to correct a manifest error in such former Bid Rate Quote. The Agent's notice to the Borrower shall specify (A) the aggregate principal amount of the Bid Rate Borrowing for which offers have been received and (B) the principal amounts and Absolute Rates or LIBOR Margins, as applicable, so offered by each Lender.

(e) Acceptance by Borrower.

(i) Not later than 9:30 a.m. (x) on the proposed date of borrowing, in the case of an Absolute Rate Margin and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of LIBOR Auction, the Borrower shall notify the Agent of its acceptance or nonacceptance of the offers so notified to it pursuant to Section 2.2.(d) which notice shall be in the form of Exhibit K. In the case of acceptance, such notice shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The failure of the Borrower to give such notice by such time shall constitute nonacceptance. The Borrower may accept any Bid Rate Quote in whole or in part; provided that:

(A) the aggregate principal amount of each Bid Rate Borrowing may not exceed the applicable amount set forth in the related Bid Rate Quote Request;

(B) the aggregate principal amount of each Bid Rate Borrowing shall comply with the provisions of Section 2.2.(b)(ii) but shall not cause the limits specified in Section 2.14. to be violated;

(C) acceptance of offers may be made only in

ascending order of Absolute Rates or LIBOR Margins, as applicable, in each case beginning with the lowest rate so offered;

(D) any acceptance in part by the Borrower shall be in a minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess thereof; and

(E) the Borrower may not accept any offer that fails to comply with Section 2.2.(c) or otherwise fails to comply with the requirements of this Agreement.

(ii) If offers are made by two or more Lenders with the same Absolute Rates or LIBOR Margins, as applicable, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Bid Rate Loans in respect of which such offers are accepted shall be allocated by the Agent among such Lenders in proportion to the aggregate principal amount of such offers. Determinations by the Agent of the amounts of Bid Rate Loans shall be conclusive in the absence of manifest error.

(f) **Obligation to Make Bid Rate Loans.** The Agent shall promptly (and in any event not later than (x) 10:00 a.m. on the proposed date of borrowing of Absolute Rate Loans and (y) on the date three Business Days prior to the proposed date of borrowing of LIBOR Margin Loans) notify each Lender that submitted a Bid Rate Quote as to whose Bid Rate Quote has been accepted and the amount and rate thereof. A Lender who is notified that it has been selected to make a Bid Rate Loan may designate its Designated Lender (if any) to fund such Bid Rate Loan on its behalf, as described in Section 12.8. Any Designated Lender which funds a Bid Rate Loan shall on and after the time of such funding become the obligee under such Bid Rate Loan and be entitled to receive payment thereof when due. No Lender shall be relieved of its obligation to fund a Bid Rate Loan, and no Designated Lender shall assume such obligation, prior to the time the applicable Bid Rate Loan is funded. Any Lender whose offer to make any Bid Rate Loan has been accepted shall, not later than 11:00 a.m. on the date specified for the making of such Loan, make the amount of such Loan available to the Agent at its Principal Office in immediately available funds, for the account of the Borrower. The amount so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrower not later than 12:00 noon on such date by depositing the same, in immediately available funds, in an account of the Borrower designated by the Borrower.

(g) **No Effect on Commitment.** Except for the purpose and to the extent expressly stated in Section 2.9., the amount of any Bid Rate Loan made by any Lender shall not constitute a utilization of such Lender's Commitment.

SECTION 2.3. Swingline Loans.

(a) **Swingline Loans.** Subject to the terms and conditions hereof, including, without limitation Section 2.14., if necessary to meet Borrower's funding deadline, the Swingline Lender agrees to make Swingline Loans to the Borrower, during the period from the Effective Date to but excluding the Swingline Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of the Swingline Commitment. If at any time the aggregate principal amount of the Swingline Loans outstanding at such time exceeds the Swingline Commitment in effect at such time, the Borrower shall immediately pay the Agent for the account of the Swingline Lender the amount of such excess. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Swingline Loans hereunder.

(b) **Procedure for Borrowing Swingline Loans.** The Borrower shall give the Agent and the Swingline Lender notice pursuant to a Notice of Swingline Borrowing delivered to the Swingline Lender no later than 9:00 a.m. on the proposed date of such borrowing. Any such telephonic notice shall include all information to be specified in a written Notice of Swingline Borrowing. Not later than 11:00 a.m. on the date of the requested Swingline Loan and subject to satisfaction of the applicable conditions set forth in Article VI. for such borrowing, the Swingline Lender will make the proceeds of such Swingline Loan available to the Borrower in Dollars, in immediately available funds, at the account specified by the Borrower in the Notice of Swingline Borrowing.

(c) **Interest.** Swingline Loans shall bear interest at a per annum rate equal to the Base Rate as in effect from time to time or at such other rate or rates as the Borrower and the Swingline Lender may agree from time to time in writing. Interest payable on Swingline Loans is solely for the account of the Swingline Lender. All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.8. with respect to interest on Base Rate Loans (except as the Swingline Lender and the Borrower may otherwise agree in writing in connection with any particular Swingline Loan).

(d) **Swingline Loan Amounts, Etc.** Each Swingline Loan shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof, or such other minimum amounts agreed to by the Swingline Lender and the Borrower. Any voluntary prepayment of a Swingline Loan must be in integral multiples of \$100,000 or the aggregate principal amount of all outstanding Swingline Loans (or such other minimum amounts upon which the Swingline Lender and the Borrower may agree) and in connection with any such prepayment, the Borrower must give the Swingline Lender prior written notice thereof no later than 10:00 a.m. on the day prior to the date of such prepayment. The Swingline Loans shall, in addition to this Agreement, be evidenced by the Swingline Note.

(e) **Repayment and Participations of Swingline Loans.** The Borrower agrees to repay each Swingline Loan within one Business Day of demand therefor by the Swingline Lender and in any event, within 5 Business Days after the date such Swingline Loan was made. Notwithstanding the foregoing, the Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Swingline Termination Date (or such

earlier date as the Swingline Lender and the Borrower may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from the Borrower, the Swingline Lender may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), request a borrowing of Base Rate Loans from the Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations contained in the second sentence of Section 2.1.(a) shall not apply to any borrowing of Base Rate Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Agent of any such borrowing of Base Rate Loans not later than 9:00 a.m. at least one Business Day prior to the proposed date of such borrowing. Each Lender will make available to the Agent at the Principal Office for the account of Swingline Lender, in immediately available funds, the proceeds of the Base Rate Loan to be made by such Lender. The Agent shall pay the proceeds of such Base Rate Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. If the Lenders are prohibited from making Loans required to be made under this subsection for any reason whatsoever, including without limitation, the occurrence of any of the Defaults or Events of Default described in Sections 10.1.(g) or 10.1.(h), each Lender shall purchase from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Pro Rata Share of such Swingline Loan, by directly purchasing a participation in such Swingline Loan in such amount and paying the proceeds thereof to the Agent for the account of the Swingline Lender in Dollars and in immediately available funds. A Lender's obligation to purchase such a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Lender or any other Person may have or claim against the Agent, the Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Sections 10.1.(g) or 10.1.(h)) or the termination of any Lender's Commitment, (iii) the existence (or alleged existence) of an event of condition which has had or could have a Materially Adverse Effect, (iv) any breach of any Loan Document by the Agent, any Lender or the Borrower or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline Lender by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon the Swingline Lender's demand therefor, and until such time as such Lender makes the required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Loan Documents (other than those provisions requiring the other Lenders to purchase a participation therein). Further, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans, and any other amounts due to it hereunder, to the Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise).

SECTION 2.4. Number of Interest Periods.

Anything herein to the contrary notwithstanding, there may be no more than 8 different Interest Periods outstanding at the same time.

SECTION 2.5. Continuation.

So long as no Default or Event of Default shall have occurred and be continuing, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower's giving of a Notice of Continuation not later than 9:00 a.m. on the third Business Day prior to the date of any such Continuation by the Borrower to the Agent. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Continuation. Such notice by the Borrower of a Continuation shall be by telephone or telecopy, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying (a) the date of such Continuation, (b) the LIBOR Loan and portion thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, such Loan will automatically, on the last day of the current Interest Period therefore, Convert into a Base Rate Loan notwithstanding failure of the Borrower to comply with Section 2.6. In the case of the Continuation of only a portion of a LIBOR Loan, such portion shall be in the aggregate amount for all of the Lenders of \$1,000,000 or integral multiples of \$100,000 in excess of that amount.

SECTION 2.6. Conversion.

So long as no Default or Event of Default shall have occurred and be continuing, the Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Agent, Convert the entire amount of all or a portion of a Revolving Loan of one Type into a Revolving Loan of another Type. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Conversion. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan. Each such Notice of Conversion shall be given not later than 9:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Subject to the restrictions specified above, each Notice of

Conversion shall be by telephone or teletype confirmed immediately in writing if by telephone in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Revolving Loan to be Converted, (c) the portion of such Type of Revolving Loan to be Converted, (d) the Type of Revolving Loan such Revolving Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Revolving Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given. Each Conversion from a Base Rate Loan to a LIBOR Loan shall be in an aggregate amount for the Revolving Loans of all the Lenders of not less than \$1,000,000 or integral multiples of \$100,000 in excess of that amount.

SECTION 2.7. Interest Rate.

(a) All Loans. The unpaid principal of each Base Rate Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the Base Rate in effect from day to day plus the Applicable Margin. The unpaid principal of each LIBOR Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the LIBOR Rate for such Loan for the Interest Period therefor plus the Applicable Margin. The unpaid principal of each Absolute Rate Loan shall bear interest at the Absolute Rate for such Loan for the Interest Period therefor quoted by the Lender making such Loan in accordance with Section 2.2. The unpaid principal of each LIBOR Margin Loan shall bear interest at the LIBOR Rate for such Loan for the Interest Period therefor plus the LIBOR Margin quoted by the Lender making such Loan in accordance with Section 2.2.

(b) Default Rate. All past-due principal of, and to the extent permitted by Applicable Law, interest on, the Loans and all Reimbursement Obligations shall bear interest until paid at the Base Rate from time to time in effect plus four percent (4%).

SECTION 2.8. Repayment of Loans.

(a) Payment of Interest. All accrued and unpaid interest on the unpaid principal amount of each Loan shall be payable (i) in the case of a Base Rate Loan or a LIBOR Loan, monthly in arrears on the first day of each month, commencing with the first full calendar month occurring after the Effective Date, (ii) in the case of a Bid Rate Loan, on the last day of each Interest Period therefor and, if such Interest Period is longer than a month, monthly in arrears on the first day of each month, commencing with the first full calendar month following the first day of such Interest Period, and (iii) for all Loans, (A) on the Revolving Credit Termination Date, (B) on the Termination Date and (C) on any date on which the principal balance of such Loan is due and payable in full.

(b) Payment of Principal of Revolving Loans. Subject to Section 2.11., the Borrower shall repay the aggregate outstanding principal balance of all Revolving Loans in full on the Revolving Credit Termination Date.

(c) Bid Rate Loans. The Borrower shall repay the entire outstanding principal amount of each Bid Rate Loan on the last day of the Interest Period of such Bid Rate Loan.

(d) Payment of Principal of Term Loans. The Borrower shall repay the aggregate principal balance of the Term Loans in eight equal consecutive quarterly installments due on the first day of June first following the date of conversion of the Revolving Loans into the Term Loans and on the first day of each subsequent September, December, March and June until the Term Loans are paid in full. Each installment shall be in an amount equal to one-eighth of the initial aggregate principal balance of the Term Loans. Notwithstanding the foregoing, the entire outstanding principal balance of each Term Loan shall be due and payable in full on the Termination Date.

(e) Optional Prepayments. The Borrower may, upon at least one Business Day's prior notice to the Agent, prepay any Revolving Loan or Term Loan in whole at any time, or from time to time in part in an amount equal to \$500,000 or integral multiples of \$100,000 in excess of that amount, by paying the principal amount to be prepaid. If the Borrower shall prepay the principal of any LIBOR Loan on any date other than the last day of the Interest Period applicable thereto, the Borrower shall pay the amounts, if any, due under Section 5.4. Bid Rate Loans may not be prepaid at the option of the Borrower.

(f) Mandatory Prepayments. If at any time the aggregate outstanding principal balance of Loans and the aggregate amount of Letter of Credit Liabilities exceeds the Maximum Loan Availability, then the Borrower shall, within 15 days of the Borrower obtaining actual knowledge of the occurrence of such excess, deliver to the Agent and each Lender a written plan acceptable to the Lenders to eliminate such excess, whether by the designation of additional Properties as Unencumbered Pool Properties, by the Borrower repaying an appropriate amount of Loans, or otherwise. If such excess is not eliminated within 45 days of the Borrower obtaining actual knowledge of the occurrence thereof, then the entire outstanding principal balance of all Loans, together with all accrued interest thereon, and an amount equal to all Letter of Credit Liabilities for deposit into the Collateral Account, shall be immediately due and payable in full. If at any time the aggregate principal amount of all outstanding Bid Rate Loans exceeds the lesser of (i) \$250,000,000 or (ii) one-half of the aggregate amount of all Commitments at such time, then the Borrower shall immediately pay to the Agent for the accounts of the applicable Lenders the amount of such excess. Such payment shall be applied as provided in Section 3.3. (f).

(g) General Provisions as to Payments. Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under this Agreement, the Notes or any other Loan Document shall be made in Dollars, in immediately available funds, without setoff, deduction or counterclaim, to the Agent at the Principal Office, not later than

11:00 a.m. on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender (i) on the date of receipt by the Agent if received not later than 11:00 a.m. on the due date of such payment or (ii) not later than the Business Day immediately following the date of receipt by the Agent if received after 11:00 a.m. on the due date of such payment. Such payments by the Agent shall be paid to a Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. In the event the Agent fails to pay such amounts to such Lender within the time period provided in the immediately preceding clause (i) or (ii), as applicable, the Agent shall pay interest on such amount at a rate per annum equal to the Federal Funds rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall continue to accrue at the rate, if any, applicable to such payment for the period of such extension.

SECTION 2.9. Voluntary Reductions of the Commitments.

The Borrower may terminate or reduce the amount of the Commitments (for which purpose use of the Commitments shall be deemed to include the aggregate principal amount of all outstanding Bid Rate Loans and Swingline Loans and the aggregate amount of all Letter of Credit Liabilities) at any time and from time to time without penalty or premium upon not less than five Business Days prior notice to the Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction (which in the case of any partial reduction of the Commitments shall not be less than \$5,000,000 and integral multiples of \$5,000,000 in excess of that amount in the aggregate) and shall be irrevocable once given and effective only upon receipt by the Agent. The Commitments, once reduced pursuant to this Section, may not be increased. The Borrower shall pay all interest and fees on the Revolving Loans accrued to the date of such reduction or termination of the Commitments to the Agent for the account of the Lenders. Any reduction in the aggregate amount of the Commitments shall result in a proportionate reduction (rounded to the next lowest integral multiple of multiple of \$100,000) in the Swingline Commitment and the L/C Commitment Amount.

SECTION 2.10. Extension of Revolving Credit Termination Date.

(a) The Borrower may request that the Agent and the Lenders extend the current Revolving Credit Termination Date by successive one-year intervals by executing and delivering to the Agent at least 60 days but no more than 90 days prior to the date one year prior to the current Revolving Credit Termination Date, a written request in the form of Exhibit M (an "Extension Request"). The Agent shall forward to each Lender a copy of each Extension Request delivered to the Agent promptly upon receipt thereof. If all of the Lenders shall have notified the Agent on or prior to the date which is 30 days prior to the date one year prior to the current Revolving Credit Termination Date that they accept such Extension Request, the Revolving Credit Termination Date shall be extended for one year. If any Lender shall not have notified the Agent on or prior to the date which is 30 days prior to the date one year prior to the Revolving Credit Termination Date that it accepts such Extension Request, the Revolving Credit Termination Date shall not be extended except as otherwise permitted under the immediately following subsection (b). The Agent shall promptly notify the Borrower whether the Extension Request has been accepted or rejected as well as which Lender or Lenders rejected Borrower's Extension Request (each such Lender, a "Rejecting Lender"). The Borrower understands that this Section has been included in this Agreement for the Borrower's convenience in requesting an extension and acknowledges that none of the Lenders nor the Agent has promised (either expressly or impliedly), nor has any obligation or commitment whatsoever, to extend the Revolving Credit Termination Date at any time.

(b) Notwithstanding the preceding subsection (a), if the Borrower receives notification from the Agent that an Extension Request has been rejected (a "Notice of Rejection"), and provided that the aggregate amount of all Commitments of the Rejecting Lenders does not exceed 20% of the aggregate amount of Commitments then outstanding, the Borrower may elect, with respect to each such Rejecting Lender, by giving written notice to the Agent of any such election within 15 days after receipt by the Borrower of a Notice of Rejection, to either (i) require such Rejecting Lender to assign its respective Commitment to an Eligible Assignee as contemplated in the immediately following clause (x) or (ii) pay in full the amount of Loans, interest and fees, together with all amounts, if any, payable under Section 5.4., owing to such Rejecting Lender and terminate such Rejecting Lender's Commitment as contemplated in the immediately following clause (y). If the Borrower has made a timely election as permitted by the preceding sentence, then the Borrower shall take either of the following actions as specified in such election: (x) demand that such Rejecting Lender, and upon such demand such Rejecting Lender shall promptly, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.8.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Rejecting Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Rejecting Lender, any such assignment to be completed within 30 days after receipt by the Borrower of a Notice of Rejection or (y) within 30 days after receipt by the Borrower of a Notice of Rejection, pay to such Rejecting Lender the aggregate principal balance of Loans then outstanding and owing to such Rejecting Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Rejecting Lender, together with all amounts, if any, payable under Section 5.4., whereupon such Rejecting Lender's Commitment shall terminate, and such Rejecting Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. None of the Agent, such Rejecting Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee. If all Rejecting Lenders have either assigned their Commitments to Eligible Assignees as contemplated by the preceding clause (x) or

have been paid the amounts specified in the preceding clause (y), then the Borrower's Extension Request which was initially rejected shall be deemed to have been granted and accordingly the Revolving Credit Termination Date shall be extended by one year, otherwise the Revolving Credit Termination Date shall not be extended. If the aggregate amount of Commitments of the Rejecting Lenders exceeds 20% of the aggregate amount of Commitments then outstanding, the Revolving Credit Termination Date shall not be extended.

SECTION 2.11. Term Loan Conversion.

Subject to the terms and conditions of this Agreement, if any Extension Request of the Borrower shall be denied, the Borrower may then elect to convert each Lender's Pro Rata Share of the aggregate principal amount of Revolving Loans outstanding on the date one year prior to the current Revolving Credit Termination Date into a term loan owing to such Lender (each a "Term Loan") provided (a) the Borrower has given the Agent at least 15 days prior notice of the Borrower's intention to so convert the Revolving Loans and (b) the conditions set forth in Section 6.3. have been satisfied as of the date one year prior to the current Revolving Credit Termination Date. Subject to the terms and conditions hereof, any such conversion shall be effective as of the date one year prior to the current Revolving Credit Termination Date. Upon the effectiveness of the conversion of the outstanding principal balance of Revolving Loans into Term Loans as contemplated by this Section, the Borrower shall have no right to borrow, and no Lender shall have any obligation to make, any Revolving Loans.

SECTION 2.12. Notes.

The Revolving Loans and the Term Loan made by each Lender shall, in addition to this Agreement, also be evidenced by a promissory note of the Borrower substantially in the form of Exhibit C (each a "Revolving Note"), payable to the order of such Lender in a principal amount equal to the amount of its Commitment as originally in effect and otherwise duly completed. The Bid Rate Loans made by any Lender shall, in addition to this Agreement, also be evidenced by a single promissory note of the Borrower substantially in the form of Exhibit D (each a "Bid Rate Note"), dated the date hereof, payable to the order of such Lender and otherwise duly completed.

SECTION 2.13. Option to Replace Lenders.

If any Lender, other than the Agent in its capacity as such, shall:

(a) have notified Agent of a determination under Section 5.1.(a) or become subject to the provisions of Section 5.3.; or

(b) make any demand for payment or reimbursement pursuant to Section 5.1.(c) or Section 5.4.;

then, provided that (x) there does not then exist any Default or Event of Default and (y) the circumstances resulting in such demand for payment or reimbursement under Section 5.1.(c) or Section 5.4. or the applicability of Section 5.1.(a) or Section 5.3. are not applicable to the Majority Lenders generally, the Borrower may either (x) demand that such Lender, and upon such demand such Lender shall promptly, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.8.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, any such assignment to be completed within 30 days after the making by such Lender of such determination or demand for payment or (y) within 30 days after the making by such Lender of such determination or demand for payment, pay to Agent, for deposit into the Collateral Account, an amount equal to such Lender's Pro Rata Share of all outstanding Letter of Credit Liabilities and pay to such Lender the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, whereupon such Lender's Commitment shall terminate, and such Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. None of the Agent, such Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee.

SECTION 2.14. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, at no time may (a) the aggregate principal amount of all outstanding Revolving Loans, together with the aggregate principal amount of all outstanding Swingline Loans, the aggregate amount of all outstanding Bid Rate Loans and the aggregate amount of all Letter of Credit Liabilities, exceed the Maximum Loan Availability at such time or (b) the aggregate principal amount of all outstanding Bid Rate Loans exceed the lesser of (i) \$250,000,000 or (ii) one-half of the aggregate amount of all Commitments at such time.

SECTION 2.15. Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement including, without limitation, Section 2.14., the Agent, on behalf of Lenders, agrees to issue for the account of the Borrower during the period from and including the Effective Date to, but excluding, the Revolving Credit Termination Date one or more letters of credit (each a "Letter of Credit") in such form and containing such terms as may be requested from time to time by the Borrower and acceptable to the Agent, up to a maximum aggregate Stated Amount at any one time outstanding not to exceed the L/C Commitment Amount.

(b) Terms of Letters of Credit. At the time of issuance, the amount, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the Agent and the Borrower. Notwithstanding the foregoing, in no event may (i) the expiration date of any Letter of Credit extend beyond the Revolving Credit Termination Date, (ii) any

Letter of Credit have an initial duration in excess of one year or (iii) a Letter of Credit be issued within 30 days of the Revolving Credit Termination Date. The initial Stated Amount of each Letter of Credit shall be at least \$100,000.

(c) Requests for Issuance of Letters of Credit. In connection with the proposed issuance of a Letter of Credit, the Borrower shall give Agent written notice (or telephonic notice promptly confirmed in writing) prior to the requested date of issuance of a Letter of Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of Credit, and in any event shall set forth with respect to such Letter of Credit (i) the proposed initial Stated Amount, (ii) the beneficiary, (iii) whether such Letter of Credit is a commercial or standby letter of credit and (iv) the proposed expiration date. The Borrower shall also execute and deliver such customary applications and agreements for standby letters of credit, standby letter of credit agreements, applications for amendment to letter of credit, and other forms as requested from time to time by the Agent. Provided the Borrower has given the notice prescribed by the first sentence of this subsection and the Borrower has executed and delivered to the Agent the agreements, applications and other forms as required by the immediately preceding sentence of this subsection, and subject to the terms and conditions of this Agreement, including the satisfaction of any applicable conditions precedent set forth in Article VI., the Agent agrees to issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary but in no event prior to the date 5 Business Days following the date after which the Agent received the items required to be delivered to it under this subsection. Upon the written request of the Borrower, the Agent shall deliver to the Borrower a copy of (i) any Letter of Credit proposed to be issued hereunder prior to the issuance thereof and (ii) each issued Letter of Credit within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of the Letter of Credit Document shall control.

(d) Reimbursement Obligations. Upon receipt by the Agent from the beneficiary of a Letter of Credit of any demand for payment under such Letter of Credit, the Agent shall promptly notify the Borrower of the amount to be paid by the Agent as a result of such demand and the date on which payment is to be made by the Agent to such beneficiary in respect of such demand. The Borrower hereby unconditionally and irrevocably agrees to pay and reimburse the Agent for the amount of each demand for payment under such Letter of Credit at or prior to the date on which payment is to be made by the Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind. Upon receipt by the Agent of any payment in respect of any Reimbursement Obligation, the Agent agrees to pay to each Lender that has acquired a participation therein under the second sentence of Section 2.15.(f) such Lender's Pro Rata Share of such payment.

(e) Manner of Reimbursement. Upon its receipt of a notice referred to in the immediately preceding subsection (d), the Borrower shall advise the Agent whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse the Agent for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If Borrower fails to reimburse the Agent for a demand for payment under a Letter of Credit by the date of such payment, the Agent shall give each Lender prompt notice thereof and of the amount of the demand for payment, specifying such Lender's Pro Rata Share of the amount of the related demand for payment.

(f) Lenders' Participation in Letters of Credit. Immediately upon the issuance by the Agent of any Letter of Credit each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Agent, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Pro Rata Share of the liability of the Agent with respect to such Letter of Credit and each Lender thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Agent to pay and discharge when due, such Lender's Pro Rata Share of the Agent's liability under such Letter of Credit. In addition, upon the making of each payment by a Lender to the Agent in respect of any Letter of Credit pursuant to the immediately following subsection (g), such Lender shall, automatically and without any further action on the part of the Agent or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to the Agent by the Borrower in respect of such Letter of Credit and (ii) a participation in a percentage equal to such Lender's Pro Rata Share in any interest or other amounts payable by the Borrower in respect of such Reimbursement Obligation (other than fees owing only to the Agent).

(g) Payment Obligation of Lenders. Each Lender severally agrees to pay to the Agent on demand in immediately available funds in Dollars the amount of such Lender's Pro Rata Share of each drawing paid by the Agent under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.15.(d) and (e) or the other Letter of Credit Documents. Each such Lender's obligation to make such payments to the Agent under this subsection, and the Agent's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Lender to make its payment under this subsection, (ii) the financial condition of the Borrower, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 10.1.(g) or (h) or (iv) the termination of the Commitments. Each such payment to the Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

(h) Agent's Duties Regarding Letters of Credit; Unconditional Nature of Reimbursement Obligation. In examining documents presented in connection with drawings under Letters of Credit and making payments under such Letters of Credit against such documents, the Agent shall only be required to use the same standard of care as it uses in connection with examining documents presented in

connection with drawings under letters of credit in which it has not sold participations and making payments under such letters of credit. The Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, neither the Agent nor any of Lenders shall be responsible (i) for the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of or any drawing honored under any Letter of Credit even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telecopy or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or of the proceeds thereof; (vii) for the misapplication by the beneficiary of any such Letter of Credit, or the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Agent or the Lenders. None of the above shall affect, impair or prevent the vesting of any of the Agent's rights or powers hereunder. Any action taken or omitted to be taken by the Agent under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create against the Agent any liability to the Borrower or any Lender. In this connection, the obligation of the Borrower to reimburse the Agent for any drawing made under any Letter of Credit shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement or any other applicable Letter of Credit Document under all circumstances whatsoever, including without limitation, the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit Document or any term or provisions therein; (ii) any amendment or waiver of or any consent to departure from all or any of the Letter of Credit Documents; (iii) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against the Agent, any Lender, any beneficiary of a Letter of Credit or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or in the Letter of Credit Documents or any unrelated transaction; (iv) any breach of contract or dispute between Borrower, the Agent, any Lender or any other Person; (v) any demand, statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein or made in connection therewith being untrue or inaccurate in any respect whatsoever; (vi) any non-application or misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; (vii) payment by the Agent under the Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of the Letter of Credit; and (viii) any other act, omission to act, delay or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge of the Borrower's Reimbursement Obligations.

(i) Amendments, Etc. The issuance by the Agent of any amendment, supplement or other modification to any Letter of Credit shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters of Credit, and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Majority Lenders shall have consented thereto.

(j) Information to Lenders. Promptly following the issuance of any Letters of Credit, the Agent shall deliver to the Borrower, and each Lender a notice describing the aggregate amount of all Letters of Credit outstanding at such time. Upon the request of any Lender from time to time, the Agent shall deliver any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding. Other than as set forth in this subsection, the Agent shall have no duty to notify Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of the Agent to perform its requirements under this subsection shall not relieve any Lender from its obligations under Section 2.15.(g).

(k) Effect of Letters of Credit on Commitments. Upon the issuance by the Agent of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Commitment of each Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to such Lender's Pro Rata Share of the Stated Amount of such Letter of Credit plus any related Reimbursement Obligations then outstanding.

(l) Termination of Agreement Prior to Expiration of Letters of Credit; Letter of Credit Liabilities in Excess of L/C Commitment Amount. If on the date (the "Facility Termination Date") this Agreement is terminated (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise) any Letters of Credit are outstanding, the Borrower shall, on the Facility Termination Date, pay to the Agent an amount of money equal to the Stated Amount of such Letter(s) of Credit, together with the amount of any fees which would otherwise be payable by the Borrower to the Agent or the Lenders in respect of such Letters of Credit but for the occurrence of the Facility Termination Date for deposit into a the Collateral Account. If at any time the aggregate Stated Amount of all outstanding Letters of Credit shall exceed the L/C Commitment Amount then in effect, the Borrower shall pay to the Agent for deposit into the Collateral Account an amount equal to such excess. If a drawing pursuant to any such Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower authorizes the Agent to disburse the monies deposited in the Collateral Account to make payment to the beneficiary with respect to such drawing. If no drawing occurs on or prior to the expiration date of any such

Letter of Credit, the Agent shall return to the Borrower the monies deposited in the Collateral Account with respect to such outstanding Letter of Credit on or before the date 30 Business Days after the expiration date with respect to the Letter of Credit.

(m) Additional Costs in Respect of Letters of Credit. If as a result of the adoption of any Applicable Law or guideline of general applicability regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or if as a result of any risk-based capital guideline or other requirement heretofore or hereafter issued by any Governmental Authority, there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the Agent of issuing (or any Lender purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by the Agent or any Lender hereunder in respect of any Letter of Credit, then, upon demand by the Agent or such Lender, the Borrower shall pay immediately to the Agent or such Lender, as applicable, from time to time as specified by the Agent or a Lender, such additional amounts as shall be sufficient to compensate the Agent or such Lender for such increased costs or reductions in amount.

ARTICLE III. GENERAL LOAN PROVISIONS

SECTION 3.1. Fees.

(a) Facility Fee. During the period commencing on the Agreement Date to but excluding the Revolving Credit Termination Date, the Borrower agrees to pay the Agent for the account of the Lenders a facility fee equal to the daily aggregate amount of the Commitments (whether or not utilized) times a rate per annum equal to the Applicable Facility Fee. Such fee shall accrue through the last day of each calendar quarter and shall be payable in arrears on the fifth day following the end of such calendar quarter. The Borrower acknowledges that the fee payable hereunder is a bona fide commitment fee and is intended as reasonable compensation to the Lenders for committing to make funds available to the Borrower as described herein and for no other purposes.

(b) Extension Fee. If, pursuant to Section 2.10., the Revolving Credit Termination Date is extended, the Borrower agrees to pay to the Agent for the account of each Lender (other than a Rejecting Lender) an extension fee equal to one-fifth of one percent (0.20%) of the amount of such Lender's Commitment at such time. Such fee shall be payable on the date five days following the sooner of the date on which the Agent notified the Borrower of such extension or the date on which such extension is effective.

(c) Term Loan Conversion Fee. If, pursuant to Section 2.11., the outstanding balance of Revolving Loans is converted into Term Loans, the Borrower agrees to pay to the Agent for the account of each Lender a conversion fee equal to one-quarter of one percent (0.25%) per annum of the outstanding principal balance of such Lender's Term Loan on the first anniversary of the date of the conversion of the Revolving Loans into the Term Loans, such fee to be payable on such anniversary date.

(d) Bid Rate Loan Fees. The Borrower agrees to pay to the Agent such fees for services rendered by the Agent in connection with the Bid Rate Loans as shall be separately agreed upon between the Borrower and the Agent.

(e) Agent's Fees. The Borrower agrees to pay to the Agent such fees for services rendered by the Agent as shall be separately agreed upon between the Borrower and the Agent.

(f) Letter of Credit Fees. The Borrower agrees to pay to the Agent for account of each Lender a letter of credit fee at a rate per annum equal to one and seventy-five one-thousandths percent (1.075%) of the Stated Amount of each Letter of Credit on the date of issuance of such Letter of Credit and on each annual anniversary of the date of issuance thereof until such Letter of Credit has expired. The fee provided for in the immediately preceding sentence shall be nonrefundable. The Borrower shall pay directly to the Agent from time to time on demand all commissions, charges, costs and expenses in the amounts customarily charged by the Agent from time to time in like circumstances with respect to the issuance of each Letter of Credit, drawings, amendments and other transactions relating thereto.

SECTION 3.2. Computation of Interest and Fees.

Unless set forth to the contrary herein, accrued interest on the Loans and the Letter of Credit Liabilities and all fees due hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day of a period).

SECTION 3.3. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from the Lenders under Section 2.1.(a) and Section 2.3.(e) shall be made from the Lenders, each payment of the fees under Sections 3.1.(a) through (c) shall be made for account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 2.9. shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of Revolving Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them, provided that if immediately prior to giving effect to any such payment in respect of any Revolving Loans the outstanding principal amount of the Revolving Loans shall not be held by the Lenders pro rata in accordance with their respective Commitments in effect at the time such Loans were made, then such payment shall be applied to the Revolving Loans in such manner as shall

result, as nearly as is practicable, in the outstanding principal amount of the Revolving Loans being held by the Lenders pro rata in accordance with their respective Commitments; (c) each payment or prepayment of principal of Term Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Term Loan then owing to each of them; (d) each payment of interest on Revolving Loans and Term Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; (e) the making of Revolving Loans, and the Conversion and Continuation of Revolving Loans and Term Loans of a particular Type (other than Conversions provided for by Section 5.5.), shall be made pro rata among the Lenders according to the amounts of their respective Commitments (in the case of making of Revolving Loans) or their respective Loans (in the case of Conversions and Continuations of Revolving Loans or Term Loans) and the then current Interest Period for each Lender's portion of each Revolving Loan or Term Loan of such Type shall be coterminous; (f) each prepayment of principal of Bid Rate Loans by the Borrower pursuant to Section 2.8.(f) shall be made for account of the Lenders then owed Bid Rate Loans pro rata in accordance with the respective unpaid principal amounts of the Bid Rate Loan then owing to each such Lender; (g) the Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.3., shall be in accordance with their respective Pro Rata Shares, and (h) the Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.15., shall be pro rata in accordance with their respective Commitments. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Lender shall have acquired a participating interest in any such Swingline Loan pursuant to Section 2.3.(e)).

SECTION 3.4. Sharing of Payments, Etc.

The Borrower agrees that, in addition to (and without limitation of) any right of set-off, bankers' lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option, upon the occurrence and during the continuance of an Event of Default but subject to the Agent's prior written consent, to offset balances held by it for the account of the Borrower at any of such Lender's offices, in Dollars or in any other currency, against any principal of, or interest on, any of such Lender's Loans hereunder (or other Obligations owing to such Lender hereunder) which is not paid when due (regardless of whether such balances are then due to the Borrower), in which case such Lender shall promptly notify the Borrower, all other Lenders and the Agent thereof; provided, however, such Lender's failure to give such notice shall not affect the validity of such offset. If a Lender shall obtain payment of any principal of, or interest on, any Loan under this Agreement, or shall obtain payment on any other Obligation owing by the Borrower or any other Loan Party through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by the Borrower or any other Loan Party to a Lender not in accordance with the terms of this Agreement and such payment, pursuant to the immediately preceding Section, should be distributed to the Lenders in accordance with their Pro Rata Shares, such Lender shall promptly purchase from the other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any expenses which may be incurred by such Lender in obtaining or preserving such benefit) in accordance with their respective Pro Rata Shares. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

SECTION 3.5. Defaulting Lenders.

If for any reason any Lender (a "Defaulting Lender") shall fail or refuse to perform its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of 5 Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of Majority Lenders, shall be suspended during the pendency of such failure or refusal. If for any reason a Lender fails to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under the immediately preceding provisions or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Pro Rata Share of the Loans shall not be paid to such Defaulting Lender and shall be held by the Agent and either (a)(i) if any Swingline Loans are

outstanding, applied first, to the Swingline Lender to fund the amount of the Defaulting Lender's participation in the outstanding Swing Line Loans or (ii) if no Swingline Loans are outstanding, applied against the purchase price of such Pro Rata Share of the Loans under Section 3.6. or (b) paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

SECTION 3.6. Purchase of Defaulting Lender's Pro Rata Share.

(a) Any Lender who is not a Defaulting Lender shall have the right, but not the obligation, in its sole discretion, to acquire all of a Defaulting Lender's Pro Rata Share of the Loans. If more than one Lender exercises such right, each such Lender shall have the right to acquire such proportion of such Defaulting Lender's Pro Rata Share of the Loans as they may mutually agree. Upon any such purchase of the Pro Rata Share of the Loans of a Defaulting Lender, the Defaulting Lender's interest in the Loans and its rights hereunder (but not its liability in respect thereof or under the Loan Documents or this Agreement to the extent the same relate to the period prior to the effective date of the purchase) shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest to the purchaser thereof, including an appropriate Assignment and Acceptance Agreement.

(b) The purchase price for the Pro Rata Share of the Loans of a Defaulting Lender shall be equal to the amount of the principal balance of the Loans outstanding and owed by the Borrower to the Defaulting Lender. Prior to payment of such purchase price to the Defaulting Lender, the Agent shall apply against such purchase price any amounts payable in respect of such Pro Rata Share of the Loans as contemplated by the last sentence of Section 3.5. The Defaulting Lender shall be entitled to receive amounts owed to it by the Borrower under the Loan Documents which accrued prior to the date of the default by the Defaulting Lender, to the extent the same are received by the Agent from or on behalf of the Borrower. There shall be no recourse against any Lender or the Agent for the payment of such sums except to the extent of the receipt of payments from any other party or in respect of the Loans.

SECTION 3.7. Usury.

In no event shall the amount of interest due or payable on the Loans exceed the maximum rate of interest allowed by Applicable Law and, in the event any such payment is paid by the Borrower or received by any Lender, then such excess sum shall be credited as a payment of principal. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law.

SECTION 3.8. Agreement Regarding Interest and Charges.

THE PARTIES HERETO HEREBY AGREE AND STIPULATE THAT THE ONLY CHARGE IMPOSED UPON THE BORROWER FOR THE USE OF MONEY IN CONNECTION WITH THIS AGREEMENT IS AND SHALL BE THE INTEREST DESCRIBED IN SECTION 2.7. AND WITH RESPECT TO SWINGLINE LOANS, IN SECTION 2.3.(C). THE PARTIES HERETO FURTHER AGREE AND STIPULATE THAT ALL OTHER CHARGES IMPOSED BY LENDERS AND THE AGENT ON THE BORROWER IN CONNECTION WITH THIS AGREEMENT, INCLUDING ALL AGENCY FEES, COMMITMENT FEES, FACILITY FEES, UNUSED FACILITY FEES, EXTENSION FEES, UNDERWRITING FEES, LETTER OF CREDIT FEES, DEFAULT CHARGES, LATE CHARGES, ATTORNEYS' FEES AND REIMBURSEMENT FOR COSTS AND EXPENSES PAID BY THE AGENT OR ANY LENDER TO THIRD PARTIES OR FOR DAMAGES INCURRED BY THE AGENT OR ANY LENDER, ARE CHARGES MADE TO COMPENSATE THE AGENT OR ANY SUCH LENDER FOR UNDERWRITING OR ADMINISTRATIVE SERVICES AND COSTS OR LOSSES PERFORMED OR INCURRED, AND TO BE PERFORMED OR INCURRED, BY THE AGENT AND LENDERS IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO BE CHARGES FOR THE USE OF MONEY PURSUANT TO OFFICIAL CODE OF GEORGIA ANNOTATED SECTION 7-4-2 OR 7-4-18. ALL CHARGES OTHER THAN CHARGES FOR THE USE OF MONEY SHALL BE FULLY EARNED AND NONREFUNDABLE WHEN DUE.

SECTION 3.9. Statements of Account.

The Agent will account to the Borrower monthly with a statement of Loans, Letters of Credit, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed final, binding and conclusive upon the Borrower absent demonstrable error. The failure of the Agent or any Lender to maintain or deliver such a statement of accounts shall not relieve or discharge the Borrower from its obligations hereunder.

SECTION 3.10. Reliance.

Neither the Agent nor any Lender shall incur any liability to the Borrower for acting upon any telephonic notice permitted under this Agreement which the Agent or such Lender believes reasonably and in good faith to have been given by an individual authorized to deliver a Notice of Borrowing, Notice of Conversion, Notice of Continuation, Extension Request or a request for issuance of a Letter of Credit on behalf of the Borrower.

SECTION 3.11. Taxes.

(a) Taxes Generally. All payments by the Borrower of principal of, and interest on, the Loans and all other Obligations shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (without duplication): (i) franchise taxes, (ii) any taxes (other than withholding taxes) that would not be imposed but for a connection between the Agent or a Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Agent or such Lender pursuant to or in respect of this Agreement or any other Loan Document), (iii) any withholding taxes payable with respect to payments hereunder or under any other Loan Document under Applicable Law in effect on the Agreement Date,

(iv) any taxes imposed on or measured by any Lender's assets, net income, receipts or branch profits and (v) any taxes arising after the Agreement Date solely as a result of or attributable to a Lender changing its designated Lending Office after the date such Lender becomes a party hereto (such non-excluded items being collective called "Taxes"). If any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrower will:

(i) pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted;

(ii) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such Governmental Authority; and

(iii) pay to the Agent for its account or the account of the applicable Lender, as the case may be, such additional amount or amounts as is necessary to ensure that the net amount actually received by the Agent or such Lender will equal the full amount that the Agent or such Lender would have received had no such withholding or deduction been required.

(b) Tax Indemnification. If the Borrower fails to pay any Taxes when due to the appropriate Governmental Authority or fails to remit to the Agent, for its account or the account of the respective Lender, as the case may be, the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. For purposes of this Section, a distribution hereunder by the Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Borrower.

(c) Tax Forms. Each Lender or Participant organized under the laws of a jurisdiction other than the United States of America agrees to deliver to the Borrower and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code, correctly completed and executed by such Lender or Participant establishing that such payment is not subject to United States federal withholding tax under the Internal Revenue Code because such payment is either effectively connected with the conduct by such Lender or Participant of a trade or business in the United States or totally exempt from United States federal withholding tax by reason of the application of the provisions of a treaty to which the United States is a party or such Lender is otherwise exempt.

(d) Refunds. If the Agent or any Lender shall become aware that it is entitled to a refund in respect of Taxes for which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of the availability of such refund and shall, within 30 days after receipt of a written request by the Borrower, apply for such refund at the Borrower's sole cost and expense. So long as no Event of Default shall have occurred and be continuing, if the Agent or any Lender shall receive a refund in respect of any such Taxes as to which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of such refund and shall, within 30 days of receipt, pay such refund (to the extent of amounts that have been paid by the Borrower under this Section with respect to such refund and not previously reimbursed) to the Borrower, net of all reasonable out-of-pocket expenses of such Lender or the Agent and without interest (other than the interest, if any, included in such refund).

ARTICLE IV. UNENCUMBERED POOL PROPERTIES

SECTION 4.1. Acceptance of Unencumbered Pool Properties.

(a) Existing Unencumbered Pool Properties. Subject to compliance with the terms and conditions of Section 6.1. and subject to any limitations set forth on Schedule 4.1., as of the Effective Date the Lenders have accepted the Properties listed on Schedule 4.1. as Unencumbered Pool Properties.

(b) Submission of Additional Properties. If the Borrower desires that the Lenders accept an additional Property as an Unencumbered Pool Property after the Effective Date, the Borrower shall so notify the Agent in writing and the Agent shall promptly notify each Lender. No Property will be evaluated by the Lenders unless it is an Eligible Property, and unless and until the Borrower delivers to the Agent the following, in form and substance satisfactory to the Agent:

(i) An Executive Memorandum regarding such Property;

(ii) An Unencumbered Pool Certificate setting forth (A) on a pro forma basis the Maximum Loan Availability, assuming that such Property is accepted as an Unencumbered Pool Property, (B) the Occupancy Rate of such Property, (C) calculations evidencing continued compliance with Section 4.3., assuming that such Property is accepted as an Unencumbered Pool Property, (D) the percentage amount of the total Unencumbered Pool Value, assuming that such Property is accepted as an Unencumbered Pool Property, attributable to such Property (which percentage amount shall not exceed 5%) and (E) the amount of the Unencumbered Pool Value, assuming that such Property is accepted as an Unencumbered Pool Property, attributable to all Unencumbered Pool Properties which are owned by Subsidiaries that are not Wholly Owned Subsidiaries;

(iii) copy of the most recent ALTA Owner's Policy of Title Insurance (or commitment to issue such a policy to the Loan Party owning or to own such Property) relating to such Property showing the identity of the fee titleholder thereto and all matters of record; and

(iv) A Property Certificate executed by the chief financial

officer or controller of the Borrower (which officer shall be authorized to execute such certificate).

Following receipt of the foregoing items (i) through (iv) for such Property, the Agent will promptly submit such documents and information to Lenders for review and approval by all Lenders of such Property as an Unencumbered Pool Property. Each Lender shall have 10 Business Days from the day on which the Agent receives such documents and information from the Borrower (the "Review Period") to take one of the following actions: (I) notify the Agent of such Lender's approval of the Property as an Unencumbered Pool Property or (II) request from the Agent further information relating to such Property in accordance with the following paragraph. If neither of such actions is taken by a Lender prior to the expiration of the Review Period, such Lender shall be deemed to have accepted such Property as an Unencumbered Pool Property.

At any time during the Review Period, any Lender may request, in writing, that the Agent obtain one or more of the items described in subsection (c) below from the Borrower for such Lender's review to confirm the information set forth in the Property Certificate. If a request is made for such further information by a Lender during the Review Period, the Borrower shall promptly (but in any event within 10 calendar days of receipt of such request) deliver the requested information to the Agent who shall promptly deliver it to the requesting Lender. Such requesting Lender shall then have 10 calendar days (the "Extended Review Period") after the Agent's receipt from the Borrower of the requested information to notify the Agent of its acceptance or rejection of such Property. If such requesting Lender notifies the Agent of its rejection of such Property, such Property shall not be accepted as an Unencumbered Pool Property under this subsection (b). If such requesting Lender fails to notify the Agent prior to the expiration of the Extended Review Period, such requesting Lender shall be deemed to have accepted such Property as Unencumbered Pool Property.

Upon any acceptance of a Property pursuant to this subsection (b), and upon execution and delivery of all of the following, such Property shall become an Unencumbered Pool Property:

(1) If such Property is owned (or is being acquired) by a Subsidiary that is not yet a party to the Guaranty, an Accession Agreement executed by such Subsidiary and all other items required to be delivered by a Subsidiary under Section 8.24.; and

(2) Such other items or documents as may be appropriate under the circumstances as requested by the Agent.

(c) Alternative Acceptance Procedure. At the Borrower's option or if a Property fails to be accepted as an Unencumbered Pool Property pursuant to the immediately preceding subsection (b), the Borrower may submit or resubmit, as applicable, such Property for consideration by notifying the Agent in writing of the Borrower's intent to submit or resubmit, as applicable, such Property and by delivering the following additional items, in form and substance satisfactory to the Agent:

(i) A description of such Property, such description to include the age, location and current occupancy rate of such Property;

(ii) Operating statements for such Property for the immediately preceding fiscal year and for current fiscal year through the fiscal quarter most recently ending, in each case audited or certified by a representative of the Borrower as being true and correct in all material respects and prepared in accordance with GAAP, provided that, with respect to any period such Property was not owned by a Loan Party, such information shall only be required to be delivered to the extent reasonably available to the Borrower and such certification may be based upon the best of the Borrower's knowledge;

(iii) If prepared by the Borrower, a pro forma operating statement for such Property;

(iv) A current rent roll and occupancy report for such Property, certified by a representative of the Borrower as being true and correct in all material respects, and a two-year occupancy history of such Property, certified by a representative of the Borrower to be true and correct, provided that, with respect to any period such Property was not owned by a Loan Party, such information shall only be required to be delivered to the extent reasonably available to the Borrower and such certification may be based upon the best of the Borrower's knowledge;

(v) An operating budget for such Property with respect to the current fiscal year if available;

(vi) Copies of all Material Contracts affecting such Property;

(vii) Copies of all engineering, mechanical, structural and maintenance studies performed with respect to such Property;

(viii) A "Phase I" environmental assessment of such Property not more than 12 months old prepared by an environmental engineering firm acceptable to the Agent, and any additional environmental studies or assessments available to the Borrower performed with respect to such Property;

(ix) With respect to any Property being acquired by a Loan Party, a copy of the materials relating to such Property submitted by the Borrower to its board of directors for their approval of such Property (but only to the extent such materials have not already been provided under any of the preceding subsections);

(x) An Unencumbered Pool Certificate setting forth (A) on a

pro forma basis the Maximum Loan Availability, assuming that such Property is accepted as an Unencumbered Pool Property, (B) the Occupancy Rate of such Property, (C) calculations evidencing continued compliance with Section 4.3., assuming that such Property is accepted as an Unencumbered Pool Property, and (D) the amount of the Unencumbered Pool Value, assuming that such Property is accepted as an Unencumbered Pool Property, attributable to all Unencumbered Pool Properties which are owned by Subsidiaries that are not Wholly Owned Subsidiaries; and

(xi) Such other information the Agent may reasonably request in order to evaluate the Property.

Following receipt of the foregoing documents and information, the Agent shall promptly submit such documents and information to the Lenders for approval. Upon approval by the Majority Lenders (which must include the Agent in its capacity as a Lender), and upon execution and delivery of all of the following, such Property shall become an Unencumbered Pool Property:

(1) A copy of the most recent ALTA Owner's Policy of Title Insurance (or commitment to issue such a policy to the Loan Party owning or to own such Property) relating to such Property showing the identity of the fee titleholder thereto and all matters of record;

(2) If such Property is owned (or is being acquired) by a Subsidiary that is not yet a party to the Guaranty, an Accession Agreement executed by such Subsidiary and all other items required to be delivered by a Subsidiary under Section 8.24.; and

(3) Such other items or documents as may be appropriate under the circumstances as requested by the Agent.

SECTION 4.2. Termination of Designation as Unencumbered Pool Property.

From time to time the Borrower may request, upon not less than 20 days prior written notice to the Agent and the Lenders, that an Unencumbered Pool Property cease to be an Unencumbered Pool Property. The Agent shall grant such request if all of the following conditions are satisfied:

(a) no Default or Event of Default shall have occurred and be continuing both at the time of such request and immediately after giving effect to such request; and

(b) the Borrower shall have delivered to the Agent an Unencumbered Pool Certificate demonstrating on a pro forma basis, and the Agent shall have determined, that the outstanding principal balance of the Loans will not exceed the Maximum Loan Availability after giving effect to such request and any prepayment to be made and/or the acceptance of any Property as an additional or replacement Unencumbered Pool Property to be given concurrently with such request.

After giving effect to any request that an Unencumbered Pool Property cease to be designated as such, the Borrower may request in writing that the Agent release, and upon receipt of such request the Agent shall release, a Guarantor from the Guaranty so long as: (i) such Guarantor is a Subsidiary; (ii) such Guarantor owns no other Unencumbered Pool Property, nor any direct or indirect equity interest in any Subsidiary that does own an Unencumbered Pool Property; (iii) such Guarantor is not otherwise required to be a party to the Guaranty under Section 8.24.; and (iv) no Default or Event of Default shall then be in existence or would occur as a result of such release.

SECTION 4.3. Additional Requirements of Unencumbered Pool Properties.

The ratio (expressed as a percentage) of (a) the net rentable square footage of all Unencumbered Pool Properties actually occupied by tenants paying rent pursuant to binding leases as to which no monetary default has occurred and is continuing to (b) the aggregate net rentable square footage of all Unencumbered Pool Properties shall at all times equal or exceed 90%. A Property shall cease to be an Unencumbered Pool Property if it shall cease to be an Eligible Property.

ARTICLE V. YIELD PROTECTION, ETC.

SECTION 5.1. Additional Costs; Capital Adequacy.

(a) Additional Costs. The Borrower shall promptly pay to the Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or such obligation or the maintenance by such Lender of capital in respect of its LIBOR Loans or its Commitment (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or its Commitments (other than taxes imposed on or measured by the overall net income of such Lender or of its Lending Office for any of such LIBOR Loans by the jurisdiction in which such Lender has its principal office or such Lending Office); or (ii) imposes or modifies any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, or other credit extended by, or any other acquisition of funds by such Lender (or its parent corporation), or any commitment of such Lender (including, without limitation, the Commitment of such Lender hereunder); or (iii) has or would have the effect of reducing the rate of return on capital of such Lender to a level below that which such Lender could have achieved but for such Regulatory Change

(taking into consideration such Lender's policies with respect to capital adequacy).

(b) Lender's Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsection (a), if by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue, or to Convert Base Rate Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 5.5. shall apply).

(c) Notification and Determination of Additional Costs. Each of the Agent and each Lender, as the case may be, agrees to notify the Borrower of any event occurring after the Agreement Date entitling the Agent or such Lender to compensation under any of the preceding subsections of this Section as promptly as practicable; provided, however, that the failure of the Agent or any Lender to give such notice shall not release the Borrower from any of its obligations hereunder. Each Lender agrees to furnish to the Borrower and the Agent a certificate setting forth the basis and amount of each request for compensation under this Section. Determinations by such Lender of the effect of any Regulatory Change shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

SECTION 5.2. Suspension of LIBOR Loans.

Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBO Rate for any Interest Period:

(a) the Agent reasonably determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of LIBO Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for LIBOR Loans as provided herein or is otherwise unable to determine the LIBO Rate, or

(b) any Lender reasonably determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of LIBO Rate upon the basis of which the rate of interest for LIBOR Loans for such Interest Period is to be determined are not likely adequately to cover the cost to such Lender of making or maintaining LIBOR Loans for such Interest Period; or

(c) any Lender that has outstanding a Bid Rate Quote with respect to a LIBOR Margin Loan reasonably determines (which determination shall be conclusive) that the LIBO Rate will not adequately and fairly reflect the cost to such Lender of making or maintaining such LIBOR Margin Loan;

then the Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, (i) in the case of clause (a) or (b) above, the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either prepay such Loan or Convert such Loan into a Base Rate Loan and (ii) in the case of clause (c) above, no Lender that has outstanding a Bid Rate Quote with respect to a LIBOR Margin Loan shall be under any obligation to make such Loan.

SECTION 5.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall determine (which determination shall be conclusive and binding) that it is unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy of such notice to the Agent) and such Lender's obligation to make or Continue, or to Convert Revolving Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 5.5. shall be applicable).

SECTION 5.4. Compensation.

The Borrower shall pay to the Agent for account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient to compensate such Lender for any loss, cost or expense that such Lender reasonably determines is attributable to:

(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan or Bid Rate Loan, or Conversion of a LIBOR Loan, made by such Lender for any reason (including, without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article VI. to be satisfied) to borrow a LIBOR Loan or Bid Rate Loan from such Lender on the date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Not in limitation of the foregoing, such compensation shall include, but shall not be limited to: (i) in the case of a LIBOR Loan, an amount equal to

the then present value of (A) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the Interest Period at the rate applicable to such LIBOR Loan, less (B) the amount of interest that would accrue on the same LIBOR Loan for the same period if the LIBOR Rate were set on the date on which such LIBOR Loan was repaid, prepaid or Converted or the date on which the Borrower failed to borrow, Convert or Continue such LIBOR Loan, as applicable, calculating present value by using as a discount rate the LIBOR Rate quoted on such date; and (ii) in the case of a Bid Rate Loan, the sum of such losses and expenses as the Lender or Designated Lender who made such Bid Rate Loan may reasonably incur by reason of such prepayment, including without limitation any losses or expenses incurred in obtaining, liquidating or employing deposits from third parties.

Upon the Borrower's request, any Lender requesting compensation under this Section shall provide the Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Any such statement shall be conclusive absent manifest error.

SECTION 5.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 5.1.(b), Section 5.2. or Section 5.3., then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 5.1.(b) or 5.3., on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.1., Section 5.2. or 5.3. that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Revolving Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 5.1. or 5.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments.

SECTION 5.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.11., 5.1. or 5.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

ARTICLE VI. CONDITIONS

SECTION 6.1. Effectiveness.

The effectiveness of the amendment and restatement of the Existing Regency Credit Agreement contemplated hereby, as well as the obligation of the Lenders to make any Revolving Loans, of the Swingline Lender to make any Swingline Loans, and of the Agent to issue Letters of Credit, to or for the account of the Borrower in accordance with the terms hereof, are subject to the condition precedent that the Borrower deliver to the Agent each of the following, each of which shall be in form and substance satisfactory to the Agent:

(a) counterparts of this Agreement executed by each of the parties hereto;

(b) Revolving Notes and Bid Rate Notes executed by the Borrower, payable to all Lenders or any Designated Lender, if applicable, and complying with the terms of Section 2.12. and the Swingline Note executed by the Borrower, payable to the Swingline Lender;

(c) the Guaranty executed by each "Guarantor" under the Existing Credit Agreement and any other Subsidiary that would be required under Section 8.24.(a) to become a party to the Guaranty as of the Effective Date;

(d) an opinion of Foley & Lardner, counsel to the Borrower and the Guarantors, and addressed to the Agent and the Lenders in substantially the form of Exhibit N-1;

(e) an opinion of Alston & Bird, LLP, counsel to the Agent, and addressed to the Agent and the Lenders in substantially the form of Exhibit N-2;

(f) all of the documents and information required to be delivered under Section 4.1. with respect to each of the Properties listed on Schedule 4.1. and which have not previously been delivered to the Agent;

(g) an Unencumbered Pool Certificate dated the Agreement Date;

(h) the certificate of limited partnership of the Borrower certified as of a recent date by the Secretary of State of the State of Delaware;

(i) a Certificate of Good Standing issued as of a recent date by the Secretary of State of the State of Delaware and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which the Borrower is required to be so qualified;

(j) a certificate of incumbency signed by the Secretary or Assistant Secretary of the general partner of the Borrower with respect to each of the officers of the general partner of the Borrower authorized to execute and deliver the Loan Documents to which the Borrower is a party;

(k) certified copies (certified by the Secretary or Assistant Secretary of the general partner of the Borrower) of the partnership agreement of the Borrower and of all necessary action taken by the Borrower (and any of the partners of the Borrower) to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(l) the articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of each Guarantor certified as of a recent date by the Secretary of State of the State of formation of such Guarantor;

(m) a Certificate of Good Standing or certificate of similar meaning with respect to each Guarantor issued as of a recent date by the Secretary of State of the State of formation of each such Guarantor and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which such Guarantor is required to be so qualified;

(n) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Guarantor with respect to each of the officers of such Guarantor authorized to execute and deliver the Loan Documents to which such Guarantor is a party;

(o) copies certified by the Secretary or Assistant Secretary of each Guarantor (or other individual performing similar functions) of (i) the by-laws of such Guarantor, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (ii) all corporate, partnership, member or other necessary action taken by such Guarantor to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(p) all loan closing fees and any other fees then due and payable to the Agent and the Lenders in connection with this Agreement;

(q) evidence of the assignment of an Investment Grade Rating by both Moody's and S&P to the senior unsecured long term indebtedness of the Borrower;

(r) a pro forma Compliance Certificate dated as of the Agreement Date calculated on a projected basis for the fiscal quarter ending March 31, 1999;

(s) certified copies (certified by a senior executive officer of the general partner of the Borrower) of the following documents and instruments relating to the PRT Acquisition:

(i) the Merger Agreement and any amendments thereto; and

(ii) the Registration Statement on Form S-4, Registration No. 333-65491, as filed with the Securities and

Exchange Commission on October 9, 1998 by the Parent, as amended;

(t) a certificate of a senior executive officer of the Parent stating that all conditions precedent to the consummation of the PRT Acquisition as set forth in the Merger Agreement have been satisfied or waived in writing, together with a copy of any such waiver;

(u) copies of all opinion letters delivered in connection with the Merger Agreement and regarding the PRT Acquisition, either addressed to the Agent and the Lenders or accompanied by reliance letters from the issuers of such letters addressed to the Agent and the Lenders;

(v) evidence of the transfer of ownership from the Parent to the Borrower of all Properties owned directly or indirectly by PRT and acquired by the Parent pursuant to the PRT Acquisition other than (i) Properties owned by Retail Property Partners Limited Partnership and (ii) the Properties identified on Schedule 8.25.;

(w) evidence as to the termination of (i) the Existing PRT Credit Agreement and (ii) that certain Credit Agreement dated as of December 7, 1998 (as amended, the "Bridge Facility"), among PRT, each of the financial institutions a party thereto and Wells Fargo Bank, National Association, as Agent and repayment in full of all obligations thereunder;

(x) a copy (certified by a senior executive officer of the general partner of the Borrower) of the Indenture dated as of July 20, 1998 by and among the Borrower, the Guarantors named therein and First Union National Bank, as Trustee, relating to the Borrower's \$100,000,000 Notes due July 15, 2005, together with all supplemental indentures executed and delivered in connection therewith; and

(y) such other documents, instruments and agreements as the Agent or any Lender may reasonably request.

SECTION 6.2. Conditions to All Loans and Letters of Credit.

The obligation of the Lenders to make any Revolving Loans, and of the Swingline Lender to make any Swingline Loans, and of the Agent to issue Letters of Credit is subject to the condition precedent that the following conditions be satisfied in the judgment of the Agent:

(a) in the case of a Revolving Loan, timely receipt by the Agent of a Notice of Borrowing, or in the case of a Swingline Loan, timely receipt by the Swingline Lender of a Notice of Swingline Borrowing;

(b) the proposed use of proceeds of such Loan or Letter of Credit, as the case may be, set forth in the Notice of Borrowing or Notice of Swingline Borrowing, as the case may be, is consistent with the provisions of Section 8.14.;

(c) immediately before and after the making of such Loan or the issuance of such Letter of Credit, no Default (including without limitation, the existence of the condition described in Section 2.8.(f)) or Event of Default shall have occurred and be continuing; and

(d) the representations and warranties of the Borrower and the Guarantors contained in the Loan Documents shall be true in all material respects on and as of the date of such Loan or issuance of such Letter of Credit, as applicable, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted hereunder and the other Loan Documents.

The delivery of each Notice of Borrowing and each Notice of Swingline Borrowing and the making of each Loan and the issuance of each Letter of Credit shall constitute a certification by the Borrower to the Agent and the Lenders that the statements in the immediately preceding clauses (b) through (d) are true.

SECTION 6.3. Conditions to Conversion to Term Loans.

The right of the Borrower to convert Revolving Loans into Term Loans under Section 2.11. is subject to the condition precedent that the following conditions be satisfied in the judgment of the Agent:

(a) timely receipt by the Agent of the notice required under such Section;

(b) immediately before and after such conversion, no Default (including without limitation, the existence of the condition described in Section 2.8.(f)) or Event of Default shall have occurred and be continuing; and

(c) the representations and warranties of the Borrower contained in the Loan Documents to which it is a party shall be true in all material respects on and as of the date of such conversion except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted hereunder and the other Loan Documents.

The delivery of the notice required under such Section shall constitute a certification by the Borrower to the Agent and the Lenders that the statements in the immediately preceding clauses (b) and (c) are true.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and each Lender as follows:

SECTION 7.1. Existence and Power.

Each of the Borrower, each Guarantor and its other Subsidiaries is a corporation, partnership or other legal entity, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified and is in good standing, authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

SECTION 7.2. Ownership Structure.

Part I of Schedule 7.2. is a complete and correct list of all Subsidiaries of the Parent (including all Subsidiaries of the Borrower), setting forth for each such Subsidiary, (a) the jurisdiction of organization of such Subsidiary, (b) each Person holding ownership interests in such Subsidiary and (c) the nature of the ownership interests held by each such Person and (d) the percentage of ownership of such Subsidiary represented by such ownership interests. Except as disclosed in such Schedule (i) each of the Parent and its Subsidiaries owns, free and clear of all Liens, and has the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it on such Schedule, (ii) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (iii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. Part II of Schedule 7.2. correctly sets forth all Unconsolidated Affiliates and Preferred Stock

Entities of the Parent, including the correct legal name of such Person, the type of legal entity which each such Person is, and all ownership interests in such Person held directly or indirectly by the Parent.

SECTION 7.3. Authorization of Agreement, Notes, Loan Documents and Borrowings.

The Borrower and each Guarantor has the right and power, and has taken all necessary action to authorize it, to borrow hereunder (in the case of the Borrower) and to execute, deliver and perform this Agreement, the Notes and the other Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby, as the case may be. This Agreement, the Notes and each of the other Loan Documents to which the Borrower or a Guarantor is a party have been duly executed and delivered by such Loan Party and each is a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein may be limited by equitable principles generally.

SECTION 7.4. Compliance of Agreement, Notes, Loan Documents and Borrowing with Laws, etc.

The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which the Borrower or any Guarantor is a party in accordance with their respective terms and the borrowing of Loans hereunder do not and will not, by the passage of time, the giving of notice or otherwise (a) require any Governmental Approval or violate any Applicable Law relating to the Borrower or any Guarantor the failure to possess or to comply with which would have a Materially Adverse Effect; (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent documents of the Borrower or any Guarantor, or any indenture, agreement or other instrument to which the Borrower or any Guarantor is a party or by which it or any of its properties may be bound and the violation of which would have a Materially Adverse Effect; or (c) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any Guarantor other than Permitted Liens.

SECTION 7.5. Compliance with Law; Governmental Approvals.

Each of the Borrower and the Guarantors is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Law relating to it, except for noncompliances which, and Governmental Approvals the failure to possess which, would not, singly or in the aggregate, cause a Default or Event of Default or have a Materially Adverse Effect and in respect of which (if the Borrower has actual knowledge of such Applicable Law or Governmental Approval) adequate reserves have been established on the books of such Loan Party.

SECTION 7.6. Existing Indebtedness.

Other than the Indebtedness hereunder and as set forth on Schedule 7.6., neither the Borrower, any Guarantor nor any of its other Subsidiaries, Preferred Stock Entities or any other Non-Guarantor Entity has any Indebtedness. The Borrower, each Guarantor and each of the other Subsidiaries, Preferred Stock Entities and Affiliates have performed and are in compliance with all of the terms of such Indebtedness and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, a determination of materiality, the satisfaction of any other condition or any combination of the foregoing, would constitute such a default or event of default, exists with respect to any such Indebtedness.

SECTION 7.7. Title to Properties; Liens.

Each of the Borrower, each Guarantor and its other Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. Each of the Unencumbered Pool Properties is free and clear of all Liens except for Permitted Liens.

SECTION 7.8. Unencumbered Pool Properties.

Each of the Unencumbered Pool Properties qualifies as an Eligible Property.

SECTION 7.9. Leases.

Except as reflected on the most current rent rolls delivered to the Agent, all tenant leases of any Unencumbered Pool Property are in full force and effect and no default or event of default (or event or occurrence which upon with the passage of time or the giving of notice, or both, will constitute a default or event of default) exists or will exist thereunder as a result of the consummation of the transactions contemplated by the Loan Documents.

SECTION 7.10. Material Contracts.

Schedule 7.10. is a true, correct and complete listing of all Material Contracts. Each of the Borrower, each Guarantor and its other Subsidiaries that are parties to any Material Contract has performed and is in compliance with all of the terms of such Material Contract, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, a determination of materiality, the satisfaction of any other condition or any combination of the foregoing, would constitute such a default or event of default, exists with respect to any such Material Contract.

SECTION 7.11. Margin Stock.

Neither the Borrower, any Guarantor nor any other Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" within the meaning of Regulations U and X, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any such "margin stock."

SECTION 7.12. Transactions with Affiliates.

Except as set forth on Schedule 7.12., neither the Borrower, any Guarantor nor any other Subsidiary is a party to any transaction with any Affiliate which is in violation of Section 8.20.

SECTION 7.13. Absence of Defaults.

Neither the Borrower nor any Guarantor is in default under its articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document, and no event has occurred, which has not been remedied, cured or waived (a) which constitutes a Default or an Event of Default; or (b) which constitutes, or which with the passage of time, the giving of notice or otherwise, would constitute, a default or event of default by the Borrower, any Guarantor or any other Subsidiary under any Material Contract (other than this Agreement or any other Loan Document) or judgment, decree or order to which the Borrower, any Guarantor or any other Subsidiary is a party or by which it or any of its properties may be bound.

SECTION 7.14. Financial Information.

The Borrower has furnished to each Lender copies of (a) the audited consolidated balance sheet of the Parent and its Consolidated Subsidiaries as at December 31, 1996 and December 31, 1997, and the audited consolidated related statements of income, retained earnings and cash flow for the periods covered thereby (the "Parent's Audited Statements"), (b) the unaudited consolidated balance sheet of the Parent and its Consolidated Subsidiaries as at September 30, 1998 and the related unaudited consolidated statement of income, retained earnings and cash flow for the nine-month period then ending (the "Parent's Unaudited Statements", the Parent's Unaudited Statements and the Parent's Audited Statements together referred to as the "Parent's Financial Statements") and (c) the pro forma condensed consolidated balance sheet of the Parent and its Consolidated Subsidiaries (giving effect to the PRT Acquisition) as at September 30, 1998, and the unaudited pro forma condensed consolidated related statements of income, retained earnings and cash flow for the nine month period ending September 30, 1998 (the "Combined Statements"), each certified by the President or Chief Financial Officer of the Borrower to be, in his opinion, in compliance with the next sentence. The balance sheets and statements (including in each case related schedules and notes) contained in the Parent's Financial Statements are complete and correct and present fairly, in accordance with GAAP consistently applied throughout the periods involved, the consolidated financial position of the Parent and its Consolidated Subsidiaries as at their respective dates and the results of operations and the cash flow for such periods (subject, in the case of quarterly financial statements, to normal year-end audit adjustments and the absence of certain footnotes). The Combined Statements have been prepared by the Parent and PRT, based on their respective financial statements for such periods and at such date together with available information and certain assumptions which the Parent believes to be reasonable, and give pro forma effect to the PRT Acquisition under the pooling-of-interest method of accounting. Each of the operating statements pertaining to each of the Unencumbered Pool Properties delivered to the Agent was prepared in accordance with GAAP and fairly presents the results of operations of such Unencumbered Pool Property for the period then ended. Each of the projections, financial plans and budgets delivered, or required to be delivered, to the Agent or any Lender, whether prior to, on or after, the date hereof (a) has been, or will be, as applicable, prepared for each Unencumbered Pool Property in light of the past business and performance of such Unencumbered Pool Property and (b) represents or will represent, as of the date thereof, the reasonable good faith estimates of Borrower's financial performance. None of the Borrower, the Parent nor any of its Consolidated Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statements. Since December 31, 1995, there has been no material adverse change in the financial condition, operations, business or prospects of the Parent or any of its Subsidiaries. Each of the Parent and its Subsidiaries is Solvent.

SECTION 7.15. Litigation.

Except as set forth on Schedule 7.15., there are no actions, suits or proceedings pending against, or to the knowledge of the Parent threatened against or affecting, the Borrower, any Guarantor or any of its other Subsidiaries before any court or arbitrator or any governmental body, agency or official (a) which could reasonably be expected to have a Materially Adversely Effect or (b) which in any manner draws into question the validity or enforceability of any Loan Document.

SECTION 7.16. ERISA.

(a) Existing Plans. Except for Plans as set forth on Schedule 7.16., neither the Borrower nor any Guarantor maintains, nor has the Borrower or any Guarantor at any time maintained, any Plan subject to the provisions of ERISA. Neither the Borrower nor any Guarantor is, nor has at any time been, a member of any ERISA Group with any Person that has at any time maintained any such Plan.

(b) ERISA and Internal Revenue Code Compliance and Liability. Each of the Borrower and the Guarantors is in compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to all Plans except where failure to comply would not result in a Materially Adverse Effect and except for any required amendments for which the

remedial amendment period as defined in Section 401(b) of the Code has not yet expired. Each Plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Internal Revenue Code. No material liability has been incurred by the Borrower or any Guarantor which remains unsatisfied for any taxes or penalties with respect to any Plan or any Multiemployer Plan.

(c) Funding. No Plan has been terminated, nor has any accumulated funding deficiency (as defined in Section 412 of the Internal Revenue Code) been incurred (without regard to any waiver granted under Section 412 of the Internal Revenue Code), nor has any funding waiver from the IRS been received or requested with respect to any Plan, nor has the Borrower or any Guarantor failed to make any contributions or to pay any amounts due and owing as required by Section 412 of the Internal Revenue Code, Section 302 of ERISA or the terms of any Plan prior to the due dates of such contributions under Section 412 of the Internal Revenue Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C), 4063(a) or 4068(f) of ERISA with respect to any Plan.

(d) Prohibited Transactions and Payments. Neither the Borrower nor any Guarantor has: (1) engaged in a nonexempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Internal Revenue Code; (2) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no prepayments which are due and unpaid; (3) failed to make a required contribution or payment to a Multiemployer Plan; or (4) failed to make a required installment or other required payment under Section 412 of the Internal Revenue Code.

(e) No ERISA Termination Event. No Termination Event has occurred or is reasonably expected to occur.

(f) ERISA Litigation. No material proceeding, claim, lawsuit and/or investigation is existing or, to the best knowledge of the Borrower after due inquiry, threatened concerning or involving any (1) employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by the Borrower, (2) Plan or (3) Multiemployer Plan.

SECTION 7.17. Environmental Matters.

Each of the Borrower, the Guarantors and the other Subsidiaries has obtained all Governmental Approvals which are required under Environmental Laws and is in compliance in all material respects with all terms and conditions of such Governmental Approvals and all such Environmental Laws. The Parent is not aware of, and has not received notice of, any past, present, or future events, conditions, circumstances, activities, practices, incidents, actions, or plans which, with respect to the Borrower, the Guarantors or any of the other Subsidiaries, may interfere with or prevent compliance or continued compliance with Environmental Laws, or may give rise to any common-law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study, or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, chemical, or industrial, toxic, or other Hazardous Material. There is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, notice of violation, investigation, or proceeding pending or, to the Parent's knowledge, threatened, against the Borrower, any Guarantor or any other Subsidiary relating in any way to Environmental Laws.

SECTION 7.18. Taxes.

All federal, state and other tax returns of the Borrower, the Guarantors and the other Subsidiaries required by Applicable Law to be filed have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon the Borrower, any Guarantor or any other Subsidiary and their respective properties, income, profits and assets which are due and payable have been paid, except any such nonpayment which is at the time permitted under Section 8.3. None of the United States income tax returns of the Borrower, any Guarantor or any other Subsidiary are under audit. No tax liens have been filed and no claims are being asserted with respect to any such taxes. All charges, accruals and reserves on the books of the Borrower, each Guarantor and each other Subsidiary in respect of any taxes or other governmental charges are in accordance with GAAP.

SECTION 7.19. Investment Company; Public Utility Holding Company.

Neither the Borrower, any Guarantor nor any other Subsidiary is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (ii) a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended, or (iii) subject to any other Applicable Law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Agreement or to perform its obligations under any Loan Document to which it is a party.

SECTION 7.20. Full Disclosure.

All written information furnished by or on behalf of the Borrower or any Guarantor to the Agent and the Lenders for purposes of or in connection with this Agreement and the other Loan Documents or any transaction contemplated hereby is, and all such information hereafter furnished by or on behalf of the Borrower or any Guarantor to the Agent or any of the Lenders will be true and accurate in all material respects on the date as of which such information is stated or certified and does not, and will not, fail to state any material facts necessary to make the statements contained therein not misleading. The Parent

has disclosed to the Agent in writing any and all facts known to the Parent which materially and adversely affect or may affect (to the extent the Parent can now reasonably foresee), the business, operations or financial condition of the Borrower, each Guarantor and each of the other Consolidated Subsidiaries, or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party.

SECTION 7.21. Not Plan Assets.

Neither the assets of the Borrower nor any Guarantor constitute, nor will constitute, plan assets, within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or Non-ERISA Plan. The execution, delivery and performance of this Agreement, and the borrowing and repayment of amounts thereunder, do not and will not constitute "prohibited transactions" under ERISA or the Internal Revenue Code.

SECTION 7.22. Business.

The Parent and its Consolidated Subsidiaries, are engaged in the business of owning, managing and developing community and neighborhood shopping centers and other activities incidental thereto.

SECTION 7.23. Title to Properties; Necessary Agreements, Licenses, Permits; Adverse Contracts.

Each of the Borrower, the Guarantors and the other Subsidiaries (i) has good and marketable title to its assets and properties except as disclosed in the consolidated financial statements of the Parent delivered to the Agent and the Lenders, (ii) is in compliance with all real and personal property leases where the failure to so be in compliance would have a Materially Adverse Effect, (iii) possess all necessary and appropriate agreements, contracts, franchise arrangements, patents, trademarks, licenses, permits and other intellectual property rights free from burdensome or undue restriction and (iv) has not infringed upon or otherwise violated any trademark, patent, license or other intellectual property agreement where such infringement would have a Materially Adverse Effect. Neither the Borrower, any Guarantor nor any of the other Subsidiaries has assumed liability under or is a party to nor is it or any of its property subject to or bound by any forward purchase contract, futures contract, covenant not to compete, unconditional purchase, take or pay or other agreement which restricts its ability to conduct its business or, either individually or in the aggregate, has a Materially Adverse Effect or could reasonably be expected to have a Materially Adverse Effect.

SECTION 7.24. Non-Guarantor Entities.

Schedule 7.24. is as of the date hereof a complete and correct list of all Non-Guarantor Entities, setting forth for each such Person, the correct legal name of such Person, the type of legal entity which each such Person is, and all equity interests in such Person held directly or indirectly by the Parent. No Non-Guarantor Entity satisfies any condition contained in clause (i) or (ii) of Section 8.24.(a).

ARTICLE VIII. COVENANTS

The Borrower agrees that, so long as the Lenders have any Commitments hereunder or any Obligation remains unpaid:

SECTION 8.1. Information.

The Borrower and the Parent, as applicable will deliver to the Agent:

(a) Within 100 days after the end of each fiscal year of the Parent, the audited consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income, retained earnings and cash flows of the Parent and its Subsidiaries for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year, all of which shall be certified by the chief financial officer of the Parent in his or her opinion, to present fairly, in accordance with GAAP, the financial position of the Parent and its Subsidiaries, as applicable as at the date thereof and the result of operations for such period and by independent certified public accountants of recognized national standing acceptable to the Agent, whose certificate shall be in scope and substance satisfactory to the Agent and who shall have authorized the Parent to deliver such financial statements and certification thereof to the Agent and the Lenders pursuant to this Agreement;

(b) As soon as available and in any event within 50 days after the close of each of the first, second and third fiscal quarters of the Parent, the consolidated balance sheet of the Parent and its Subsidiaries as at the end of such period and the related consolidated statements of income, retained earnings and cash flows of the Parent and its Subsidiaries for such period, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year, all of which shall be certified by the chief financial officer of the Parent in his or her opinion, to present fairly, in accordance with GAAP, the consolidated financial position of the Parent and its Subsidiaries as at the date thereof and the results of operations for such period (subject to normal year-end audit adjustments);

(c) simultaneously with the delivery of each set of financial statements referred to in the immediately preceding clauses (a) and (b), a certificate of the chief financial officer of the Parent substantially in the form of Exhibit Q (i) setting forth in reasonable detail the calculations required to establish whether the Parent was in compliance with the requirements of Sections 8.12., 8.23. and 8.27. and Article IX. on the date of such financial statements, (ii) setting forth a schedule of all current Contingent Obligations of the Parent, the Borrower, all Subsidiaries, all Preferred Stock Entities and all Unconsolidated Affiliates and (iii) stating whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of

Default then exists, setting forth the details thereof and the action which the Parent and the Borrower are taking or proposes to take with respect thereto;

(d) as soon as available and in any event within 50 days after the end of each fiscal quarter of the Borrower, (i) an Unencumbered Pool Certificate setting forth the information to be contained therein as of the last day of such fiscal quarter and (ii) a list of all Non-Guarantor Entities as of the last day of such fiscal quarter, setting forth for each such Person, the correct legal name of such Person, the type of legal entity which each such Person is, and all equity interests in such Person held directly or indirectly by the Parent;

(e) simultaneously with the delivery of each set of financial statements referred to in the immediately preceding clause (a), a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default or Event of Default existed on the date of such statements;

(f) simultaneously with the delivery of each set of financial statements referred to in the immediately preceding clauses (a) and (b), a "Line Availability and Debt Capacity" report, certified by the chief financial officer of the Parent, substantially in the form of such report provided to the Agent as of December 11, 1998;

(g) no later than November 1 of each calendar year, the annual plan of the Parent and its Consolidated Subsidiaries which plan shall at least include capital and operating expense budgets, projections of sources and applications of funds, a projected balance sheet, profit and loss projections of the Parent and its Consolidated Subsidiaries for each quarter of the next succeeding fiscal year and a update copy of Schedule 7.6., all itemized in reasonable detail and shall also set forth the pro forma calculations required (including any assumptions, where appropriate) to establish whether or not the Parent, and when appropriate its Consolidated Subsidiaries, will be in compliance with the covenants contained in Sections 8.12. and 8.23. and Article IX. at the end of each fiscal quarter of the next succeeding fiscal year;

(h) promptly upon receipt thereof, copies of all reports submitted to the Borrower or the Parent or either the Borrower's general partner's or the Parent's Board of Directors, as applicable, by the Borrower's or Parent's, as applicable, independent public accountants, including without limitation, any management report;

(i) within five days after any executive officer of either the Borrower or the Parent obtains knowledge of any Default or Event of Default, a certificate of the president or chief financial officer of the Borrower or Parent, as applicable, setting forth the details thereof and the action which the Borrower or Parent is taking or proposes to take with respect thereto;

(j) promptly upon the mailing thereof to the shareholders of the Parent generally, copies of all financial statements, reports, offering memoranda and proxy statements so mailed;

(k) within 10 days of the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent), reports on Forms 10-K, 10-Q and 8-K (or their equivalents) and all other periodic reports which the Parent shall file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor) or any national securities exchange;

(l) promptly upon the release thereof, copies of all press releases of the Borrower and the Parent and any of its Subsidiaries;

(m) promptly upon obtaining knowledge thereof, a description in reasonable detail of any action, suit or proceeding commenced or threatened against the Borrower, any Guarantor, any Subsidiary or any Unencumbered Pool Property which is reasonably likely to have a Materially Adverse Effect;

(n) promptly upon the occurrence thereof, written notice of any material change in the senior management of the Borrower or the Parent;

(o) promptly upon the occurrence thereof, a copy of any amendment to the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document of the Parent, the Borrower or any Guarantor;

(p) upon request by the Agent, all financial information maintained on the Parent, the Borrower, any Guarantor and the individual real estate projects owned by the Parent, the Borrower or any Guarantor, including, but not limited to, property cash flow reports, property budgets, operating statements, leasing status reports (both actual occupancy and leased occupancy), contingent liability summary, note receivable summary, summary of cash and cash equivalents and overhead and capital improvement budgets;

(q) within 10 days of the filing thereof, each federal or state income tax return of the Parent, the Borrower, each Guarantor and each other Subsidiary;

(r) written notice not later than public disclosure of any material Investments, material acquisitions, dispositions, disposals, divestitures or similar transactions involving Property, the raising of additional equity or the incurring or repayment of material Indebtedness, by or with the Parent, the Borrower, any Guarantor or any other Subsidiary;

(s) if, in connection with a request by the Borrower that a Property be accepted as an Unencumbered Pool Property, the Borrower was unable to provide any operating statement or occupancy report for the entire period called for under clause (ii) or (iv) of Section 4.1.(a) because such information was not reasonably available to the Borrower but such information does later become available to the Borrower, the Borrower will promptly provide such reports to the Agent and the Lenders;

(t) promptly upon the request of the Agent, evidence of the Borrower's calculation of the Ownership Share with respect to a Subsidiary or an Unconsolidated Affiliate, such evidence to be in form and detail satisfactory to the Agent and the Majority Lenders; and

(u) from time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of the Parent, the Borrower, any Guarantor or any other Subsidiary as the Agent or any Lender may reasonably request.

SECTION 8.2. ERISA Reporting.

The Borrower shall deliver to the Agent as soon as possible, and in any event within 10 Business Days after the Borrower knows that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by the chief financial officer of the Borrower setting forth details respecting such event or condition and the action, if any, that the Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by the Borrower or an ERISA Affiliate with respect to such event or condition):

(a) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Internal Revenue Code or Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Internal Revenue Code); and any request for a waiver under Section 412(d) of the Internal Revenue Code for any Plan;

(b) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by the Borrower or an ERISA Affiliate to terminate any Plan;

(c) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(d) the complete or partial withdrawal from a Multiemployer Plan by the Borrower or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by the Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(e) the institution of a proceeding by a fiduciary of any Multiemployer Plan against the Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(f) the adoption of an amendment to any Plan that, pursuant to Section 401 (a) (29) of the Internal Revenue Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Borrower or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections.

SECTION 8.3. Payment of Obligations.

The Borrower and the Parent will pay and discharge, and will cause each Guarantor and each other Subsidiary of the Parent to pay and discharge, at or before maturity, all their respective material obligations and liabilities, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings unless the contest thereof would have a Materially Adverse Effect, and will maintain, and will cause each Guarantor and each other Subsidiary of the Parent to maintain, in accordance with GAAP, appropriate reserves for the accrual of any of the same.

SECTION 8.4. Preservation of Existence and Similar Matters.

The Borrower and the Parent shall preserve and maintain, and cause each Guarantor and each other Subsidiary of the Parent to preserve and maintain, its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization and where the failure to be so authorized and qualified would have a Materially Adverse Effect.

SECTION 8.5. Maintenance of Property.

The Borrower and the Parent shall, and shall cause each other Guarantor and each other Subsidiary of the Parent to, (a) protect and preserve all of its material properties, including without limitation, all Unencumbered Pool Properties, and maintain in good repair, working order and condition all tangible properties, and (b) from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties.

SECTION 8.6. Conduct of Business.

The Borrower and the Parent shall at all times carry on, and cause each other Guarantor and each other Subsidiary of the Parent to carry on, its respective businesses in the same fields as engaged in on the Agreement Date and not enter, and not permit any other Guarantor or any other Subsidiary of the Parent to enter, into any line of business not otherwise engaged in by such Person as of the Agreement Date.

SECTION 8.7. Insurance.

The Borrower and the Parent shall maintain, and cause each other Guarantor and each other Subsidiary of the Parent to maintain, insurance with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by similar businesses or as may be required by Applicable Law. Such insurance shall, in any event, include fire and extended coverage, public liability, property damage, workers' compensation and flood insurance (if required under Applicable Law). The Borrower and the Parent shall from time to time deliver to the Agent or any Lender upon its request a detailed list, together with copies of all policies of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

SECTION 8.8. Modifications to Material Contracts.

The Borrower and the Parent shall not enter into, or permit any other Guarantor or any other Subsidiary of the Parent to enter into, any amendment or modification to any Material Contract or default in the performance of any obligations of the Parent, the Borrower, any other Guarantor or any other Subsidiary of the Parent in any Material Contract or permit any Material Contract to be canceled or terminated prior to its stated maturity.

SECTION 8.9. Environmental Laws.

The Borrower and the Parent shall comply, and cause all other Guarantors and all other Subsidiaries of the Parent to comply, in all material respects with all Environmental Laws. If the Parent, the Borrower, any other Guarantor or any other Subsidiary shall (a) receive notice that any violation of any Environmental Law may have been committed or is about to be committed by such Person, (b) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against the Parent, the Borrower, any other Guarantor or any other Subsidiary alleging violations of any Environmental Law or requiring the Parent, the Borrower, any other Guarantor or any other Subsidiary to take any action in connection with the release of Hazardous Materials or (c) receive any notice from a Governmental Authority or private party alleging that the Parent, the Borrower, any other Guarantor or any other Subsidiary may be liable or responsible for costs associated with a response to or cleanup of a release of Hazardous Materials or any damages caused thereby, the Parent shall promptly provide the Agent with a copy of such notice and in any event within 10 days after the receipt thereof by the Parent, the Borrower, any other Guarantor or any other Subsidiary. The Borrower and the Parent shall, and shall cause each other Guarantor and each other Subsidiary to, promptly take all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws.

SECTION 8.10. Compliance with Laws and Material Contracts.

The Borrower and the Parent will comply, and cause each other Guarantor and each other Subsidiary to comply, with (a) all Applicable Laws, except where the failure to so comply would not have a Materially Adverse Effect and (b) all terms and conditions of all Material Contracts to which it is a party.

SECTION 8.11. Inspection of Property, Books and Records.

The Borrower and the Parent will keep, and will cause each other Guarantor and each other Subsidiary of the Parent to keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit, and will cause each other Guarantor and each other Subsidiary of the Parent to permit, representatives of the Agent or any Lender to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants in the Borrower's presence prior to an Event of Default, all at such reasonable times during business hours and as often as may reasonably be desired and with reasonable notice so long as no Event of Default shall have occurred and be continuing.

SECTION 8.12. Indebtedness.

The Borrower and the Parent will not, and will not permit any other Guarantor or any Subsidiary to, incur, assume or suffer to exist any Indebtedness other than:

- (a) Indebtedness under this Agreement;
- (b) Indebtedness set forth in Schedule 7.6.;
- (c) Indebtedness represented by declared but unpaid dividends; and

(d) Secured Indebtedness and other Unsecured Indebtedness that is pari passu with and is not subordinate in right of payment or otherwise to the Loans and the other Obligations, so long as (i) no Default or Event of Default shall have occurred and be continuing and (ii) the incurrence of such Secured Indebtedness or other Unsecured Indebtedness would not cause the occurrence of a Default or Event of Default, including without limitation, a Default or Event of Default resulting from a violation of Section 9.2.

SECTION 8.13. Consolidations, Mergers and Sales of Assets.

The Borrower and the Parent shall not, and shall not permit any other Guarantor or any other Subsidiary of the Parent to, (a) enter into any transaction of merger or consolidation; (b) liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) or (c) convey, sell, lease, sublease, transfer or otherwise dispose of, in one or a series of transactions, any Unencumbered Pool Property or any interest therein, or all or any substantial part of its business or assets, or the capital stock of or other equity interests in any Subsidiary, except that (i) a Subsidiary may merge or consolidate with the Borrower or a Wholly Owned Subsidiary of the Borrower and (ii) a Subsidiary may sell, transfer or dispose of its assets to the Borrower or a Wholly Owned Subsidiary. Further, the Borrower and the Parent shall not, and shall not permit any Guarantor nor any other Subsidiary of the Parent to, enter into any sale-leaseback transactions or other transaction by which the Parent, the Borrower, any other Guarantor or any other Subsidiary shall remain liable as lessee (or the economic equivalent thereof) of any real or personal property that it has sold or leased to another Person.

SECTION 8.14. Use of Proceeds and Letters of Credit.

The Borrower will only use the proceeds of the Loans for pre-development costs, development costs, acquisitions, capital expenditures, working capital and general corporate purposes, equity investments, repayment of Indebtedness or scheduled amortization payments on Indebtedness, financing loans to Subsidiaries, Unconsolidated Affiliates, Preferred Stock Entities and other Affiliates of the Borrower for development activities, and for no other purposes. The Borrower will not use any proceeds of the Loans for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulations U and X. The Borrower will use the Letters of Credit only for the same purposes for which it may use the proceeds of Loans. The Borrower shall use the proceeds of the initial Revolving Loans made on the Effective Date to satisfy in full all outstanding financial obligations owing by PRT under the Existing PRT Credit Agreement and other Loan Documents (as defined in the Existing PRT Credit Agreement) and the Bridge Facility and the other Loan Documents (as defined in the Bridge Facility).

SECTION 8.15. Tenant Concentration.

Neither the Borrower nor the Parent shall permit the Adjusted Base Rents from any single tenant (excluding Credit Tenants but including all Affiliates of such tenant other than Credit Tenants), to exceed 15% of Adjusted Base Rents from all Properties of the Parent and its Subsidiaries.

SECTION 8.16. Acquisitions.

The Borrower and the Parent shall not, and shall not permit any Subsidiary to, make any Acquisition in which the consideration paid (whether by way of payment of cash, issuance of capital stock, assumption of Indebtedness, or otherwise) by the Borrower, the Parent or such Subsidiary equals or exceeds 35% of the sum of (a) total consolidated assets of the Parent plus (b) consolidated accumulated depreciation of the Parent unless (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Parent shall have given the Agent and the Lenders at least 30 days prior written notice of such Acquisition and (iii) the Parent shall have delivered to the Agent and the Lenders a Compliance Certificate, calculated on a pro forma basis, evidencing the Borrower's and Parent's continued compliance with the terms and conditions of this Agreement and the other Loan Documents, including without limitation, the financial covenants contained in Article IX., after giving effect to such Acquisition.

SECTION 8.17. Exchange Listing.

The Parent shall cause its common stock to be listed for trading on either the New York Stock Exchange or the American Stock Exchange.

SECTION 8.18. REIT Status.

Parent will at all times maintain its status as a REIT.

SECTION 8.19. Negative Pledge; Restriction on Distribution Rights.

The Borrower and Parent shall not, and shall not permit any other Guarantor or other Subsidiary of the Parent, to (a) create, assume, incur or permit or suffer to exist any Lien upon any of the Unencumbered Pool Properties or any direct or indirect ownership interest of the Borrower in any Guarantor owning any Unencumbered Pool Property, other than Permitted Liens; (b) enter into or assume any agreement (other than the Loan Documents) prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired; or (c) create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to: (i) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interest owned by the Parent or any other Subsidiary; (ii) pay any Indebtedness owed to the Parent or any other Subsidiary; (iii) make loans or advances to the Parent or any other Subsidiary; or (iv) transfer any of its property or assets to the Parent or any other Subsidiary.

SECTION 8.20. Agreements with Affiliates.

The Borrower and the Parent shall not, and shall not permit any other Guarantor or any other Subsidiary of the Parent to, enter into any transaction requiring such Person to pay any amounts to or otherwise transfer property to, or pay any management or other fees to, any Affiliate other than on terms and conditions substantially as favorable to the Parent, the Borrower, such other Guarantor or such other Subsidiary as would be obtainable at the time in a

comparable arm's-length transaction with a Person not an Affiliate.

SECTION 8.21. ERISA Exemptions.

The Borrower and the Parent shall not, and shall not permit any other Guarantor or any other Subsidiary to, permit any of its respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or any Non-ERISA Plan.

SECTION 8.22. Compliance with and Amendment of Charter or Bylaws.

The Borrower and the Parent will, and will cause each other Guarantor to (a) comply with the terms of its articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document and (b) not amend, supplement, restate or otherwise materially modify its articles of incorporation, by-laws, operating agreement, partnership agreement or other organizational or constituent document without the prior written consent of the Lenders whose combined Pro Rata Shares equal or exceed 51% except as is required (i) under Applicable Laws or (ii) in order to maintain compliance with Section 8.18.

SECTION 8.23. Distributions.

If no Event of Default shall have occurred and be continuing, none of the Parent, the Borrower or any Subsidiary (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments other than (a) (i) distributions to its shareholders, partners or members, as applicable, and (ii) payments made by the Parent to purchase outstanding shares of the common stock of the Parent, which distributions and payments in the aggregate shall not exceed 95% of Funds From Operations as of the end of each fiscal quarter for the four fiscal quarter period then ending; provided, however, that any payments made pursuant to clause (ii) above shall not exceed 10% of Funds from Operations for such four quarter period and (b) distributions of capital gains resulting from certain asset sales to the extent necessary to maintain compliance with Section 8.18. If an Event of Default under Section 10.1. (a) shall have occurred and be continuing as a result of the Borrower's failure to pay any principal of or interest on any of the Obligations, none of the Parent, the Borrower or any Subsidiary (other than Wholly-Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments. If any other Event of Default shall have occurred and be continuing, none of the Parent, the Borrower or any Subsidiary (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments except that the Parent may make distributions to its shareholders in the minimum amount necessary to maintain compliance with Section 8.18.

SECTION 8.24. New Guarantors.

(a) Generally. The Parent shall cause any Subsidiary that is not already a Guarantor and to which any of the following conditions apply (each a "New Guarantor") to execute and deliver to the Agent an Accession Agreement, together with the other items required to be delivered under the immediately following subsection (b):

(i) any Subsidiary that Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of (1) the Parent; (2) the Borrower; (3) any other Subsidiary of the Parent or the Borrower or (4) any Non-Guarantor Entity; and

(ii) any other Subsidiary that can become a party to the Guaranty without violating: (1) terms of its articles of incorporation, bylaws, operating agreement, partnership agreement, declaration of trust or other similar organizational document, which terms expressly prohibit such Subsidiary from providing Guarantees of Indebtedness of any other Person or otherwise incurring any Indebtedness or (2) any fiduciary obligation owing by such Subsidiary to the holders of equity interest in such Subsidiary and imposed under Applicable Law; provided, however, the condition of this clause (ii) shall be deemed not to apply to (A) Retail Property Partners Limited Partnership at any time prior to June 30, 1999 nor (B) any Single Asset Subsidiary.

Any such Accession Agreement and the other items required under the immediately following subsection (b) must be delivered to the Agent no later than 10 days following the date on which any of the above conditions first applies to a Subsidiary.

(b) Required Deliveries. Each Accession Agreement required to be delivered by a New Guarantor under the immediately preceding subsection (a) shall be accompanied by all of the following items, each in form and substance satisfactory to the Agent:

(i) the articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of such New Guarantor certified as of a recent date by the Secretary of State of the State of formation of such New Guarantor;

(ii) a Certificate of Good Standing or certificate of similar meaning with respect to such New Guarantor issued as of a recent date by the Secretary of State of the State of formation of such New Guarantor and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which such New Guarantor is required to be so qualified;

(iii) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions)

of such New Guarantor with respect to each of the officers of such New Guarantor authorized to execute and deliver the Loan Documents to which such New Guarantor is a party;

(iv) copies certified by the Secretary or Assistant Secretary of New Guarantor (or other individual performing similar functions) of (1) the by-laws of New Guarantor, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (2) all corporate, partnership, member or other necessary action taken by such New Guarantor to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(v) an opinion of Foley & Lardner, counsel to Borrower, addressed to the Agent and Lenders, and regarding, among other things, the authority of such New Guarantor to execute, deliver and perform the Guaranty, and such other matters as the Agent or its counsel may request; and

(vi) such other documents and instruments as the Agent may reasonably request.

SECTION 8.25. Acquisitions or Developments of Properties.

Neither the Parent nor any of its Subsidiaries other than the Borrower and its Subsidiaries shall acquire or develop any Property directly or indirectly through the Acquisition of a Subsidiary other than Properties acquired or developed by the Parent and such Subsidiaries on or before December 31, 1997; provided, however, that (a) Delk Spectrum, L.P., a Subsidiary of the Parent, may acquire and develop Properties after December 31, 1997 so long as the aggregate value of such Properties is equal to or less than \$13,000,000; (b) Regency Office may acquire the Regency Office Properties; (c) the Parent may acquire Preferred Stock (that is not Voting Stock) of PRT Development Corporation, and its Wholly Owned Subsidiary Fountain Valley LLC (which only owns the Property referred to as "Fountain Valley"), pursuant to the PRT Acquisition; (d) the Parent may acquire a general partner interest in Retail Property Partners Limited Partnership pursuant to the PRT Acquisition so long as (i) the Parent transfers such interest to the Borrower (or Retail Property Partners Limited Partnership merges with and into the Borrower) prior to June 30, 1999 and (ii) the Properties held by Retail Property Partners Limited Partnership have an aggregate book value plus accumulated depreciation of no more than \$140,000,000; (e) the Parent may acquire PRT Sunnyside LLC as a Subsidiary pursuant to the PRT Acquisition so long as the Parent transfers all of its ownership interest in such Subsidiary to the Borrower prior to June 30, 1999 and (f) the Parent may acquire the Properties described on Schedule 8.25. pursuant to the PRT Acquisition.

SECTION 8.26. Transfer of Properties to Borrower.

The Parent shall cause each of RRC General SPC, Inc., RRC Limited SPC, Inc., RSP IV Criterion, Ltd., Regency Rosewood Temple Terrace, Ltd., Treasure Coast Investors, Ltd., Landcom Regency Mandarin, Ltd., RRC FL SPC, Inc., RRC AL SPC, Inc., and RRC MS SPC, Inc. to transfer all Properties owned by such entities to the Borrower upon the earlier of the prepayment or the maturity of the those certain Mortgage Pass-Through Certificates (Series 1993-1) issued by RRC Lender, Inc. in the aggregate principal amount \$51,000,000 pursuant to that certain Trust Agreement dated as of November 5, 1993, between RRC Lender, Inc., as depositor and Banker's Trust Company, as Trustee (the foregoing transaction referred to herein as the "Banker's Trust Securitized Loan") provided, however, that the Parent may sell any of such Properties to a third party prior to the maturity of the Banker's Trust Securitized Loan. The maturity date of the Banker's Trust Securitized Loan shall not be extended beyond its current maturity of November 5, 2000. Notwithstanding the foregoing, the Parent shall not be required to transfer such Properties if this Agreement is amended, in form and substance satisfactory to the Agent, to provide that the financial covenants set forth in Article IX. be tested separately for the Borrower and its Consolidated Subsidiaries and the Parent and its Consolidated Subsidiaries.

SECTION 8.27. Asset Value of Non-Guarantor Entities.

At no time shall the aggregate Asset Value of the Non-Guarantor Entities obligated in respect of any Indebtedness other than Nonrecourse Indebtedness exceed 10% of the Gross Asset Value of the Parent and its Subsidiaries determined on a consolidated basis.

SECTION 8.28. Year 2000 Compliance.

The Borrower will take all action necessary to assure that the Borrower's and its Subsidiaries' computer systems are able to operate and effectively process data including dates on and after January 1, 2000. At the request of the Agent, the Borrower will provide the Agent assurance acceptable to the Agent of such "Year 2000" compatibility.

SECTION 8.29. Hedging Agreements.

The Borrower and the Parent shall not, and shall not permit any Subsidiary of the Parent to, create, incur or suffer to exist any obligations in respect of Hedging Agreements other than (a) Hedging Agreements existing on the date hereof and described in Schedule 8.29.; (b) interest rate cap agreements and (c) interest rate Hedging Agreements (excluding interest rate cap agreements) entered into from time to time after the date hereof with counterparties that are nationally recognized, investment grade financial institutions in an aggregate notional amount not to exceed \$635,000,000 at any time outstanding; provided that, no Hedging Agreement otherwise permitted hereunder may be speculative in nature.

SECTION 9.1. Minimum Net Worth.

The Parent shall not at any time permit its Net Worth determined on a consolidated basis to be less than :

(a) At any time prior to the Parent's delivery of the financial statements described in Section 8.1.(b) for the fiscal quarter ending March 31, 1999, an amount equal to (i) 90% of the Net Worth of the Parent as of September 30, 1998 determined on a consolidated basis giving pro forma effect to the PRT Acquisition plus (ii) 90% of the sum of (x) the amount of proceeds (net of transaction costs) received by the Parent from the sale or issuance of shares, options, warrants or other equity securities of any class or character of the Parent after September 30, 1998 (excluding any such equity securities issued in connection with the PRT Acquisition) which affect the Net Worth of the Parent plus (y) any positive change in the Parent's Net Worth occurring upon the issuance of any shares of the Parent in exchange for the limited partnership units held by the limited partners of the Borrower; and

(b) At any time after the Parent's delivery of the financial statements described in Section 8.1.(b) for the fiscal quarter ending March 31, 1999, an amount equal to (i) 90% of the Net Worth of the Parent determined on a consolidated basis as of the end of such fiscal quarter plus (ii) 90% of the sum of (x) the amount of proceeds (net of transaction costs) received by the Parent from the sale or issuance of shares, options, warrants or other equity securities of any class or character of the Parent after March 31, 1999 which affect the Net Worth of the Parent plus (y) any positive change in the Parent's Net Worth occurring upon the issuance of any shares of the Parent in exchange for the limited partnership units held by the limited partners of the Borrower.

SECTION 9.2. Ratio of Total Liabilities to Gross Asset Value.

The Parent shall not at any time permit the ratio of Total Liabilities of the Parent and its Subsidiaries determined on a consolidated basis to Gross Asset Value of the Parent and its Subsidiaries determined on a consolidated basis to exceed 0.525 to 1.00 at any time.

SECTION 9.3. Ratio of Secured Indebtedness to Gross Asset Value.

The Parent shall not at any time permit the ratio of Secured Indebtedness of the Parent and its Subsidiaries determined on a consolidated basis to Gross Asset Value of the Parent and its Subsidiaries determined on a consolidated basis to exceed 0.35 to 1.00 at any time.

SECTION 9.4. Ratio of EBITDA to Interest Expense.

The Parent shall not permit the ratio of EBITDA of the Parent and its Subsidiaries determined on a consolidated basis to Interest Expense of the Parent and its Subsidiaries determined on a consolidated basis for any fiscal quarter to be less than 2.0 to 1.0 at the end of such fiscal quarter.

SECTION 9.5. Ratio of EBITDA to Debt Service, Preferred Stock Distributions and Reserve for Replacements.

The Parent shall not permit the ratio of (a) EBITDA of the Parent and its Subsidiaries determined on a consolidated basis to (b) the sum of (i) Debt Service of the Parent and its Subsidiaries determined on a consolidated basis plus (ii) any distributions by the Parent or any Subsidiary to the holders of Preferred Stock issued by the Parent or any such Subsidiary plus (iii) Reserve for Replacements for all of the Properties of the Parent and its Consolidated Subsidiaries for any fiscal quarter to be less than 1.75 to 1.00 for such fiscal quarter.

SECTION 9.6. Unsecured Interest Expense Coverage.

The Parent shall not permit the ratio of Unencumbered NOI to Interest Expense on Unsecured Indebtedness of the Parent and its Subsidiaries determined on a consolidated basis for any fiscal quarter to be less than 1.75 to 1.00 for such fiscal quarter.

SECTION 9.7. Permitted Investments.

(a) The Parent shall not make any Investment in or otherwise own, and shall not permit the Borrower, any other Guarantor or any other Subsidiary to make an Investment in or otherwise own, the following items which would cause the aggregate value of such holdings of the Parent, the Borrower and the other Subsidiaries to exceed the following percentages of the Parent's Gross Asset Value:

(i) unimproved real estate, such that the aggregate book value of all such unimproved real estate exceeds 10% of the Parent's Gross Asset Value;

(ii) Common stock, preferred stock, other capital stock, beneficial interest in trust, membership interest in limited liability companies and other equity interests in Persons (other than Subsidiaries and Unconsolidated Affiliates), such that the aggregate value of such interests calculated on the basis of the lower of cost or market, exceeds 5% of the Parent's Gross Asset Value;

(iii) Mortgages in favor of the Parent, the Borrower or any other Subsidiary, such that the aggregate book value of Indebtedness secured by such Mortgages exceeds 5% of the Parent's Gross Asset Value;

(iv) Investments in Unconsolidated Affiliates, such that the aggregate value of such Investments exceeds 15% of the Parent's Gross Asset Value. For purposes of this clause (iv), the "value" of any such Investment in such a non-corporate Person shall equal (1) with respect to any of such Person's Properties under construction, the Parent's

Ownership Share of the book value of Construction in Process for such Property as of the date of determination and (2) with respect to any of such Person's Properties which have been completed, the Parent's Ownership Share of Capitalized EBITDA of such Person attributable to such Properties; and

In addition to the foregoing limitations, the aggregate value of the Investments subject to the limitations in the preceding clauses (i) through (iv) shall not exceed 25% of the Parent's Gross Asset Value.

Additionally, the aggregate amount of the Construction Budgets for Development Properties in which the Parent either has a direct or indirect ownership interest shall not exceed 20% of the Parent's Gross Asset Value. If a Development Property is owned by an Unconsolidated Affiliate of the Parent, the Borrower or any Subsidiary, then the greater of (1) the product of (A) the Parent's, the Borrower's or such Subsidiary's Ownership Share in such Unconsolidated Affiliate and (B) the amount of the Construction Budget for such Development Property or (2) the recourse obligations of the Parent, the Borrower or such Subsidiary relating to the Indebtedness of such Unconsolidated Affiliate, shall be used in calculating such investment limitation.

SECTION 9.8. Floating Rate Debt.

The Parent will not and will not permit any of its Subsidiaries to incur, assume or suffer to exist any Unprotected Floating Rate Debt of the Parent and its Subsidiaries determined on a consolidated basis in an aggregate outstanding principal amount in excess of 25% of Gross Asset Value of the Parent and its Subsidiaries determined on a consolidated basis at any time.

SECTION 9.9. Limitation on Non-Wholly Owned Subsidiaries, Preferred Stock Entities and Unconsolidated Affiliates.

The Borrower shall not permit the sum of (a) the value of Investments in Unconsolidated Affiliates plus (b) the Capitalized EBITDA of Consolidated Subsidiaries which are not Wholly Owned Subsidiaries to exceed 25% of the Gross Asset Value of the Parent and its Subsidiaries determined on a consolidated basis as of the end of each fiscal quarter. For purposes of this section, the "value" of an Investment in an Unconsolidated Affiliate shall equal (1) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Parent's Ownership Share of the book value of Construction in Process for such Property as of the date of determination and (2) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Parent's Ownership Share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties

ARTICLE X. DEFAULTS

SECTION 10.1. Events of Default.

If one or more of the following events shall have occurred and be continuing:

(a) Default in Payment. The Borrower shall fail to pay the principal amount of any Loan or any Reimbursement Obligation when due or (ii) any interest on any Loan or other Obligation, or any fees or other Obligations within 5 Business Days of the due date thereof;

(b) Default in Performance. The Parent or the Borrower shall fail to observe or perform any covenant or agreement contained in Section 8.12., Section 8.13. or Section 8.19. on its part to be performed;

(c) Default in Performance-Cure. The Parent or the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by the immediately preceding subsections (a) or (b)) for a period of 30 days after written notice thereof has been given to the Borrower or the Parent by the Agent;

(d) Other Loan Documents. An Event of Default under and as defined in any Loan Document shall occur and be continuing or the Parent or the Borrower shall fail to observe or perform any covenant or agreement contained in any of the Loan Documents to which it is a party and such failure shall continue beyond any applicable period of grace;

(e) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of the Parent, the Borrower or any other Guarantor under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any other writing or statement at any time furnished or made or deemed made by or on behalf of the Parent, the Borrower or any other Guarantor to the Agent or any Lender, shall at any time prove to have been incorrect or misleading in any material respect when furnished or made.

(f) Indebtedness Cross-Default.

(i) The Parent, the Borrower, any other Guarantor or any other Subsidiary shall fail to pay when due and payable the principal of, or interest on, any Indebtedness (other than the Loans) or any Contingent Obligations, which Indebtedness or Contingent Obligations have an aggregate outstanding principal amount of \$5,000,000 or more;

(ii) Any such Indebtedness or Contingent Obligations shall have (x) been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Indebtedness or (y) been required to be prepaid prior to the stated maturity thereof; or

(iii) Any other event shall have occurred and be continuing which, with or without the passage of time, the giving of notice, a determination of materiality, the satisfaction of any condition or any

combination of the foregoing, would permit any holder or holders of such Indebtedness or Contingent Obligations, any trustee or agent acting on behalf of such holder or holders or any other Person, to accelerate the maturity of any such Indebtedness or Contingent Obligations or require any such Indebtedness or Contingent Obligations to be prepaid prior to its stated maturity.

(g) Voluntary Bankruptcy Proceeding. The Parent, the Borrower, any other Guarantor or any other Affiliates shall: (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws or consent to any proceeding or action described in the immediately following subsection; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(h) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against the Parent, the Borrower, any other Guarantor or any other Affiliates, in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in such case or proceeding against the Parent, the Borrower, such Guarantor or such Affiliate (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(i) Change of Control/Change in Management.

(w) (A) If any Person (or two or more Persons acting in concert) (other than the Stein Parties or US Realty) shall acquire "beneficial ownership" within the meaning of Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, of the capital stock or securities of the Parent representing 20% or more of the aggregate voting power of all classes of capital stock and securities of the Parent entitled to vote for the election of directors or (B) during any twelve-month period (commencing both before and after the Agreement Date), individuals who at the beginning of such period were directors of the Parent shall cease for any reason (other than death or mental or physical disability) to constitute a majority of the board of directors of the Parent;

(x) If the Persons comprising the Stein Parties shall cease to own, in the aggregate, at least 570,000 shares of the outstanding common stock of the Parent (without regard to any dilution thereof);

(y) If US Realty shall cease to own at least 25% of the total outstanding common stock of the Parent; or

(z) the general partner of the Borrower shall cease to be the Parent;

(j) ERISA. The assets of the Parent, the Borrower or any other Guarantor at any time constitute assets, within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or Non-ERISA Plan;

(k) Litigation. The Parent, the Borrower or any other Guarantor shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of this Agreement, any Note or any other Loan Document.

(l) Judgment. A judgment or order for the payment of money (not adequately covered by insurance as to which the insurance company has acknowledged coverage in writing) shall be entered against the Parent, the Borrower or any Subsidiary by any court or other tribunal which exceeds, individually or together with all other such judgments or orders entered against the Parent, the Borrower or such Subsidiary, \$5,000,000 in amount (or which could otherwise have a Materially Adverse Effect) and such judgment or order shall continue for a period of 30 days without being stayed or dismissed through appropriate appellate proceedings.

(m) Attachment. A warrant, writ of attachment, execution or similar process shall be issued against any property of the Parent, the Borrower or any Subsidiary which exceeds, individually or together with all other such warrants, writs, executions and processes, \$5,000,000 in amount and such warrant, writ, execution or process shall not be discharged, vacated, stayed or bonded for a period of 30 days.

(n) Damage; Strike; Casualty. Any material damage to, or loss, theft or destruction of, any Property, whether or not insured, or any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than 30 consecutive days beyond the coverage period of any applicable business interruption insurance, the cessation or

substantial curtailment of revenue producing activities of the Parent, the Borrower, any other Guarantor or any other Subsidiary if any such event or circumstance could reasonably be expected to have a Materially Adverse Effect.

(o) Guarantors. Any Guarantor shall fail to comply with any term, covenant, condition or agreement contained in the Guaranty or any Guarantor shall disavow, revoke or terminate or attempt to do any of the foregoing with respect to the Guaranty.

SECTION 10.2. Remedies.

Upon the occurrence of an Event of Default, and in every such event, the Agent shall, upon the direction of the Majority Lenders, (i) by notice to the Borrower terminate the Commitments, which shall thereupon terminate, and (ii) by notice to the Borrower declare the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding to be, and the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding for deposit into the Collateral Account shall thereupon become, immediately due and payable without presentment, demand, protest or notice of intention to accelerate, all of which are hereby waived by the Borrower. If the Agent has exercised any of the rights provided under the preceding sentence, the Swingline Lender shall: (I) declare the principal of, and accrued interest on, the Swingline Loans and the Swingline Note at the time outstanding, and all of the other Obligations owing to the Swingline Lender, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower and (II) terminate the Swingline Commitment and the obligation of the Swingline Lender to make Swingline Loans. Notwithstanding the foregoing, upon the occurrence of any of the Events of Default specified in Section 10.1.(g) or (h) above, without any notice to the Borrower or any other act by the Agent, the Commitments and the Swingline Commitment shall thereupon immediately and automatically terminate and the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding for deposit into the Collateral Account shall become immediately due and payable without presentment, demand, protest, notice of intention to accelerate or notice of acceleration, or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of a Default under Section 10.1.(h) or Section 10.1.(i)(y), the right of the Borrower to request Revolving Loans and Swingline Loans shall be suspended.

SECTION 10.3. Allocation of Proceeds.

If an Event of Default shall have occurred and be continuing and the maturity of the Notes has been accelerated, all payments received by the Agent under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder or thereunder, shall be applied by the Agent in the following order and priority:

- (a) amounts due to the Agent and the Lenders in respect of fees and expenses due under Section 12.3.;
- (b) payments of interest on Swingline Loans;
- (c) payments of interest on all other Loans and Reimbursement Obligations, to be applied for the ratable benefit of the Lenders;
- (d) payments of principal of Swingline Loans;
- (e) payments of principal of all other Loans and Reimbursement Obligations, to be applied for the ratable benefit of the Lenders;
- (f) amounts to be deposited into the Collateral Account;
- (g) amounts due to the Agent and the Lenders pursuant to Sections 11.8. and 12.5.;
- (h) payments of all other amounts due under any of the Loan Documents, if any, to be applied for the ratable benefit of the Lenders; and
- (i) any amount remaining after application as provided above, shall be paid to the Borrower or whomever else may be legally entitled thereto.

SECTION 10.4. Rights Cumulative.

The rights and remedies of the Agent and the Lenders under this Agreement and each of the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Agent and the Lenders may be selective and no failure or delay by the Agent or any of the Lenders in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

SECTION 10.5. Rescission of Acceleration by Majority Lenders.

If at any time after acceleration of the maturity of the Loans and the other Obligations, the Borrower shall pay all arrears of interest and all payments on account of principal of the Obligations which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by Applicable Law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Defaults (other than nonpayment of principal of and accrued interest on the Obligations due and payable solely by virtue of acceleration) shall be remedied or waived to the satisfaction of the Majority Lenders, then by written notice to the Borrower, the Majority Lenders may elect, in the sole discretion of such Majority Lenders, to rescind and annul

the acceleration and its consequences. The provisions of the preceding sentence are intended merely to bind all of the Lenders to a decision which may be made at the election of the Majority Lenders, and are not intended to benefit the Borrower and do not give the Borrower the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are satisfied.

SECTION 10.6. Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities, the Borrower hereby pledges and grants to the Agent, for the benefit of the Lenders as provided herein, a security interest in all of the Borrower's right, title and interest in and to the Collateral Account and the balances from time to time in the Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Collateral Account shall be subject to withdrawal only as provided in this Section.

(b) Amounts on deposit in the Collateral Account shall be invested and reinvested by the Agent in such investments as the Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Agent. The Agent shall exercise reasonable care in the custody and preservation of any funds held in the Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Agent accords other funds deposited with the Agent, it being understood that the Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Collateral Account.

(c) If an Event of Default shall have occurred and be continuing, the Agent may (and, if instructed by the Majority Lenders, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such investments and reinvestments and credit the proceeds thereof to the Collateral Account and apply or cause to be applied such proceeds and any other balances in the Collateral Account to the payment of any of the Letter of Credit Liabilities then due and payable.

(d) When all of the Obligations shall have been indefeasibly paid in full and no Letters of Credit remain outstanding, the Agent shall promptly deliver to the Borrower, against receipt but without any recourse, warranty or representation whatsoever, the balances remaining in the Collateral Account.

(e) The Borrower shall pay to the Agent from time to time such fees as the Agent normally charges for similar services in connection with the Agent's administration of the Collateral Account and investments and reinvestments of funds therein.

ARTICLE XI. THE AGENT

SECTION 11.1. Appointment and Authorization.

Each Lender irrevocably appoints and authorizes the Agent to take such action as the contractual representative on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. The Borrower shall be entitled to rely conclusively upon a written notice or written response from the Agent as being made pursuant to the requisite concurrence or consent of the Lenders necessary to take such action without investigation or otherwise contacting the Lenders hereunder. Nothing herein shall be construed to deem the Agent a trustee for any Lender nor to impose on the Agent duties or obligations other than those expressly provided for herein. Not in limitation of the foregoing, each Lender agrees the Agent has no fiduciary obligations to such Lender under this Agreement, any other Loan Document or otherwise. At the request of a Lender, the Agent will forward to each Lender copies or, where appropriate, originals of the documents delivered to the Agent pursuant to Section 6.1. The Agent shall deliver to each Lender, promptly upon receipt thereof by the Agent, copies of each of the financial statements, certificates, notices and other documents delivered to the Agent pursuant to Sections 8.1.(a) through (t). The Agent will also furnish to any Lender, upon the request of such Lender, a copy of any certificate or notice furnished to the Agent by the Borrower pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all the Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has obtained knowledge of such Default or Event of Default in the manner provided for under Section 11.5. In the event that the Agent has actual knowledge of the occurrence of a Default or Event of Default, the Agent shall give prompt notice thereof to the Lenders. Each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Majority Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Majority Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Not in limitation of the foregoing, the Agent shall not exercise any right or remedy it or the Lenders

may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Majority Lenders have so directed the Agent to exercise such right or remedy.

SECTION 11.2. The Agent and Affiliates.

Wells Fargo, as a Lender, shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Agent; and the term "the Lender" or "the Lenders" shall, unless otherwise expressly indicated, include Wells Fargo in each case in its individual capacity. Wells Fargo and its affiliates and the other Lenders and their respective affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, and generally engage in any kind of business with the Borrower and any Affiliate of the Borrower as if Wells Fargo or such Lender were any other bank and without any duty to account therefor to the other Lenders.

SECTION 11.3. Collateral Matters.

Each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Majority Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Majority Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders.

SECTION 11.4. Approvals of the Lenders.

All communications from the Agent to any Lender requesting such Lender's determination, consent, approval or disapproval (a) shall be given in the form of a written notice to such Lender, (b) shall be accompanied by a description of the matter or thing as to which such determination, approval, consent or disapproval is requested, or shall advise such Lender where such matter or thing may be inspected, or shall otherwise describe the matter or issue to be resolved, (c) shall include, if reasonably requested by such Lender and to the extent not previously provided to such Lender, written materials and a summary of all oral information provided to the Agent by the Borrower in respect of the matter or issue to be resolved, and (d) shall include the Agent's recommended course of action or determination in respect thereof. Unless a Lender shall give written notice to the Agent that it objects to the recommendation or determination of the Agent (together with a written explanation of the reasons behind such objection) within 10 Business Days (or such lesser period as may be required under the Loan Documents for the Agent to respond), such Lender shall be deemed to have conclusively approved of or consented to such recommendation or determination.

SECTION 11.5. Notice of Defaults.

The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender or the Borrower referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default." If any Lender becomes aware of any Default or Event of Default, it shall promptly send to the Agent such "notice of default." Further, if the Agent receives such a "notice of default", the Agent shall give prompt notice thereof to the Lenders.

SECTION 11.6. Consultation with Experts.

The Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 11.7. Liability of the Agent.

Neither the Agent nor any of its affiliates nor any of their respective directors, officers, the Agents or employees shall be liable for any action taken or not taken by the Agent in connection with any of the Loan Documents in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, the Agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (a) any statement, warranty or representation made in connection with any of the Loan Documents, or any borrowing hereunder, (b) the performance or observance of any of the covenants or agreements of the Borrower or a Guarantor, (c) the satisfaction of any condition specified in Article VI., or (d) the validity, effectiveness or genuineness of any of the Loan Documents or any other instrument or writing furnished in connection herewith or therewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 11.8. Indemnification of the Agent.

The Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) in accordance with the Lenders' respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent under the Loan Documents; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (i) to the extent arising from the Agent's gross

negligence or willful misconduct or (ii) if the Agent fails to follow the written direction of the Majority Lenders unless such failure is pursuant to the Agent's good faith reliance on the advice of counsel of which the Lenders have received notice. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) reasonably incurred by the Agent in connection with the preparation, execution, administration, or enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrower. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement.

SECTION 11.9. Credit Decision.

Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or other affiliates has made any representations or warranties to such Lender and that no act by the Agent hereinafter taken, including any review of the affairs of the Borrower or Guarantors, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender acknowledges that it has, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on the financial statements of the Borrower or Guarantors and its affiliates, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the transaction contemplated hereby. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any Guarantor or any other Affiliate which may come into possession of the Agent or any of its officers, directors, employees, the Agents, attorneys-in-fact or other affiliates. Each Lender acknowledges that the Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

SECTION 11.10. Successor Agent.

The Agent may resign at any time by giving 30 days' prior written notice thereof, to the Lenders and the Borrower. The Agent may be removed as the Agent under the Loan Documents for good cause upon 30 days' prior written notice to the Agent by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the current Agent's giving of notice of resignation or the Majority Lenders' removal of the current Agent, then the current Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender, if any Lender shall be willing to serve. Any successor Agent must be a bank whose debt obligations (or whose parent's debt obligations) are rated not less than investment grade or its equivalent by a Rating Agency and which has total assets in excess of \$10,000,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the current Agent, and the current Agent shall be discharged from its duties and obligations hereunder. After any current Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent. Notwithstanding anything contained herein to the contrary, the Agent may assign its rights and duties hereunder to any of its affiliates by giving the Borrower and each Lender prior written notice thereof.

SECTION 11.11. Approvals and Other Actions by Majority Lenders.

Each of the following shall require the approval of, or may be taken at the request of, the Majority Lenders:

- (a) Approval of Eligible Properties as Unencumbered Pool Properties as provided in Section 4.1.(c);
- (b) Termination of the Commitments and acceleration of the Obligations upon the occurrence of an Event of Default as provided in Section 10.2.;
- (c) Rescission of acceleration of any of the Obligations as provided in Section 10.5.;
- (d) Removing the Agent for good cause and approving of its replacement as provided in Section 11.10.; and
- (e) Except as specifically provided otherwise in Section 12.7., any consent or approval regarding, any waiver of the performance or observance by the Borrower of and the waiver of the continuance of any Default or Event of Default in respect of, any term of this Agreement or any other Loan Document.

SECTION 11.12. Documentation, Syndication and Managing Agents.

None of the Documentation Agent, the Syndication Agent or the Managing Agents (each in such capacity, a "Titled Agent") assumes any responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for Lenders. The titles of "Documentation Agent", "Syndication Agent" and "Managing

Agent" are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Agent, the Borrower or any Lender and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

ARTICLE XII. MISCELLANEOUS

SECTION 12.1. Notices.

All notices, requests and other communications to any party under the Loan Documents shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party as follows:

If to the Borrower:

Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Chief Financial Officer
Telecopier: (904) 634-3428
Telephone: (904) 356-7000

If to a Lender or the Agent:

To such Lender's or the Agent's Lending Office

or as to each party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (a) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (b) if given by any other means (including facsimile), when delivered at the applicable address provided for in this Section; provided that notices to the Agent under Article II., and any notice of a change of address for notices, shall not be effective until received. In addition to the Agent's Lending Office, the Borrower shall send copies of the information described in Section 8.1. to the following address of the Agent:

Wells Fargo Bank, National Association
Real Estate Group
Koll Center
2030 Main Street, Suite 800
Irvine, California 92714
Attention: Ms. Rita Swayne

SECTION 12.2. No Waivers.

No failure or delay by the Agent or any Lender in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in the Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 12.3. Expenses.

The Borrower will pay on demand all present and future reasonable expenses of:

(a) the Agent in connection with the negotiation, preparation, execution and delivery (including reasonable out-of-pocket costs and expenses incurred in connection with the assignment of Commitments pursuant to Section 12.8.) of this Agreement, the Notes and each of the other Loan Documents, whenever the same shall be executed and delivered, including appraisers' fees, search fees, recording fees and the reasonable fees and disbursements of: (i) Alston & Bird LLP, counsel for the Agent, and (ii) each local counsel retained by the Agent;

(b) the Agent in connection with the negotiation, preparation, execution and delivery of any waiver, amendment or consent by the Agent or any Lender relating to this Agreement, the Notes or any of the other Loan Documents or sales of participations in any Lender's Commitment, including the reasonable fees and disbursements of counsel to the Agent;

(c) the Agent and each of the Lenders in connection with any restructuring, refinancing or "workout" of the transactions contemplated by this Agreement, the Notes and the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent actually incurred;

(d) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the collection or enforcement of the obligations of the Borrower under this Agreement, the Notes or any other Loan Document, including the reasonable fees and disbursements of counsel to the Agent or to any Lender actually incurred if such collection or enforcement is done by or through an attorney;

(e) subject to any limitation contained in Section 12.5., the Agent and each of the Lenders in connection with prosecuting or defending any claim in any way arising out of, related to, or connected with this Agreement, the Notes or any of the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred and of experts and other consultants retained by the Agent or any Lender in connection therewith;

(f) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the exercise by the Agent or any Lender of any right or remedy granted to it under this Agreement, the Notes or any of the other Loan Documents including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred;

(g) the Agent in connection with costs and expenses incurred by the Agent in gaining possession of, maintaining, appraising, selling, preparing for sale and advertising to sell any collateral security, whether or not a sale is consummated; and

(h) the Agent and each of the Lenders, to the extent not already covered by any of the preceding subsections, in connection with any bankruptcy or other proceeding of the type described in Sections 10.1.(g) or (h), and the reasonable fees and disbursements of counsel to the Agent and any Lender actually incurred in connection with the representation of the Agent or such Lender in any matter relating to or arising out of any such proceeding, including without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Agent or such Lender and (iii) the negotiation and preparation of any plan of reorganization of the Borrower, whether proposed by the Borrower, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding.

SECTION 12.4. Stamp, Intangible and Recording Taxes.

The Borrower will pay any and all stamp, intangible, registration, recordation and similar taxes, fees or charges and shall indemnify the Agent and each Lender against any and all liabilities with respect to or resulting from any delay in the payment or omission to pay any such taxes, fees or charges, which may be payable or determined to be payable in connection with the execution, delivery, recording, performance or enforcement of this Agreement, the Notes and any of the other Loan Documents or the perfection of any rights or Liens thereunder.

SECTION 12.5. Indemnification.

The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Agent and each of the Lenders and their respective directors, officers, the Agents and employees from and against (a) any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it results from their own gross negligence or willful misconduct) arising out of or by reason of any litigation, investigations, claims or proceedings which arise out of or are in any way related to: (i) this Agreement or the transactions contemplated thereby; (ii) the making of Loans or issuance of Letters of Credit; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans or of Letters of Credit; or (iv) the Agent's or the Lenders' entering into this Agreement, the other Loan Documents or any other agreements and documents relating hereto, including, without limitation, amounts paid in settlement, court costs and the reasonable fees and disbursements of counsel incurred in connection with any such litigation, investigation, claim or proceeding or any advice rendered in connection with any of the foregoing and (b) any such losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred in connection with any remedial or other similar action taken by the Borrower, the Agent or any of the Lenders in connection with the required compliance by the Borrower or any of the Subsidiaries, or any of their respective properties, with any federal, state or local Environmental Laws or other material environmental rules, regulations, orders, directions, ordinances, criteria or guidelines. If and to the extent that the obligations of the Borrower hereunder are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law. The Borrower's obligations hereunder shall survive any termination of this Agreement and the other Loan Documents and the payment in full of the Obligations, and are in addition to, and not in substitution of, any other of its other obligations set forth in this Agreement and the other Loan Documents.

SECTION 12.6. Setoff.

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, each Lender is hereby authorized by the Borrower, at any time or from time to time upon the occurrence and during the continuance of an Event of Default but subject to the Agent's prior written consent, without notice to the Borrower or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by such Lender or any Affiliate of such Lender, to or for the credit or the account of the Borrower against and on account of any of the Obligations then due and owing. The Borrower agrees, to the fullest extent it may effectively do so under Applicable Law, that any holder of a participation in a Note, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of setoff or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 12.7. Amendments.

Any consent or approval required or permitted by this Agreement or in any other Loan Document (other than any agreement evidencing the fees referred to in Section 3.1.(e)) to be given by the Lenders may be given, and the performance or observance by the Borrower of any terms of any such Loan Document or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Majority Lenders. Any provision of this Agreement or of any other Loan Document (other than any agreement evidencing the fees referred to in Section 3.1.(e)) may be amended or otherwise modified with, but only with, the written consent of the Borrower and the Majority Lenders. Any provision of any agreement evidencing the fees referred to in Section 3.1.(e) may be amended or otherwise modified only in writing by the Agent and the Borrower, and the performance or observance by the Borrower of any

terms of any such agreement may be waived only with the written consent of the Agent. Notwithstanding the foregoing, none of the following may be amended or otherwise modified, nor may compliance by the Borrower, as applicable thereunder or with respect thereto be waived, without the written consent of all the Lenders and the Borrower:

- (a) the principal amount of any Loan (including forgiveness of any amount of principal);
- (b) the rates of interest on the Loans and the amount of any interest payable on the Loans (including the forgiveness of any accrued but unpaid interest);
- (c) the dates on which any principal or interest payable by the Borrower under any Loan Document is due;
- (d) the provisions of the first sentence of Section 2.1.(a), Section 2.2.(a), Section 2.8.(f), Section 9.2. and this Section;
- (e) the Revolving Credit Termination Date;
- (f) the Termination Date;
- (g) the obligations of a Guarantor under the Guaranty, including the release of a Guarantor therefrom (except as specifically permitted in the last sentence of Section 4.2.);
- (h) the definition of Commitment, Majority Lenders (or any minimum requirement necessary for the Lenders or Majority Lenders to take action hereunder), Pro Rata Share, Commitment and Maximum Loan Availability and Unencumbered Pool Value (and the definitions used in either such definition and the percentages and rates used in the calculation thereof); and
- (i) the amount and payment date of any fees.

Further, no amendment, waiver or consent unless in writing and signed by the Agent, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.3. or the obligations of the Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of the Swingline Lender. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of any Lender or the Agent in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

SECTION 12.8. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all the Lenders.

(b) Any Lender may at any time grant to one or more banks or other financial institutions (each a "Participant") participating interests in its Commitment or the Obligations owing to such Lender. Except as otherwise provided in Section 12.6., no Participant shall have any rights or benefits under this Agreement or any other Loan Document. In the event of any such grant by a Lender of a participating interest to a Participant, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Participant may not grant to any other Person any participating interest in such Participant's interest and that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase such Lender's Commitment, (ii) extend the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender, or (iii) reduce the rate at which interest is payable thereon. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Lender may with the prior written consent of the Agent and the Borrower (which consent, in each case, shall not be unreasonably withheld) at any time assign to one or more Eligible Assignees (each an "Assignee") all or a portion of its rights and obligations under this Agreement and the Notes; provided, however, (i) no such consent by Borrower shall be required (x) if a Default or Event of Default shall have occurred and be continuing or (y) in the case of an assignment to another Lender or an affiliate of another Lender; (ii) any partial assignment shall be in an amount at least equal to \$10,000,000 and after giving effect to such assignment the assigning Lender retains a Commitment, or if the Commitments have been terminated, holds Notes having an aggregate outstanding principal balance, of at least \$10,000,000; (iii) after giving effect to any such assignment by the Agent, the Agent in its capacity as a Lender shall retain a Commitment, or if the Commitments have been terminated, hold Notes having an aggregate outstanding principal balance, greater than or equal to the Commitment of each other Lender (other than any Lender whose Commitment has increased as a result of a merger or combination with another Lender) and (iv) each such assignment shall be effected by means of an

Assignment and Acceptance Agreement. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be deemed to be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such Assignment and Acceptance Agreement, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Agent and the Borrower shall make appropriate arrangements so that new Notes are issued to the Assignee and such transferor Lender, as appropriate. In connection with any such assignment, the transferor Lender shall pay to the Agent an administrative fee for processing such assignment in the amount of \$3,000.

(d) Any Lender (each, a "Designating Lender") may at any time while the Borrower has been assigned an Investment Grade Rating from either S&P or Moody's designate one Designated Lender to fund Bid Rate Loans on behalf of such Designating Lender subject to the terms of this subsection (d) and the provisions in the immediately preceding subsections (b) and (c) shall not apply to such designation. No Lender may designate more than one Designated Lender. The parties to each such designation shall execute and deliver to the Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Lender, the Agent will accept such Designation Agreement and give prompt notice thereof to the Borrower, whereupon, (i) the Borrower shall execute and deliver to the Designating Lender a Designated Lender Note payable to the order of the Designated Lender, (ii) from and after the effective date specified in the Designation Agreement, the Designated Lender shall become a party to this Agreement with a right to make Bid Rate Loans on behalf of its Designating Lender pursuant to Section 2.2. after the Borrower has accepted a Bid Rate Loan (or portion thereof) of the Designating Lender, and (iii) the Designated Lender shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Lender which is not otherwise required to repay obligations of such Designated Lender which are then due and payable; provided, however, that regardless of such designation and assumption by the Designated Lender, the Designating Lender shall be and remain obligated to the Borrower, the Agent and the Lenders for each and every of the obligations of the Designating Lender and its related Designated Lender with respect to this Agreement, including, without limitation, any indemnification obligations under Section 11.8. and any sums otherwise payable to the Borrower by the Designated Lender. Each Designating Lender shall serve as the Agent of the Designated Lender and shall on behalf of, and to the exclusion of, the Designated Lender: (i) receive any and all payments made for the benefit of the Designated Lender and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes, approvals, waivers, consents and amendments under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver, consent or amendment shall be signed by the Designating Lender as Agent for the Designated Lender and shall not be signed by the Designated Lender on its own behalf and shall be binding on the Designated Lender to the same extent as if signed by the Designated Lender on its own behalf. The Borrower, the Agent and the Lenders may rely thereon without any requirement that the Designated Lender sign or acknowledge the same. No Designated Lender may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Lender. The Borrower, the Lenders and the Agent each hereby agrees that it will not institute against any Designated Lender or join any other Person in instituting against any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (x) one year and one day after the payment in full of the latest maturing commercial paper note issued by such Designated Lender and (y) the Termination Date. In connection with any such designation the Designating Lender shall pay to the Agent an administrative fee for processing such designation in the amount of \$2,000.

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section, any Lender may assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank, and such Loans and Notes shall be fully transferable as provided therein. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) A Lender may furnish any information concerning the Borrower or any of its Subsidiaries in the possession of such Lender from time to time to Assignees and Participants (including prospective Assignees and Participants).

(g) Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to the Borrower, the Parent or any of their respective affiliates or Subsidiaries.

SECTION 12.9. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.

SECTION 12.10. Litigation.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND THAT A TRIAL BY JURY COULD RESULT IN SIGNIFICANT DELAY AND EXPENSE. ACCORDINGLY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF LENDERS, THE AGENT AND THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST THE BORROWER

ARISING OUT OF THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR IN CONNECTION WITH THE COLLATERAL OR ANY LIEN OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS OF ANY KIND OR NATURE.

(b) THE BORROWER, THE AGENT AND EACH LENDER EACH HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF THE AGENT, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA, SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM OR THE COLLATERAL. THE BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION. further, the Borrower irrevocably waives, to the fullest extent permitted by APPLICABLE law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(c) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS AGREEMENT.

SECTION 12.11. Confidentiality.

Except as otherwise provided by Applicable Law, the Agent and each Lender shall utilize all non-public information obtained pursuant to the requirements of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices but in any event may make disclosure: (a) to any of their respective affiliates (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (b) as reasonably required by any bona fide Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or participations therein as permitted hereunder (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required by any Governmental Authority or representative thereof or pursuant to legal process; (d) to the Agent's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); and (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Agent or the Lenders of rights hereunder or under any of the other Loan Documents.

SECTION 12.12. Counterparts; Integration.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement, together with the other Loan Documents, constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 12.13. Invalid Provisions.

Any provision of this Agreement or any other Loan Document held by a court of competent jurisdiction to be illegal, invalid or unenforceable shall not invalidate the remaining provisions of such Loan Document which shall remain in full force and effect and the effect thereof shall be confined to the provision held invalid or illegal.

SECTION 12.14. No Novation.

This Agreement and the other Loan Documents are being amended and restated in their entirety for the convenience of the parties hereto. This Agreement and the other Loan Documents merely amend, modify and restate the indebtedness, liabilities and obligations evidenced hereby and thereby and do not constitute, and it is the express intent of the parties hereto that this Agreement and the other Loan Documents do not effect, a novation of the existing indebtedness, liabilities and obligations incurred by the Borrower and the other Loan Parties pursuant to the Existing Credit Agreement. Such indebtedness, liabilities and obligations continue to remain outstanding and are amended and modified only to the extent this Agreement and the other Loan Documents amend and modify the Existing Credit Agreement and the original Loan Documents executed and delivered in connection therewith.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
its sole general partner

By:

Name:
Title:

REGENCY REALTY CORPORATION

By:
Name:
Title:

STATE OF GEORGIA

COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared , known to me to be a person who, as _____ of Regency Realty Corporation, on its own behalf and as the general partner of Regency Centers, L.P., the entity which executed the foregoing Amended and Restated Credit Agreement, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of February, 1999.

Notary Public

My Commission Expires:

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Agent, as the Swingline Lender
and as a Lender

By:

Name:
Title:

Lending Office (all Types of Loans):

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly
Telecopier: (404) 435-2262
Telephone: (404) 435-3800

Commitment Amount:

\$100,000,000

[Signatures Continued on Next Page]

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

FIRST UNION NATIONAL BANK

By:
Name:
Title:

Lending Office (all Types of Loans):

First Union National Bank
REIT Banking Unit
One First Union Center
Charlotte, North Carolina 28288-0166
Attention: John A. Schissel
Telecopier: (704) 383-6205
Telephone: (704) 383-1967

Commitment Amount:

\$100,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

WACHOVIA BANK, N.A.

By:

Name:

Title:

Lending Office (all Types of Loans):

Wachovia Bank, N.A.
191 Peachtree Street, N.E., 30th Floor
Atlanta, Georgia 30303
Attention: Cathy A. Casey
Telecopier: (404) 332-4066
Telephone: (404) 332-5649

Commitment Amount:

\$85,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

COMMERZBANK AG, ATLANTA AGENCY

By:
Name:
Title:

By:
Name:
Title:

Lending Office (all Types of Loans)

Commerzbank AG, Atlanta Agency
2 World Financial Center
New York, New York 10281
Attention: David Schwartz/ Christine Finkel
Telecopier: (212) 266-7565
Telephone: (212) 266-7632 / 7375

Commitment Amount:

\$50,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

Lending Office (all Types of Loans):

PNC Bank, National Association
One PNC Plaza, 19th Floor
249 Fifth Avenue
Mail Stop- PI-POPP-19-2
Pittsburgh, Pennsylvania 15222
Attention: Jan Dotchin
Telecopier: (412) 768-5754
Telephone: (412) 762-3986

Commitment Amount:

\$50,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

AMSOUTH BANK

By:

Name:
Title:

Lending Office (all Types of Loans):

AmSouth Bank
1900 5th Avenue North
AmSouth-Sonat Tower, 9th Floor
Birmingham, Alabama 35203
Attention: Buddy Sharbel
Telecopier: (205) 326-4075
Telephone: (205) 581-7647

Commitment Amount:

\$40,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

CHASE BANK OF TEXAS, N.A.

By:

Name:
Title:

Lending Office (all Types of Loans):

Chase Bank of Texas, N.A.
707 Travis, 6th Floor North
Houston, Texas 77572
Attention: Kent Kaiser
Telecopier: (713) 216-7713
Telephone: (713) 216-8699

Commitment Amount:

\$35,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

SOUTHTRUST BANK, N.A.

By:
Name:
Title:

Lending Office (all Types of Loans):

SouthTrust Bank, N.A.
420 North 20th Street, 11th Floor
Birmingham, Alabama 35203
Attention: Sam Boroughs- Corporate Banking
Telecopier: (205) 254-8270
Telephone: (205) 254-5039

Commitment Amount:

\$35,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

SUNTRUST BANK, ATLANTA

By:

Name:
Title:

Lending Office (all Types of Loans):

SunTrust Bank, Atlanta
Real Estate Finance MC 081
P.O. Box 4418, 50 Hurt Plaza, Suite 700
Atlanta, Georgia 30303
Attention: John Neill
Telecopier: (404) 827-6774
Telephone: (404) 588-8248

Commitment Amount:

\$30,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

ING (U.S.) CAPITAL LLC

By:

Name:
Title:

Lending Office (all Types of Loans):

ING Barings
55 E. 52nd Street, 35th Floor
New York, New York 10055
Attention: Wendy Spears/ Layne Poma
Telecopier: (212) 409-5853
Telephone: (212) 409-1854 / 1760

Commitment Amount:

\$25,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

LASALLE NATIONAL BANK

By:

Name:
Title:

Lending Office (all Types of Loans):

LaSalle National Bank
135 S. LaSalle Street, Suite 1225
Chicago, Illinois 60603
Attention: Peter Margolin
Telecopier: (312) 904-6691
Telephone: (312) 904-8509

Commitment Amount:

\$25,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

STAR BANK, N.A.

By:

Name:
Title:

Lending Office (all Types of Loans):

Star Bank, N.A.
425 Walnut Street, 10th Floor, ML #9205
Cincinnati, Ohio 45202
Attention: Glenn Baumann
Telecopier: (513) 632-5590
Telephone: (513) 632-4473

Commitment Amount:

\$25,000,000

BANK ONE, ARIZONA, NA, a national banking association

By:
Name:

Lending Office (all Types of Loans):

Bank One, Arizona, NA
201 N. Central Avenue, 19th Floor
Phoenix, Arizona 85004
Attention: Todd Popovich
Telecopier: (602) 221-4435
Telephone: (602) 221-2375

Commitment Amount:

\$20,000,000

[Signature Page to Amended and Restated Credit Agreement dated as of
February 26, 1999 with Regency Centers, L.P.]

MELLON BANK, N.A.

By:

Name:
Title:

Lending Office (all Types of Loans)

Mellon Bank, N.A.
One Mellon Bank Center, Room 2940
Pittsburgh, Pennsylvania 15258-0001
Attention: Theresa Sicuro
Telecopier: (412) 234-4146
Telephone: (412) 234-6757

Commitment Amount:

\$15,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

February 26, 1999

among

REGENCY CENTERS, L.P.,
as the Borrower,

REgency realty corpoRation,
as the Parent,

The financial institutions party hereto and their assignees under Section 12.8.
hereof, as the Lenders,

FIRST UNION NATIONAL BANK,
as Syndication Agent,

WACHOVIA BANK, N.A.,
as Documentation Agent,

Each of
COMMERZBANK AKTIENGESELLSCHAFT, ATLANTA AGENCY
and
pnc bank, national Association,
as a Managing Agent,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

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East Disclosure Schedule

Subsidiaries of Regency Realty Corporation and Equity Ownership Thereof

ENTITY	JURISDICTION	OWNER(S)	NATURE OF INTEREST	% OF OWNERSHIP
Regency Centers, L.P.	Delaware	Regency Realty Corporation Outside Investors	General Partnership Limited Partnership	95% 5%
Regency Realty Group, Inc (formerly Regency Realty Group II, Inc.)	Florida	The Regency Group, Inc. Regency Centers, L.P. Regency Centers, L.P.	Common Stock Common Stock Preferred Stock	93% 7% 100%
RRC Lender, Inc.	Florida	Regency Realty Group, Inc.	Common Stock	100%
Chestnut Powder, LLC	Georgia	Regency Realty Group, Inc.	Member	100%
Marietta Outparcel, Inc.	Georgia	Regency Realty Group, Inc.	Common Stock	100%
Barnett Shoales, LLC	Georgia	Regency Realty Group, Inc.	Member	100%
Panama Cove, Inc.	Florida	Regency Realty Group, Inc.	Common Stock	100%
Thompson-Nolensville, LLC	Florida	Regency Realty Group, Inc.	Member	100%
Dixon, LLC	Florida	Regency Realty Group, Inc.	Member	100%
Rhett-Remount, LLC	Florida	Regency Realty Group, Inc.	Member	100%
Dunn & Briarcliff, Inc.	Florida	Regency Realty Group, Inc.	Common Stock	100%
Edmunson Orange Corp.	Tennessee	Regency Realty Group, Inc.	Common Stock	100%
Tulip Grove, LLC	Florida	Edmunson Orange Corp.	Member	100%
Hermitage Development, LLC	Florida	Edmunson Orange Corp.	Member	100%
West End Property, LLC	Florida	Edmunson Orange Corp.	Member	100%
RRC FL SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC GA SPC, Inc.	Georgia	Regency Realty Corporation	Common Stock	100%
RRC AL SPC, Inc.	Alabama	Regency Realty Corporation	Common Stock	100%
RRC MS SPC, Inc.	Mississippi	Regency Realty Corporation	Common Stock	100%
RRC General SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC Limited SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC FL Five, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC Acquisitions, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
Regency Office Partnership, L.P.	Delaware	Regency Centers, L.P. Regency Realty Corporation	General Partnership Limited Partnership	99% 1%
Equiport Associates, L.P.	Georgia	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	55% 45%
Branch/HOP Associates, L.P.	Georgia	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	50.01% 49.99%
Old Fort Associates, L.P.	Georgia	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	66.70% 33.30%
Fieldstone Associates, L.P.	Georgia	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	7% 30%
Treasure Coast Investors, Ltd.	Florida	RRC General SPC, Inc. RRC Limited SPC, Inc.	General Partnership Limited Partnership	99% 1%
Regency Rosewood Temple Terrace, Ltd.	Florida	RRC General SPC, Inc. RRC Limited SPC, Inc.	General Partnership Limited Partnership	99% 1%
Landcom Regency Mandarin, Ltd.	Florida	RRC General SPC, Inc. RRC Limited SPC, Inc.	General Partnership Limited Partnership	99% 1%
RSP IV Criterion, Ltd.	Florida	RRC General SPC, Inc. RRC Limited SPC, Inc.	General Partnership Limited Partnership	99% 1%
RRC Operating Partnership of Georgia, L.P.	Georgia	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	16% 84%
Regency Ocean East Partnership Limited	Florida	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	25% 75%
R&M Western Partnership, L.P.	Delaware	Regency Realty Group, Inc. Regency Centers, L.P.	General Partnership Limited Partnership	24.00% 1.00%
Delk Spectrum, L.P.	Georgia	Regency Realty Corporation Outside Investors	General Partnership Limited Partnership	6.21% 93.79%

OTR/Regency Colorado Realty Holdings, L.P.	Ohio	R&M Western Partnership, L.P.	General Partnership	30%
OTR/Regency Texas Realty Holdings, L.P.	Ohio	R&M Western Partnership, L.P.	General Partnership	30%
T&M Allen Development Company	Texas	R&M Western Partnership, L.P. Topvalco	General Partnership	50%
T&M Arlington Development Company	Texas	R&M Western Partnership, L.P. Topvalco	General Partnership General Partnership	50% 50%
M&KS Arvada Development, LLC	Colorado	R&M Western Partnership, L.P. Dillon Real Estate	Member Member	50% 50%
M&KS Parker Development, LLC	Colorado	R&M Western Partnership, L.P. Dillon Real Estate	Member Member	50% 50%
M&KS Cheyenne Meadows Development, LLC	Colorado	R&M Western Partnership, L.P. Dillon Real Estate	Member Member	50% 50%
Woodmen Development, LLC	Colorado	R&M Western Partnership, L.P. Outside Investors	Member Members	50% 50%
R&KS Dell Range, LLC	Wyoming	R&M Western Partnership, L.P. Dillon Real Estate	Member Member	50% 50%
T&M Frisco Development Company	Texas	R&M Western Partnership, L.P. Topvalco	General Partnership General Partnership	50% 50%
T&M Shiloh Development Company	Texas	R&M Western Partnership, L.P. Topvalco	General Partnership General Partnership	50% 50%
T&M Realty No. 1, LLC	Georgia	Regency Centers, L.P. Topvalco	Member Member	50% 50%
Queensboro Associates, L.P.	Delaware	Regency Centers, L.P. Outside Investors	General Partnership Limited Partnership	50% 50%

Independent Auditors' Consent

The Board of Directors
Regency Realty Corporation:

We consent to incorporation by reference in the registration statements (No. 33-86886, No. 333-930, No. 333-2546, and No.333-52089) on Form S-3 and (No. 333-24971) on Form S-8 of Regency Realty Corporation, and to incorporation by reference in the registration statements (No. No. 333-72899) on Form S-3 and (No. 333-63723) on Form S-4 of Regency Centers, L.P., of our reports dated February 1, 1999, except for Note 13 as to which the date is March 1, 1999, relating to the consolidated balance sheets of Regency Realty Corporation as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three year period ended December 31, 1998, and related schedule, which reports appear in the December 31, 1998, annual report on Form 10-K of Regency Realty Corporation.

KPMG LLP

Jacksonville, Florida
March 12, 1999

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
REALTY CORPORATION'S ANNUAL REPORT FOR THE YEAR ENDED 12/31/98

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REGENCY REALTY CORPORATION

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	DEC-31-1998	
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	1.75	