

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended March 31, 1997

OR

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 59-3191743  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

121 West Forsyth Street  
Suite 200  
Jacksonville, Florida 32202  
(Address of principal executive offices) (Zip code)

(904) 356-7000  
(Registrant's telephone number including area code)

Not applicable  
(Former name, former address, and former fiscal year,  
if changed since last report)

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

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes \_\_\_\_ No \_\_\_\_

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of May 11, 1997, there were 12,327,759 shares outstanding of the registrant's common stock.

Item 1. Financial Statements

REGENCY REALTY CORPORATION  
Consolidated Balance Sheets  
March 31, 1997 and December 31, 1996

	March 31, 1997 ----	December 31 1996 ----
Assets		
Real estate investments, at cost:		
Land	\$ 167,903,398	85,395,120
Buildings and improvements	476,059,049	305,277,505
Construction in progress for resale	10,078,495	1,695,062
	-----	-----

	654,040,942	392,367,687
Less: accumulated depreciation	28,913,557	26,213,225
	-----	-----
	625,127,385	366,154,462
Investments in real estate partnerships	1,788,919	1,035,107
	-----	-----
Real estate investments, net	626,916,304	367,189,569
Cash and cash equivalents	14,629,155	8,293,229
Tenant receivables, net of allowance for uncollectible accounts of \$1,736,091 and \$832,091 at March 31, 1997 and December 31, 1996, respectively	2,625,342	5,281,419
Deferred costs, less accumulated amortization of \$2,808,747 and \$2,519,019 at March 31, 1997 and December 31, 1996, respectively	4,094,833	3,961,439
Other assets	1,412,795	1,798,393
	-----	-----
	\$ 649,678,429	386,524,049
	=====	=====

#### Liabilities and Stockholders' Equity

##### Liabilities:

Mortgage loans payable	200,049,115	97,906,288
Acquisition and development line of credit	104,851,185	73,701,185
Accounts payable and other liabilities	12,779,833	6,300,640
Tenants' security deposits	1,896,959	1,381,673
	-----	-----
Total liabilities	319,577,092	179,289,786
	-----	-----

Redeemable partnership units	91,220,262	-
Limited partners' interest in consolidated partnerships	7,541,444	508,486

##### Stockholders' equity:

Common stock \$.01 par value per share: 25,000,000 shares authorized; 12,323,183 and 10,614,905 shares issued and outstanding at March 31, 1997 and December 31, 1996, respectively	123,232	106,149
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	249,416,189	223,080,831
Distributions in excess of net income	(15,720,357)	(13,981,770)
Stock loans	(2,504,433)	(2,504,433)
	-----	-----
Total stockholders' equity	231,339,631	206,725,777
	-----	-----
	\$ 649,678,429	386,524,049
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Operations  
For the Three Months Ended March 31, 1997 and 1996

	March 31, 1997	March 31, 1996
	-----	-----
Revenues:		
Minimum rent	\$ 12,499,572	7,903,455
Percentage rent	470,598	189,880
Recoveries from tenants	3,095,200	1,689,933
Management, leasing and brokerage fees	1,641,191	711,017
Equity in income of real estate partnership investments	26,791	7,453
Total revenues	----- 17,733,352	----- 10,501,738
Operating expenses:		
Depreciation and amortization	2,843,500	1,727,395
Operating and maintenance	2,482,781	1,702,535
General and administrative	2,221,006	1,265,320
Real estate taxes	1,820,089	920,065
Total operating expenses	----- 9,367,376	----- 5,615,315
Interest expense (income):		
Interest expense	3,737,031	2,401,861
Interest income	(172,267)	(116,717)
Net interest expense	----- 3,564,764	----- 2,285,144
Income before minority interest	----- 4,801,212	----- 2,601,279
Minority interest of redeemable partnership units	633,705	-
Minority interest of limited partners' interest in consolidated partnerships	130,735	-
Net income	----- 4,036,772	----- 2,601,279
Preferred stock dividends	-	25,550
	-----	-----
Net income for common stockholders	\$ 4,036,772	2,575,729
	=====	=====
Weighted average common shares outstanding	15,216,986	9,766,149
	=====	=====
Earnings per share (EPS):		
Primary EPS	\$ .31	.26
	=====	=====
Fully diluted EPS	\$ .30	.26
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Cash Flows  
For the Three Months Ended March 31, 1997 and 1996

	1997 ====	1996 ====
Cash flows from operating activities:		
Net income	\$ 4,036,772	2,601,279
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,843,500	1,727,395
Deferred financing cost amortization	211,390	157,056
Minority interest in redeemable partnership units	633,705	-
Limited partners' minority interest in consolidated partnerships	130,735	-
Equity in income of real estate partnership investments	(26,791)	(7,453)
Changes in assets and liabilities:		
Decrease in tenant receivables	3,265,886	997,022
(Increase) in deferred leasing commissions	(71,706)	(96,268)
Decrease in other assets	341,255	23,699
Increase in tenants' security deposits	88,424	3,781
Increase in accounts payable and other liabilities	2,743,668	361,581
	-----	-----
Net cash provided by operating activities	14,196,838	5,768,092
	-----	-----
Cash flows from investing activities:		
Acquisition and development of real estate	(29,872,519)	(2,194,357)
Investment in real estate partnership	-	(818,975)
Capital improvements	(332,362)	(161,002)
Construction in progress for resale	(1,920,183)	(3,323,479)
Distributions received from real estate partnership investments	-	6,199
	-----	-----
Net cash used in investing activities	(32,125,064)	(6,491,614)
	-----	-----
Cash flows from financing activities:		
Proceeds from common stock issuance	26,000,012	-
Distribution to limited partner	(12,116)	-
Cash received from real estate investment	2,140,483	-
Dividends paid to stockholders	(5,775,359)	(3,241,319)
Proceeds from acquisition and development line of credit	31,150,000	4,768,120
Proceeds from mortgage loans payable	-	1,441,214
Repayments of mortgage loans payable	(28,887,452)	(189,202)
Deferred financing costs	(351,416)	(63,686)
	-----	-----
Net cash provided by financing activities	24,264,152	2,715,127
	-----	-----
Net increase in cash and cash equivalents	6,335,926	1,991,605
	-----	-----
Cash and cash equivalents at beginning of period	8,293,229	3,401,701
	-----	-----
Cash and cash equivalents at end of period	\$ 14,629,155	5,393,306
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

- (a) General. Regency Realty Corporation (the Company) was incorporated in the State of Florida for the purpose of owning, operating and developing neighborhood shopping centers. At March 31, 1997, the Company owned 81 properties in the southeastern United States. The Company also provides management, leasing, brokerage and development services for real estate not owned by the Company (third parties). The Company commenced operations effective with the completion of its initial public offering on November 5, 1993.

The accompanying consolidated financial statements include the accounts of Regency Realty Group II, Inc. (the "Management Company"), it's wholly owned or majority owned properties and its joint ventures. All significant intercompany balances and transactions have been eliminated.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1996 Form 10-K filed with the Securities and Exchange Commission on March 25, 1997. Certain amounts for 1996 have been reclassified to conform to the presentation adopted in 1997.

- (b) Basis of Presentation. The accompanying interim unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are of a normal recurring nature, and in the opinion of management, are necessary to properly state the results of operations and financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.
- (c) Financial Accounting Standard No. 128. During February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, (SFAS 128) "Earnings per Share". SFAS 128 governs the computation, presentation, and disclosure requirements for earnings per share (EPS) for entities with publicly held common stock. SFAS 128 was issued to simplify the computation of EPS and replaces the Primary and Fully diluted EPS calculations currently in use with calculations of Basic and Diluted EPS. SFAS 128 is effective for financial statements for both interim and annual periods ending after December 15, 1997, and earlier application is not permitted. The Company will begin to calculate its EPS in compliance with SFAS 128 for the year ended December 31, 1997.

2. Acquisition and Development of Real Estate

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. (the "Partnership") of which a subsidiary of the Company is the sole general partner, substantially all the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia. The assets acquired from Branch include 26 shopping centers totaling approximately 2,496,921 SF of gross leasable area including 473,682 SF currently under development or redevelopment. The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 30% to 97%) in 4 partnerships with outside investors ("Limited Partners' Interest") that own the remaining seven properties. In addition, the Company, through Regency Realty Group II, Inc., acquired Branch's third party development business, including build-to-suit projects, and third party management and leasing contracts for approximately 3.6 million square feet of shopping centers owned by third party investors.

At closing, the Company invested \$26 million in the Partnership to pay transaction costs and reduce debt assumed. The Partnership issued 3,373,801 redeemable partnership units ("Units") and the Company issued 155,797 shares of common stock to the sellers of Branch ("Unit Holders") at \$26.85 for \$94,769,706 and assumed \$105,302,169 of debt (net of a \$25,728,111 paydown at the date of closing). Limited partners' interest in consolidated partnerships of \$6,914,339 was recorded for the four partnerships with outside investors. The operations of Branch are included from the date of acquisition and contributed \$306,371 to net income for common stockholders net of the 67.4% minority interest share of redeemable partnership units of \$633,705. For purposes of determining minority interest, the Company owned 32.6% of the outstanding Units in the Partnership at March 31, 1997. Upon approval by the Company's shareholders at its annual meeting on June 12, 1997, most of the outstanding Units held by Unit Holders are expected to be redeemed for Common stock based upon redemption notices already received. At completion of the redemption, the Company expects that it will own approximately 90% of the outstanding Units of the Partnership. The Company's directors, officers, and principal shareholders who own approximately 50.2% of the outstanding Common stock have signed voting agreements agreeing to vote all of their shares in favor of the redemption.

In addition to the Branch acquisition, the Company completed the acquisition of three shopping centers during the first quarter. The properties are 100% owned unless noted otherwise as follows:

Shopping Center	Location	Year Built	Date Acquired by the Company	Company GLA
Oakley Plaza	Asheville, N.C.	1988	03-14-97	118,727
Mariners Village	Orlando, FL	1986	03-25-97	117,665
Carmel Commons	Charlotte, N.C.	1979	03-28-97	132,647

### 3. Acquisition and Development Line of Credit

The Company has a \$150 million unsecured revolving line of credit ("the Line") which is primarily used to acquire and develop real estate. The interest rate is Libor + 150 basis points with interest only for two years, and if then terminated, becomes a two year term loan with principal due in seven equal quarterly installments. The borrower may request a one year extension of the interest only revolving period annually in May of each year beginning in 1997.

### 4. Stockholders' Equity

On June 11, 1996, the Company entered into a Stockholders Agreement (the "Agreement") with Security Capital U.S. Realty ("US Realty") granting it certain rights such as purchasing common stock, nominating representatives to the Company's Board of Directors, and subjecting US Realty to certain restrictions including voting and ownership restrictions. The Agreement primarily granted US Realty (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 US Realty's pro rata ownership position; and (ii) the right to nominate a proportionate number of directors on the Company's Board, rounded down to the nearest whole number, based upon US Realty's percentage ownership of outstanding Common Stock (but not to exceed 49% of the Board). As of March 31, 1997, US Realty has acquired 5,126,978 shares and is expected to acquire the remaining 2,372,422 shares at \$17.625 per share no later than June, 1997.

For a period of at least five years (subject to certain exceptions), Security Capital is precluded from, among other things, (i) acquiring more than 45% of the outstanding Common Stock on a fully 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, US Realty is required to vote its shares either as recommended by the Board of Directors or proportionately in accordance with the vote of the other shareholders.

In connection with the Units and shares of Common Stock issued in exchange for Branch's assets on March 7, 1997, Security Capital had the right to acquire up to 3,771,622 shares of Common Stock at a price of \$22-1/8 per share. However, pursuant to Amendment No. 1 to its Stockholders Agreement with the Company, Security Capital elected (i) to waive such rights with respect to all but 1,750,000 shares (or such lesser number, not less than 850,000 shares, as will not result in the Company ceasing to be a domestically controlled real estate investment trust), (ii) to initially defer its rights with respect to the 1,750,000 shares to no later than August 31, 1997, and (iii) to defer its rights with respect to any such shares, not to exceed 1,050,000 shares, that remain unpurchased on August 31, 1997 to no later than the first Earn-Out Closing, in order to permit Unit holders who are Non-U.S. Persons (as defined in the Company's Articles of Incorporation) to redeem their Units for Common Stock. Security Capital's participation rights (i) remain in effect, with respect to Units and shares issued at the Earn-Out Closings, and (ii) also remain in effect, at a price equal to the then market price of the Common Stock, with respect to shares issued upon the redemption of Units for Common Stock provided that Security Capital did not exercise its participation rights at the time of issuance of such Units.

## 5. Earnings Per Share

Additional Units and shares of Common Stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing of the acquisition of Branch (each an "Earn-Out Closing"), based on the performance of certain of the Partnership's properties (the "Property Earn-Out"). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to \$15,974,188 at the first Earn-Out Closing and \$22,568,851 at all Earn-Out Closings (including the first Earn-Out Closing). Since issuance of additional consideration is contingent upon increased earnings, for purposes of calculating fully diluted earning per share, net income has been adjusted to give effect to the increase in earnings specified by the Contribution Agreement with Branch Properties, L.P. that results in the largest potential dilution, and outstanding shares have been adjusted to include those shares contingently issuable upon attainment of the increased earnings level.

### Primary Earnings Per Share (EPS)

#### Calculation:

Weighted average common shares outstanding including redeemable partnership units	15,216,986
	-----
Net income for common stockholders	\$ 4,036,772
Minority interest of redeemable partnership units	633,705
	-----
Net income for Primary EPS	\$ 4,670,477
	=====
Primary EPS	\$ .31
	=====

### Fully Diluted Earnings Per Share

#### Calculation:

Primary common shares	15,216,986
Contingent units or shares that could be issued to previous owners of Branch in 1998, 1999, and 2000 if earned per the terms of the contribution agreement	1,020,061
	-----
Total fully dilutes shares	16,237,047
	=====
Required quarterly increase in income from real estate operations necessary to earn contingent shares, less applicable depreciation on increased purchase price	\$ 122,518
Net income for Primary EPS	4,640,477
	-----
Net income for common stockholders for computation of fully diluted earnings per share	\$ 4,792,995
	=====
Fully diluted EPS	\$ .30
	=====

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations  
(dollar amounts in thousands).

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Realty Corporation (the "Company") appearing elsewhere in this Form 10-Q, the Company's December 31, 1996 Form 10-K, and the Company's Form 8-K dated March 7, 1997.

#### Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood shopping centers in targeted infill markets in the Southeast. At March 31, 1997 the Company owned 81 properties or approximately 8.3 million square feet (SF or GLA); 54% and 29% of the GLA of the properties are located in Florida and Georgia, respectively, and 61 are grocery anchored. At March 31, 1996, the Company owned 37 properties or approximately 4.1 million SF. The Company's four largest tenants in order by number of leased store locations, including properties under development, are Publix Supermarkets (24), Winn-Dixie Stores (12), Wal-Mart (5), and The Kroger Co. (5).

#### Acquisition and Development

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. (the "Partnership") of which a subsidiary of the Company is the sole general partner, substantially all the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia. The assets acquired from Branch include 26 shopping centers totaling approximately 2,496,921 SF of gross leasable area including 473,682 SF currently under development or redevelopment (the "Branch Properties"). The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 30% to 97%) in 4 partnerships with outside investors that own the remaining seven properties. The Company also acquired the third party property management business of Branch with contracts on approximately 3.6 million SF of shopping center GLA that generate management fees and leasing commission revenues.

The Partnership issued 3,373,801 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of Common Stock in exchange for the assets acquired and the liabilities assumed from Branch. The Units will be redeemable on a one-for-one basis in exchange for shares of Common Stock, subject to approval of the conversion rights by the Company's shareholders at the Company's 1997 annual meeting. The Company's directors, officers, and principal shareholders who own approximately 50.2% of the outstanding Common stock have signed voting agreements agreeing to vote all of their shares in favor of the redemption. The Company and Branch agreed to the Units and shares to be issued based upon a purchase price of approximately \$78 million (3,529,598 combined Units and shares at \$22.125, the fair market value of the Company's Common Stock on the date the terms of the acquisition were reached) plus the assumption of Branch's existing liabilities. On the date the acquisition was publicly announced, the average fair market value of the Company's common stock had risen to \$26.85 per share. Accordingly, the purchase price of Branch as reflected in the Company's financial statements was increased to approximately \$100 million (3,529,598 Units and shares at \$26.85 and approximately \$5 million in related reserves and transaction costs) plus the assumption of Branch's existing liabilities.

Additional Units and shares of Common Stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of certain of the Partnership's properties (the "Property Earn-Out"), and additional shares of Common Stock may be issued at the first and second Earn-Out Closings based on revenues earned from third party management and leasing contracts (the "Third Party Earn-Out" estimated to be approximately \$750). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to \$15.9 million at the first Earn-Out Closing and \$22.6 million at all Earn-Out Closings (including the first Earn-Out Closing). The acquisition of Branch is discussed further in note 2, Acquisition and Development of Real Estate, of the notes to Consolidated Financial Statements.



During the first quarter of 1997, the Company also acquired three shopping centers unrelated to the Branch Properties (the "1997 Acquisitions") for \$27.6 million (including certain budgeted capital improvements designed to improve the performance of the acquired properties) for a total of 369,039 square feet. In addition to the acquisition of the Branch Properties and the 1997 Acquisitions, the Company also had seven grocery anchored shopping centers under development or redevelopment, which when completed in 1998, will represent a total investment of approximately \$46.3 million. During the first quarter of 1996, the Company acquired one shopping center for \$5.2 million.

#### Liquidity and Capital Resources

The Company's total indebtedness at March 31, 1997 and 1996 was approximately \$304.9 million and \$125.6 million, respectively, of which \$171.7 million and \$94.7 million had fixed interest rates averaging 7.7% and 7.5%, respectively. The weighted average interest rate on total debt at March 31, 1997 and 1996 was 7.6%. Based upon the Company's total market capitalization (total debt and the market value of equity) at March 31, 1997 of \$805 million (closing common stock price of \$26.75 per share and total common stock and equivalents outstanding of 18.7 million), the Company's debt to total market capitalization ratio was 37.9% vs. 42.8% at March 31, 1997 and 1996, respectively. Included in outstanding debt at March 31, 1997 is \$105 million of outstanding debt assumed as part of the Branch acquisition.

The 1997 Acquisitions were financed from the Company's \$150 million line of credit (the "Line"). At March 31, 1997, the balance of the Line was \$104.9 million and had a variable rate of interest equal to the London Inter-bank Offered Rate ("Libor") plus 150 basis points.

During 1996, the Company entered into a Stock Purchase Agreement (the "Agreement") with Security Capital US Realty ("US Realty"). Under the Agreement, the Company agreed to sell 7,499,400 shares of common stock to US Realty at a price of \$17.625 per share representing total maximum proceeds of approximately \$132 million. During 1996, the Company sold 3,651,800 shares to US Realty for approximately \$64.4 million and the proceeds were used to pay down the Line. The Company sold 1,475,178 shares to US Realty on March 3, 1997 and the \$26 million proceeds were used to reduce debt assumed as part of the Branch transaction by \$25.7 million. Not later than June, 1997, the Company will sell 2,372,422 shares committed to US Realty generating proceeds of approximately \$41.8 million which will be used to pay down the Line. As part of the Agreement, US Realty also has participation rights entitling them to purchase additional equity in the Company at the same price as that offered to other purchasers in order to preserve their pro rata ownership in the Company. For further discussion of the Agreement, see note 4, Stockholders' Equity, of the notes to Consolidated Financial Statements.

The Company's principal demands for liquidity are dividends to stockholders, distributions to redeemable partnership unit-holders, the operation, maintenance and improvement of real estate, and scheduled interest and principal payments. The Company paid dividends and redeemable partnership unit distributions of \$5.8 million and \$3.2 million to its stockholders and Unit holders during 1997 and 1996, respectively. In January 1997, the Company increased its quarterly common dividend to \$.42 per share vs. \$.405 per share in 1996. Total dividends expected to be paid by the Company during 1997 will increase substantially over 1996 due to the common stock dividend increase, the Agreement with US Realty, and the additional shares and Units issued as part of the Branch acquisition.

As of March 31, 1997 and 1996, the Company's net cash used in investing activities was \$32.1 million and \$6.5 million, respectively, due to the real estate acquisitions, construction and building improvements as further discussed above. The Company anticipates that cash provided by operating activities, unused amounts under the Line, expected future sales of common stock to US Realty, and cash reserves are adequate to meet liquidity requirements. At March 31, 1997, the Company had cash balances of \$14.6 million.

The Company has made an election to be taxed, and is operating so as to qualify, as a Real Estate Investment Trust ("REIT") for Federal income tax purposes, and accordingly has paid no Federal income tax since its Initial Public Offering in 1993. While the Company intends to continue to pay dividends to its stockholders, the Company 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 1997 as a result of the acquisitions and developments discussed above. In addition to the Branch acquisition, during 1997, the Company expects to exceed the 1996 level of real estate acquisitions of \$107 million and intends to meet the related capital requirements, principally for the acquisition or development of new properties, from borrowings on the Line, and from additional public equity and debt offerings. 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.

## Results of Operations

### Comparison of 1997 to 1996

Revenues increased \$7.2 million or 68.9% to \$17.7 million in 1997. The increase is due primarily to the acquisition of Branch Properties and the 1997 Acquisitions providing \$3.2 million in revenues in 1997 (partial year ownership), and the 1996 Acquisitions providing \$3.7 million in 1997 compared with no revenue contribution during the first quarter of 1996 as a result of timing. At March 31, 1997, the real estate portfolio contained approximately 8.3 million SF, was 95.6% leased and had average rents of \$9.18 per SF. Minimum rent increased \$4.6 million or 58.2%, and recoveries from tenants increased \$1.4 million or 83%. On a same property basis (excluding the 1997, 1996 and Branch Properties Acquisitions) revenues increased \$340 or 3.2%, primarily due to higher occupancy levels. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$1.6 million in 1997 compared to \$0.7 million in 1996, the increase due to the property management and leasing contracts acquired as part of the acquisition of Branch. At March 31, 1997, the Company managed properties for third party owners containing approximately 4.8 million SF vs. 1.2 million SF at March 31, 1996.

Operating expenses increased \$3.8 million or 66.8% to \$9.4 million in 1997. Combined operating and maintenance expense and real estate taxes increased \$1.7 million or 64% during 1997 to \$4.3 million. The increase is due primarily to the acquisition of the Branch Properties and the 1997 Acquisitions generating \$1.1 million in operating expenses in 1997 (partial year ownership) and the 1996 Acquisitions producing \$1.4 million in operating expenses in 1997 compared with no expenses during the first quarter of 1996 as a result of timing. General and administrative expense increased 75.5% during 1997 to \$2.2 million due to hiring new employees during 1997 and the fourth quarter of 1996 necessary to manage the properties recently acquired and expected to be acquired during 1997. Depreciation and amortization was 64.6% higher than 1996 due to the acquisition of the Branch Properties and the 1997 and 1996 Acquisitions.

Interest expense increased to \$3.7 million in 1997 from \$2.4 million in 1996 or 55.6% due primarily to increased average outstanding loan balances associated as further discussed above. Net income for common stockholders was \$4.037 million or \$.31 per share in 1997 vs. \$2.576 million or \$.26 per share in 1996.

## 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 property, 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 \$3.1 million or 72.7% from 1996 to 1997 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the periods ended March 31, 1997 and 1996 are summarized in the following table:

	1997 ----	1996 ----
Net income for common stockholders	\$ 4,037	2,576
Add back:		
Real estate depreciation and amortization, net	2,756	1,724
Minority interests in net income of redeemable operating partnership units	634	0
	-----	-----
Funds from operations	\$ 7,427	4,300
	=====	=====
Cash flow provided by (used by):		
Operating activities	\$ 14,197	5,768
Investing activities	(32,125)	(6,492)
Financing activities	24,264	2,715
Weighted average shares outstanding	15,217	9,766
	=====	=====

#### 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. 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.

#### Economic Conditions

A substantial number of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation on the Company's net income. Such provisions include percentage rentals, rental escalation clauses and reimbursements to the Company for actual common area maintenance, insurance, and real estate taxes paid. In addition, 44% of the Company's leases have terms of five years or less, which allows the Company the opportunity to increase rents upon lease expiration. Approximately 35% of the Company's leases expire beyond 10 years and are generally anchor tenants. Unfavorable economic conditions could result in the inability of certain tenants to meet their lease obligations and otherwise could adversely affect the Company's ability to attract and retain desirable tenants. Lurias currently has four leases with the Company, all stores of which are closed. In May, 1997, Lurias went into default under three leases, and continued to be in default under the fourth lease. Rent from the Lurias leases represents approximately 0.7% of the Company's annualized total rent. The Company considers Lurias to be bound by the lease terms, however, the outcome of the default is uncertain. The Company has adequately reserved for the potential loss of any rents due from Lurias. The Company had no other significant defaults or bankruptcies during the first quarter of 1997.

At March 31, 1997 approximately 8.8%, 4.0%, 2.9% and 2.1% of the Company's annualized total rent is received from Publix, Winn-Dixie, Kroger, and Wal-Mart, respectively (the "Four Major Tenants"). Although the Company considers the financial condition and its relationship with the Four Major Tenants to be good, a significant downturn in business or the non-renewal of expiring leases of the Four Major Tenants could adversely affect the Company. Management also believes that the shopping centers are relatively well positioned to withstand adverse economic conditions since they are typically anchored by supermarkets, drug stores and discount department stores that offer day-to-day necessities rather than luxury goods.

PART II

Item 1. Legal Proceedings

None

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

None

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits:

10. Material Contracts:

- (a) Purchase and Sale Agreement, dated February 6, 1997 between Charlotte Capital Partnership, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Carmel Commons Shopping Center.
- (b) Purchase and Sale Agreement, dated November 26, 1996 between Boyle Investment Company, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Mariner's Village Shopping Center.
- (c) Purchase and Sale Agreement, dated February 6, 1997 between Wake Capital Partnership, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Oakley Plaza Shopping Center.
- (d) Purchase and Sale Agreement, dated August 15, 1995 between Charles L. Cooper and Mary R. Cooper, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Weems Road land.
- (e) Purchase and Sale Agreement, dated March 17, 1997 between PDI ST. Lucie I Limited Partnership, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to East Port Plaza Shopping Center.
- (f) Purchase and Sale Agreement, dated March 17, 1997 between PDI Orlando III Limited Partnership, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Main Street Square Shopping Center.
- (g) Purchase and Sale Agreement, dated February 28, 1995 between The Institute for Econometric Research, Inc., as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to Deerfield Beach land.
- (h) Revolving Line of Credit Agreement May 30, 1994 between RRC GA ONE, Inc., as Borrower and Wachovia Bank of Georgia, N.A., as Lender.
- (i) First Modification to Revolving Line of Credit Agreement dated April 30, 1995 between RRC GA One, Inc., as Borrower and Wachovia Bank of Georgia, N.A., as Lender.
- (j) Second Modification to Revolving Line of Credit Agreement dated December 19, 1995 between RRC GA One, Inc., as Original Borrower, Regency Realty Group, Inc. as New Borrower and Regency Realty Corporation as Guarantor, and Wachovia Bank of Georgia, N.A., as Lender.
- (k) Third Modification to Revolving Line of Credit Agreement dated April 30, 1996 between Regency Realty Group, Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.
- (l) Fourth Modification to Revolving Line of Credit Agreement dated November 1, 1996 between Regency Realty Group, Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.

- (m) Fifth Modification to Revolving Line of Credit Agreement dated December 31, 1996 between Regency Realty Group, Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.
  - (n) Third Amendment to Credit Agreement dated March 7, 1997 between Regency Realty Corporation as Borrower, each of the Guarantors signatory hereto, each of the Lenders signatory hereto, and Wells Fargo Bank, N.A. and successor in interest to Wells Fargo Realty Advisors Funding, Inc., at Agent.
  - (o) Fourth Amendment to Credit Agreement dated March 24, 1997 between Regency Realty Corporation as Borrower, each of the Guarantors signatory hereto, each of the Lenders signatory hereto, and Wells Fargo Bank, N.A. and successor in interest to Wells Fargo Realty Advisors Funding, Inc., at Agent.
- B. A report on Form 8-K was filed March 14, 1997 reporting the acquisition of Branch Properties, L.P.
- C. A report on Form 8-K/A was filed March 20, 1997 reporting financial statements information and pro forma financial information:

Financial Statements:

Branch Properties, L.P. and Predecessor  
Audited financial statements for the year  
ended December 31, 1996

Pro Forma Financial Information:

Regency Realty Corporation  
Pro Forma consolidating balance sheet  
as of December 31, 1996 (unaudited)  
Pro Forma consolidating statement of operations  
for the year ended December 31, 1996 (unaudited)

SIGNATURE

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

May 15, 1997

REGENCY REALTY CORPORATION

By: /s/ J. Christian Leavitt  
-----  
Treasurer and Secretary

THIS AGREEMENT is made as of the 6th day of February, 1997, between CHARLOTTE CAPITAL PARTNERS, a North Carolina general partnership ("Seller"), and RRC ACQUISITIONS, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

#### Background

Buyer wishes to purchase a shopping center in the City of Charlotte, County of Mecklenburg, State of North Carolina, owned by Seller, known as Carmel Commons (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 business 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 Section 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 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 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 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

1.12 Escrow Agent means Chicago Title Insurance Company (Attn: John H. Noblitt), whose address is 1465 Charlotte Plaza, Charlotte, North Carolina 28244 (Phone 704/375-0700; Fax 704/332-7509), or any successor Escrow Agent.

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



1.14 Hazardous Material means any 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.

1.15 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.

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

1.17 Inspection Period means the period of time which expires at the end of business on Friday, March 7, 1997. If such expiration date is a weekend or national holiday, the Inspection Period shall expire at the end of business on the next immediately succeeding business day.

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

1.19 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.

1.20 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) All other easements, restrictions conditions, rights-of-way and other matters set forth in Seller's existing title insurance policy, a copy of which has been furnished to Buyer, determined by Buyer during the Inspection Period to be acceptable.

1.21 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.

1.22 Property means collectively the Real Property, the Improvements and the Personal Property. The Property does not include the land and improvements (the "Boston Market Parcel") which are the subject of a lease dated January 9, 1995, between Seller and Platinum Properties LLC, a North Carolina limited liability company ("Platinum"), as amended (the "Boston Market Lease"), the description of which is excluded from the Real Property in Exhibit ; provided that if Seller is unable to convey the Property to Buyer excluding the Boston Market Parcel because of platting and conveyancing requirements imposed by law because of applicable subdivision laws, the Property shall include the Boston Market Parcel, subject to the terms of the Boston Market Lease, in which event the Boston Market Parcel shall be included within the meaning of the term "Property", except that (i) all costs of closing the conveyance of the Boston Market Parcel to Buyer, and thereafter from Buyer to Seller, shall be borne by Seller, (ii) Seller shall immediately sublease the Boston Market Parcel from Buyer, subject to the Boston Market Lease, fully net to Buyer, (iii) Seller shall perform each and every objection of the Landlord under the Boston Market Lease and hold Buyer harmless therefrom, (iv) Seller shall indemnify and hold Buyer harmless from any and all cost, damage, liability, loss or claim with respect to the Boston Market Lease and/or the Boston Market Parcel, including the addition of Buyer as a named insured on Seller's public liability insurance policy as it applies to the Boston Market Parcel, and (v) the net proceeds of sale to Platinum under and pursuant to the Boston Market Lease shall be paid to Seller. The terms and conditions of such sublease, which shall cover the foregoing matters, are subject to the approval of Buyer and Seller in all respects, and shall be agreed upon during the Inspection Period. If the parties cannot reach an agreement concerning the terms and conditions of the said sublease within the Inspection Period, either party may terminate this Agreement by notice to the other given within the Inspection Period. Seller agrees to use its best efforts to accomplish such platting and the conveyance of the Boston Market Parcel to Platinum prior to closing.

1.23 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.

1.24 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).

1.25 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. The outparcels occupied by Exxon, Quincy's and the Bank are included in the purchase. The Boston Market Parcel is excluded.

1.26 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.

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

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

1.29 Seller Financial Statements means the unaudited balance sheets and statements of income, cash flows and changes in financial positions of 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.

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

1.31 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 Buyer's lender, and dated as of the date the Survey was made.

1.32 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. If the lease for a particular tenant requires a particular form of estoppel certificate, or obligates the tenant to provide only certain information, the Tenant Estoppel Letter to be obtained by Seller from such Tenant shall be limited to such form or information, as the case may be, but Seller shall nevertheless endeavor to obtain a Tenant Estoppel Letter in the form of that attached as Exhibit .

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

1.34 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.

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

1.36 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 \$12,100,000. The Purchase Price shall be payable in cash at Closing.

(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 and other items customarily prorated in transactions of this sort; and

(3) subtracting the amount of security deposits, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants. Any rents, percentage rents or tenant reimbursements payable 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. 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 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.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$50,000 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 held as specifically provided in this Agreement and 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 conveyance;
- (2) Cost of satisfying any liens on the Property;
- (3) Cost of curing title defects and recording any curative title documents;
- (4) The broker's commission of Robert S. Carter/Lat Purser & Associates, Inc., if and when this transaction closes, but not otherwise, in an amount equal to two and one-half percent (2.5%) of the Purchase Price; and
- (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 title insurance and Survey;
- (4) Cost of recording the deed; and
- (5) 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. 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 not be refundable except upon the terms otherwise set forth herein.

(b) 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 borings, 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 informs Seller 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 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 a "Phase 1" assessment of the Property, and a copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If the 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 Friday, March 14, 1997, 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 Robert S. Carter and Lat Purser & Associates, Inc., the commission of whom shall be paid by Seller. Seller agrees to indemnify Buyer from any other brokerage 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, and except for an option to purchase in favor of Platinum Properties LLC, a North Carolina limited liability company contained in a Ground Lease dated January 9, 1995, between Seller and Platinum Properties LLC, as amended by Amendment to Lease dated March 16, 1995, as regards the Boston Market Parcel, which parcel, as stated above, is excluded from this transaction.

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 attached hereto and certified as true by Lat Purser & Associates, Inc. And any Leases or modifications entered into between the date of this Agreement and the Closing Date shall be entered into only 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 Closing Date, 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. To the best of Seller's knowledge, 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. 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, 1996. 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. To the best of Seller's knowledge, 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 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. 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 use of the Property is consistent with the land use designation and zoning for the Property. There are no outstanding assessments, impact fees or other charges related to the Property.

4.12 Rent Roll; Tenant Estoppel Letters. To the best knowledge of Seller, the Rent Roll is true and correct in all material respects, to be certified by Lat Purser & Associates, Inc., in the form of certificate attached hereto as Exhibit . Seller agrees to use its best 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 material respects.

4.13 Condemnation. To the best of Seller's knowledge, 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.

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 (other than repairs made

in the ordinary course of business) 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; 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) Except as stated below, Seller has not, and has no knowledge that any other person has, caused any Release, threatened Release, or disposal of any Hazardous Material at the Property in any material quantity; and

(2) Except as stated below, to Seller's knowledge, 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, (d) drycleaning plant or other facility using drycleaning solvents; or (e) 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.

(3) There is located on the Property (i) an Exxon gasoline service station and (ii) a dry cleaning facility. Seller makes no representations as to either facility, leaving it to the due diligence of Buyer during the Inspection Period to determine whether and to the extent any contamination exists with respect to such facilities.

(b) It has delivered to Buyer copies of environmental assessment reports for the Property dated \_\_\_\_\_, prepared by \_\_\_\_\_, receipt of which Buyer acknowledges. Seller knows of the existence of, and has reviewed, no other environmental assessment reports which concern the Property or any portion thereof.

(c) During the Inspection Period Buyer may cause additional environmental assessments to be performed. Should an environmental condition be discovered and disclosed to Buyer prior to Closing, Buyer's remedy shall be to terminate the Agreement, in which event the Earnest Money Deposit shall be returned to Buyer, or Buyer may waive such condition and proceed to Closing. Buyer shall have no other remedy with respect to such pre-closing discovery, if any, of environmental conditions.

(d) 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 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.

4.19 As-Is Acquisition. Buyer acknowledges that, except as expressly represented and warranted by Seller in this Agreement, there have been no representations or warranties, express or implied, upon which Buyer is relying which have been made by Seller or upon Seller's behalf relating in any way to the Property, including, without limitation, the condition of the Property, any restrictions related to or approvals required for the development of the Property, or the suitability of the Property for any purposes whatsoever, and that subject to any and all conditions to Buyer's obligations described in this Agreement and to Seller's representations and warranties expressed in this Agreement, Buyer is acquiring the Property "as is," subject to all faults of every kind and nature whatsoever whether latent or patent and whether now or hereafter existing. Seller shall not be responsible for any work or improvement necessary to cause the Property to meet any applicable law, ordinance, regulation or code or to be suitable for any particular use or for any other work except that which is covered by an express warranty or representation made herein by Seller.

## 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 Robert S. Carter/Lat Purser & Associates, Inc., whose commission shall be paid by Seller as provided above; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

## 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. Prior to the end of the Inspection Period Buyer shall order the Title Insurance Commitment from Chicago Title Insurance Company and the Survey from a reputable surveyor familiar with the Property (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 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) 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; 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) No tenant occupying more than 5,000 square feet nor an aggregate of any three tenants, regardless of size, has vacated the Property, filed any proceeding (or been the subject of the filing of any proceeding) under the National Bankruptcy Act, terminated its lease or otherwise defaulted under its lease.

(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, and the Survey shall have been obtained by Buyer.

(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 special warranty deed in the form approved by the North Carolina Bar Association, executed in the 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 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, and an indemnity from Buyer for breach of such instruments by Buyer after the Closing Date;

- Property and Materials;
- (4) A bill of sale with respect to the Personal
- (5) A title certificate, properly endorsed by Seller, as to any items of Property for which title certificates exist;
- (6) Intentionally omitted;
- (7) 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;
- (8) All Tenant Estoppel Letters obtained by Seller, which must include Fresh Market, Eckerd, Piece Goods, Blockbuster, Party City and Chuck E. Cheese, Midtown South, The Great Wall of China, Exxon, Quincy's, Southern National Bank 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 of Tenant Estoppel Letter (except as noted in Section above) and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must be acceptable to Buyer in all respects, and the certificate of Seller as landlord, or of Lat Purser & Associates, Inc, as property manager on behalf of Landlord, for all of the remaining tenants certifying as to the substance of the form of Tenant Estoppel Letter, excluding paragraphs 10 and 11 thereof;
- (9) A general assignment of all assignable existing warranties relating to the Property (the costs of the transfers of such, if any, to be borne by Buyer);
- (10) 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;
- (11) 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;
- (12) Resolutions of Seller authorizing the transactions described herein;
- (13) All keys and other means of access to the Improvements in the possession of Seller or its agents;
- (14) Materials; and



(15) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement.

(g) Simultaneous closing of acquisition by Buyer from Wake Capital Partnership of Oakley Plaza Shopping Center in Buncombe County, North Carolina, pursuant to Purchase and Sale Agreement of even date herewith.

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 9. Upon Closing, all conditions precedent shall be deemed satisfied or waived, unless otherwise agreed by Seller and Buyer.

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) Such other documents as Seller may reasonably request to effect the transactions contemplated by this Agreement.

(d) Simultaneous closing of acquisition by Buyer from Wake Capital Partnership of Oakley Plaza Shopping Center in Buncombe County, North Carolina, pursuant to Purchase and Sale Agreement of even date herewith.

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. Upon Closing, all conditions precedent shall be deemed satisfied or waived, unless otherwise agreed by Seller and Buyer.

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 material breach by Seller of Seller's warranties, representations and covenants. Seller's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of six (6) months only following the Closing Date, after which six-month period all indemnities, representations, warranties, covenants, or other obligations of Seller contained or referenced in this Agreement (other than title warranties and the environmental indemnity set forth in Section ), shall be deemed to have terminated, and shall be null and void and of no further force and effect. Any claim for indemnification under the provisions of Section must be made in writing within six (6) months following the Closing Date.

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. Buyer's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing, after which six-month period all indemnities, representations, warranties, covenants, or other obligations of Buyer contained or referenced in this Agreement shall be deemed to have terminated, and shall be null and void and of no further force and effect. Any claim for indemnification under the provisions of Section must be made in writing within six (6) months following the Closing Date.

## 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 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.

11.3 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:

Charlotte Capital Partners  
c/o Lat Purser & Associates, Inc.  
4530 Park Road, Suite 300  
Charlotte, North Carolina 28209  
Attn: Mr. Robert S. Carter  
Phone: (704) 519-4200  
Facsimile: (704) 525-8700

With a copy to:

Culp Elliott & Carpenter, P.L.L.C.  
227 West Trade Street, Suite 1500  
Charlotte, North Carolina 28202  
Attn: John J. Carpenter, Esq.  
Phone: (704) 372-6322  
Facsimile: (704) 372-1474

As to Buyer:

RRC Acquisitions, Inc.  
Suite 200, 121 W. Forsyth St.  
Jacksonville, Florida 32202  
Attn: Robert L. Miller  
Phone: (904) 356-7000  
Facsimile: (904) 634-3428

With a copy to:

Rogers, Towers, Bailey, Jones & Gay  
1301 Riverplace Blvd., Suite 1500  
Jacksonville, Florida 32207  
Attn: William E. Scheu, Esq.  
Phone: (904) 346-5560  
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.

11.4 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.

11.5 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.

11.6 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.

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

11.8 Governing Law. This Agreement shall be governed by the laws of North Carolina 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 Mecklenburg County, State of North Carolina. Each party waives its right to jurisdiction or venue in any other location.

11.9 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.

11.10 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.

11.11 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.

11.12 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.

11.13 Survival. Subject to the time limitations set forth in Section , the obligations of Seller and Buyer intended to be performed after the Closing shall survive the closing.

11.14 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:

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

-----  
[ \_ \_ \_ \_ \_ ]  
Name (Please Print)

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

-----  
[ \_ \_ \_ \_ \_ ]  
Name (Please Print)

RRC ACQUISITIONS, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: February \_\_\_\_, 1997

Tax Identification No.  
59-3210155

"BUYER"

CHARLOTTE CAPITAL PARTNERS,  
a North Carolina general  
partnership

By: \_\_\_\_\_  
Its Authorized Partner

Date: February \_\_\_\_ 1997

Tax Identification No.  
-----

"SELLER"

## JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of acknowledging receipt of the initial Earnest Money Deposit and agrees 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 Section of the foregoing Agreement.

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 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 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. 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 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.

CHICAGO TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Its Authorized Agent

Date: \_\_\_\_\_, 1997

"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 writing at your request to confirm our understanding that your audit of the Statement of Revenue and Certain Expenses for the twelve months ended \_\_\_\_\_, was made for the purpose of expressing an opinion as to whether the statement presents fairly, in all material respects, the results of its operations in conformity with generally accepted accounting principles. In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We have made available to you all financial records and related data for the period under audit.

2. There have been no undisclosed:

a. Irregularities involving any member of management or employees who have significant roles in the internal control structure.

b. Irregularities involving other persons 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.

3. There are no undisclosed:

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 (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 Revenue and Certain Expenses.

d. Material undisclosed related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.

e. Events that have occurred subsequent to the balance sheet date that would require adjustment to or disclosure in the Statement of Revenue and Certain Expenses.

4. All aspects of contractual agreements that would have a material effect on the Statement of Revenue and Certain Expenses have been complied with.

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

Very truly yours,

"Seller/Manager"

Name  
Title

EXHIBIT

Legal Description of Real Property

All that tract or parcel of land lying and being in Charlotte, Mecklenburg County, North Carolina, and being more particularly described as follows:

BEGINNING at the point formed by the intersection of the centerline of North Carolina Highway 151 (Matthews-Pineville Rd.) (100 foot right-of-way) and the centerline of Carmel Road (100 foot right-of-way), run thence North 89 degrees 50 minutes 43 seconds West a distance of 1529.55 feet, as measured along said centerline of North Carolina Highway 151, to a point; run thence North 89 degrees 48 minutes 38 seconds West, and continuing along said centerline of North Carolina Highway 151, a distance of 71.98 feet to the point formed by the intersection of said centerline of North Carolina Highway 151 and the centerline of Carmel Commons Boulevard (size of right-of-way varies); thence South 00 degrees 11 minutes 22 seconds West along said centerline of Carmel Commons Boulevard a distance of 312.72 feet to a nail; thence in a Southwesterly direction, and continuing along said centerline of Carmel Commons Boulevard, along the arc of a curve to the right (said curve having a chord bearing South 10 degrees 53 minutes 55 seconds West, a chord distance of 92.90 feet, and a radius of 250.00 feet) an arc distance of 93.44 feet to a nail; thence South 21 degrees 36 minutes 22 seconds West, and continuing along said centerline of Carmel Commons Boulevard, a distance of 147.09 feet to a nail; thence in a Southwesterly, Southerly and Southeasterly direction, and continuing along said centerline of Carmel Commons Boulevard, along the arc of a curve to the left (said curve having a chord bearing South 30 degrees 00 minutes 45 seconds East, a chord distance of 391.95 feet, and a radius of 250.00 feet) an arc distance of 450.46 feet to a nail; thence South 81 degrees 37 minutes 53 seconds East, and continuing along said centerline of Carmel Commons Boulevard, a distance of 186.00 feet to a nail; thence in a Southeasterly direction, and continuing along said centerline of Carmel Commons Boulevard, along the arc of a curve to the right (said curve having a chord bearing South 68 degrees 44 minutes 43 seconds East, a chord distance of 133.81 feet, and a radius of 300.00 feet) an arc distance of 134.94 feet to a nail; thence North 25 degrees 31 minutes 16 seconds East a distance of 259.48 feet to an iron; thence North 00 degrees 09 minutes 17 seconds East a distance of 120.00 feet to a nail; thence South 89 degrees 50 minutes 43 seconds East a distance of 332.04 feet to an iron; thence South 00 degrees 04 minutes 30 seconds West a distance of 245.56 feet to an iron; thence South 89 degrees 50 minutes 43 seconds East a distance of 491.07 feet to a point in said centerline of Carmel Road; thence Northeasterly along said centerline of Carmel Road and along the arc of a curve to thrd bearing North 10 degrees 13 minutes 09 seconds East, a chord distance of 249.41 feet, and a radius of 1055.02 feet) an arc distance of 249.99 feet; thence Northeasterly along said centerline

of Carmel Road and along the arc of a curve to the right (said curve having a chord bearing North 22 degrees 09 minutes 47 seconds East, a chord distance of 189.63 feet, and a radius of 1055.02 feet) an arc distance of 189.89 feet to a point; thence North 27 degrees 19 minutes 10 seconds East, and continuing along said centerline of Carmel Road, a distance of 476.78 feet to the TRUE POINT OF BEGINNING; being improved property containing 28.325 acres as more particularly shown on that certain survey entitled "A Boundary Survey for First Capital Institutional Real Estate, Ltd., and Carmel Park, Ltd.," dated May 19, 1980, last revised May 24, 1983, prepared by Carolina Surveyors, Inc., P.A., Brotherton, North Carolina Registered Land Surveyor No. L643.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

BEING all of that certain tract or parcel of land located in the City of Charlotte, County of Mecklenburg and State of North Carolina, more particularly described as follows:

Commencing at a P.K. Nail located at the intersection of the centerline of the right-of-way of N.C. Highway No. 51 a/k/a Pineville-Matthews Road (a 100-foot right-of-way) and the center-line of the right-of-way of Carmel Commons Boulevard (a variable width right-of-way); thence South 50° 51' 10" East 78.48 feet to a point in the intersection of the easterly margin of the right-of-way of Carmel Commons Boulevard with the southerly margin of the right-of-way of N.C. Highway No. 51; thence with said southerly margin of the right-of-way of N.C. Highway No. 51 the following three courses and distances: (1) South 89° 48' 38" East 12.00 feet to a point; (2) South 89° 50' 43" East 177.06 feet to a point; and (3) South 89° 50' 43" East 24.00 feet to a set steel rod being the point and place of BEGINNING; thence leaving the southerly margin of said right-of-way South 00° 05' 50" East 220.95 feet to a set steel rod; thence South 89° 50' 41" East 191.48 feet to a point; thence North 00° 09' 17" East 220.95 feet to a point in the southern margin of the right-of-way of N.C. Highway No. 51; thence within the margin of said right-of-way North 89° 50' 43" West 192.45 feet to the point and place of BEGINNING, all as shown on that Lease Exhibit Map Showing Proposed Quincy's Lease Lines by DSAAtlantic, dated February 14, 1995, revised February 22, 1995, reference to which is hereby made for a more particularly description.

The Beginning Point was derived in part from that certain Boundary and Topographic Survey prepared for Platinum Rotisserie Corporation by DSA Design Group, dated March 24, 1994, bearing sheet number D-1 of 5.

EXHIBIT

Rent Roll

EXHIBIT

Form of Tenant Estoppel Letter

\_\_\_\_\_, 199\_\_

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

Form of Manager's Certificate

Certification of Leases

THIS CERTIFICATION OF LEASES ("Certification") is made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by LAT PURSER & ASSOCIATES, INC. ("Lat Purser"), in favor of \_\_\_\_\_ ("Seller") and RRC ACQUISITIONS, INC. ("Buyer").

WHEREAS, Seller and Buyer have entered into that certain Purchase and Sale Agreement for the sale and purchase of that certain real property and improvements known as Carmel Commons, located in Charlotte, North Carolina (the "Property");

WHEREAS, Lat Purser is the property manager of the Property;  
and

WHEREAS, Seller and Buyer have requested that Lat Purser provide this Certification in connection with the sale of the Property and Lat Purser has agreed to provide the same;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lat Purser hereby certifies the following to Seller and Buyer as of the date hereof:

1. The lease agreements, and amendments and modifications thereto, attached to this Certification (collectively, "Leases") are all the leases affecting the Property. The Rent Roll attached hereto is true and accurate in all material respect, and the Leases are in full force and effect. There are no modifications and amendments to any of such Leases except as stated in the Rent Roll.

2. Seller as landlord under the Leases is not in default under the Leases and none of the tenants under the Leases is in default thereunder, except as set forth on the Rent Roll.

IN WITNESS WHEREOF, Lat Purser has executed this Certification as of the day and year first above written.

LAT PURSER & ASSOCIATES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_





THIS AGREEMENT is made as of the 26th day of November, 1996, between BOYLE INVESTMENT COMPANY, a Tennessee corporation ("Seller"), and RRC ACQUISITIONS, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

#### Background

Buyer wishes to purchase a shopping center in the City of Orlando, County of Orange, State of Florida, owned by Seller, known as the Mariners Village 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 1.3.

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 deposits delivered by Buyer to Escrow Agent prior to the Closing under Section 2.2 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 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 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 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

1.12 Escrow Agent means First American Title Insurance Company, through its agent, Ulmer, Murchison, Ashby & Taylor, Attorneys, whose address is Suite 1600, SunTrust Building, 200 West Forsyth Street, Jacksonville, Florida 32202 (Fax 904/354-9100), or any successor Escrow Agent.

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

1.14 Hazardous Material means any 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.

1.15 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.

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

1.17 Inspection Period means the period of time which expires at the end of business on the forty-fifth (45th) day after the date of execution by the last of Buyer or Seller to execute this Agreement and transmit a copy thereof to the other. If such expiration date is a weekend or national holiday, the Inspection Period shall expire at the end of business on the next immediately succeeding business day.

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

1.19 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.

1.20 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.

1.21 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.

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

1.23 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.

1.24 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 2.1 (subject to adjustments as provided herein).

1.25 Real Property means the lands more particularly described on Exhibit 1.25, together with all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of such lands.

1.26 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.

1.27 Rent Roll means the list of Leases attached hereto as Exhibit 1.27, identifying with particularity the space leased by each tenant, the term (including extensions), square footage and applicable rent, common area maintenance, tax and other reimbursements, security deposits and similar data.

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

1.29 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.

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

1.31 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 Buyer's lender, and dated as of the date the Survey was made.

1.32 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 1.32, 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.

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

1.34 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.

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

1.36 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 \$7,500,000.00. The Purchase Price shall be payable in cash at Closing.

(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 and other items customarily prorated in transactions of this sort;

(3) subtracting the Tenant Escrow Funds and disbursing same to Escrow Agent as provided in Section 2.4 below; and

(4) subtracting the amount of prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants. Any rents, percentage rents or tenant reimbursements payable 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. 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 within thirty (30) days 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.

(c) Tenant Security Deposits. Tenant security deposits held by Seller under the Leases shall be paid over to Buyer at Closing or an equivalent credit against the Purchase Price shall be given to Buyer, as elected by Seller.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$25,000.00 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 shall also include the additional deposit to be made by Buyer under Section 3.1(a) below, if and when made, and the earnings. The Earnest Money Deposit paid by Buyer shall be held as specifically provided in this Agreement and 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 the Survey;
- (3) Cost of satisfying any liens on the Property;

(4) Cost of title insurance and the costs, if any, of curing title defects and recording any curative title documents;

(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 5.3 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) Costs of the Phase 1 environmental site assessment to be obtained by Buyer;

(3) Cost of recording the deed; and

(4) Buyer's attorneys' fees.

2.4 Tenant Escrow Funds. Included in the Leases are (i) a lease dated \_\_\_\_\_, concerning space number \_\_\_\_\_, between Seller as landlord and The Cutting Edge Salon as tenant (the "Cutting Edge Lease") and (ii) a lease dated \_\_\_\_\_, covering space number \_\_\_\_\_, between Seller as landlord and Concept Management Corp (the "Concept Management Lease"). Neither the Cutting Edge Lease nor the Concept Management Lease by Closing will have commenced, or, if so, will not have been open for business for sufficient time to determine if they are viable tenants. Seller and Buyer have agreed to deposit in escrow with Escrow Agent, at Closing, the sums of \$103,696.00 for the Cutting Edge Lease (the "Cutting Edge Fund") and \$161,304.00 for the Concept Management Lease (the "Concept Management Fund"), to be disbursed to Seller upon the respective Qualification Dates for each of said leases (the Cutting Edge Fund and the Concept Management Fund being collectively referred to as the "Tenant Escrow Funds"). Escrow Agent shall disburse the Cutting Edge Fund, and the Concept Management Fund, respectively, to Seller, within ten (10) days after the occurrence of the respective Qualification Date for each. The Qualification Date for each lease shall be the date for each such lease by which the following events shall have occurred:

(a) The tenant shall have accepted the space and be lawfully open for business therein;



(b) The tenant shall have received all concessions due it under the Lease, such as, by way of example, free rent and reimbursement for tenant improvements;

(c) The tenant has been paying full rent and reimbursements for at least six (6) consecutive months without default;

(d) There shall be no default under such Lease which remains uncured as of the Qualification Date;

(e) All sums payable for the construction of tenant improvements and fixturing for the leased space shall have been paid and releases of liens and final payment affidavits for such work have been delivered to Buyer; and

(f) The tenant shall have executed and delivered to Buyer a Tenant Estoppel Letter regarding its lease and occupancy which is acceptable to Buyer.

If the Qualification Date for a particular Lease has not occurred by the date which occurs nine (9) months following Closing, Seller shall have an additional twelve (12) months from the date of the termination of the Lease for which the Qualification Date did not occur and vacating of its premises by the tenant thereunder, (the costs of which shall be borne by Seller), but no later than the date which occurs twenty-one (21) months after the Closing Date, within which to obtain a replacement tenant under an Approved Lease, and thereafter an additional nine (9) months during which the Qualification Date for such replacement tenant may occur. In order to qualify as a replacement tenant the replacement lease must have an initial term of no less than three (3) years with a third party tenant unaffiliated with Seller who is creditworthy in Buyer's reasonable judgment and who is experienced in Buyer's reasonable judgment in the operation of the type of business proposed to be conducted at the leased premises. The replacement lease shall not be considered an Approved Lease unless it is written on the Shopping Center's standard form lease used by Buyer, without material modification (or other form reasonably approved by Buyer), and unless it provides for rents, cost sharing and concessions which are comparable to that of the tenant being replaced and which Buyer reasonably considers to be "market" for the Orlando area. The amount to be paid with respect to an approved replacement tenant shall be the lesser of (i) the Cutting Edge Fund (in the case of space number 2), or the Concept Management Fund (in the case of space number 5), and (ii) the Net Effective Rent under the replacement lease divided by 0.104. Any balance shall be returned to Buyer. The term "Net Effective Rent" shall mean base rent and expense reimbursement recoveries from a tenant under a Lease, less all free rent, cash payments and allowances and other concessions to the tenant and less a credit reserve of five percent (5%) of tenant rent and recoveries, if the tenant is a local tenant or a tenant whose lease has an initial term of less than ten (10) years. Notwithstanding the foregoing, if Buyer shall itself lease the space prior to Seller's tendering a replacement tenant, Seller's right to lease such space shall terminate, but the escrowed funds with respect to such space shall be paid to Seller on the basis of the aforesaid computed to Buyer. Seller shall pay all leasing

commissions payable with respect to the Cutting Edge Lease, the Concept Management Lease or any replacement lease, whether procured by Seller or Buyer.

### 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. 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, a copy of the notice shall be furnished to Escrow Agent with an additional deposit of \$50,000.00, which shall become part of the Earnest Money Deposit for all purposes. The Earnest Money Deposit shall not thereafter be refundable except upon the terms otherwise set forth herein.

(b) 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 borings, 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 but shall not interfere with the tenants' businesses.

(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 a "Phase 1" assessment of the Property, and a copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If the 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) day following the expiration of the Inspection Period, provided that Buyer may designate an earlier date for Closing. The parties contemplate that and shall endeavor to hold the Closing on or before December 31, 1996.

#### 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 authorized as a foreign corporation to transact business in 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 Insignia Mortgage & Investment Company, 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 Closing Date, 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, 1995. Buyer and its independent certified accountants shall be given access to Seller's books and records relating to the Property 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 material 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 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, not to 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, 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, and all concurrency requirements have been satisfied. 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 its best 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) to the best of Seller's actual knowledge 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; or (d) to the best of Seller's actual knowledge 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) Except as disclosed in the Limited Phase II Environmental Site Assessment report dated May 9, 1996, prepared by Boyle Investment Company, a copy of which has been furnished to Buyer, the Property to the best of Seller's knowledge does not now contain and 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. There is a drycleaning plant located on the Property which is a subject of the environmental assessment. 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; and

(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, except as disclosed in the aforementioned environmental assessment report.

(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 one (1) year, and shall be in addition to the post-closing indemnities contained in Section 10.01.

4.18 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 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 Insignia Mortgage & Investment Company, whose commission shall be paid by Seller; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

## 6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing, subject to the Permitted Exceptions.

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. Prior to the end of the Inspection Period Buyer shall order the Title Insurance Commitment from First American Title Insurance Company and the Survey from a reputable surveyor familiar with the Property (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 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) 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; 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) 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 excess of 5,000 square feet or more than twenty percent (20%) of the other tenants who have signed leases for any portion of the Property since the date of this Agreement. Winn-Dixie Stores, Inc., Walgreen Co., World Gym, Blockbuster Video and R.B. Industries, and no less than ninety percent (90%) of the other tenants, exclusive of the Cutting Edge Lease and the Concept Management Lease, shall be open for business in the Shopping Center and have commenced paying rent.

(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 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 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) A title certificate, properly endorsed by Seller, as to any items of Property for which title certificates exist;

(6) The Survey;

(7) 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;

(8) All Tenant Estoppel Letters obtained by Seller, which must include Winn-Dixie Stores, Inc., Walgreen Co., World Gym, Blockbuster Video and R.B. Industries, and ninety percent (90%) of the other tenants who have signed leases for any portion of the Property (exclusive of the Cutting Edge Lease and the Concept Management Lease), 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;

(9) A general assignment of all assignable existing warranties relating to the Property;

(10) 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;

(11) 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;

(12) Resolutions of Seller authorizing the transactions described herein;

(13) All keys and other means of access to the Improvements in the possession of Seller or its agents;

(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 8.1 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 9.

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 2.1 at Closing;

(2) 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 8.2 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.

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. Seller's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of one (1) year. 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. Buyer's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of one (1) year. 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 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: Anderson-Tully Corporation  
Attention: David Coombs and Mary H. Owen  
1242 N. Second Street  
Memphis, Tennessee 38103  
Facsimile: (901) 528-1938

With a copy to: Evans & Petree  
Attention: E. Woods Weathersby, Esq.  
81 Monroe Avenue  
Memphis, Tennessee 38103  
Facsimile: (901) 525-9458

As to Buyer: RRC Acquisitions, Inc.  
Attention: Robert L. Miller  
Suite 200, 121 W. Forsyth St.  
Jacksonville, Florida 32202  
Facsimile: (904) 634-3428

With a copy to: Ulmer, Murchison, Ashby & Taylor  
Attention: William E. Scheu, Esq.  
P. O. Box 479  
Suite 1600, 200 W. Forsyth St.  
Jacksonville, FL 32201 (32202 for courier)  
Facsimile: (904) 354-9100

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 Florida 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 Duval County, State of Florida. 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.

11.16 Like-Kind Exchange. It is recognized and agreed that in connection with Seller's conveyance of the Property, Seller desires and intends to effectuate a like-kind exchange in accordance with Section 1031 of the Internal Revenue Code, as amended, through a "Starker-Type" deferred exchange, utilizing an exchange trust. Buyer, without additional expense to it, shall cooperate with Seller in completing the exchange by execution of an exchange trust in form and substance acceptable to Buyer and its counsel. Seller agrees to save and hold harmless Buyer from and against any and all loss, damage, tax, cost and expense associated with or claimed to be due by reason of such exchange.

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

Witnesses:

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

RRC ACQUISITIONS, INC.,  
a Florida corporation

By:  
Its:  
Date: November \_\_\_\_, 1996

Tax Identification No. 59-3210155

"BUYER"

ANDERSON-TULLY CORPORATION,  
a Mississippi corporation

By:  
Its:  
Date: November \_\_\_\_, 1996

Tax Identification No:

"SELLER"

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of acknowledging receipt of the initial Earnest Money Deposit and agrees 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 Section 2.2 of the foregoing Agreement.



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 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 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. No disbursements shall be made, other than as provided in Sections 2.2 and 3.1(a) 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 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.

ULMER, MURCHISON, ASHBY & TAYLOR

By:  
Its Authorized Agent

Date: November \_\_\_\_\_, 1996

"ESCROW AGENT"

EXHIBIT 1.3

Audit Representation Letter

-----  
(Acquisition Completion Date)

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

Dear Sirs:

We are writing at your request to confirm our understanding that your audit of the Statement of Revenue and Certain Expenses for the twelve months ended \_\_\_\_\_, was made for the purpose of expressing an opinion as to whether the statement presents fairly, in all material respects, the results of its operations in conformity with generally accepted accounting principles. In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We have made available to you all financial records and related data for the period under audit.

2. There have been no undisclosed:

a. Irregularities involving any member of management or employees who have significant roles in the internal control structure.

b. Irregularities involving other persons 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.

3. There are no undisclosed:

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 (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 Revenue and Certain Expenses.

d. Material undisclosed related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.

e. Events that have occurred subsequent to the balance sheet date that would require adjustment to or disclosure in the Statement of Revenue and Certain Expenses.

4. All aspects of contractual agreements that would have a material effect on the Statement of Revenue and Certain Expenses have been complied with.

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

Very truly yours,

"Seller/Manager"

Name  
Title

EXHIBIT 1.25

Legal Description of Real Property

Lot 1, THE CENTER AT MARINERS' VILLAGE, as shown in plat of record in Plat Book 18, Page 15, in the public records of Orange County, Florida, to which plat reference is hereby made for a more particular description of said lot. Said lot is further described as follows:

Tract A, MARINER'S VILLAGE, according to the plat thereof, as recorded in Plat Book 15, Pages 98 and 99 of the public records of Orange County, Florida;

Together with the South 150.00 feet of the North 645 feet of the North 3/4 of the Southeast 1/4 of the Southeast 1/4 of Section 5, Township 23 South, Range 30 East, Orlando, Orange County, Florida; LESS the West 30 feet thereof for road right-of-way (Conway Road). The same being more particularly described as follows:

Begin at the Southwest corner of said Tract A, MARINER'S VILLAGE; thence N.00(degree)12'18"W., along the West line of said Tract A, for 406.84 feet to the point of curvature of a curve concave Southeasterly; thence Northeasterly along the arc of said curve having a radius of 35.00 feet through a central angle of 90(degree)15'58" for 55.14 feet to the point of tangency; thence S.89(degree)56'21"E., along the North line of said Tract A, for 512.82 feet to the point of curvature of a curve concave Northeasterly; thence Northeasterly along the North line of said Tract A, along the arc of said curve having a radius of 813.00 feet, through a central angle of 30(degree)37'10" for 434.48 feet; thence S.00(degree)03'40"W., along the East line of said Tract A for 555.36 feet to the Southwest corner of Tract F of said plat, MARINER'S VILLAGE; thence S.89(degree)56'20"E., along the South line of said Tract F, for 315.50 feet to the East line of Section 5, Township 23 South, Range 30 East; thence S.00(degree)03'38"W., along said East line for 150.00 feet; thence N.89(degree)56'20"W., for 1297.82 feet to the East right-of-way line of Conway Road; thence N.00(degree)12'18"W., along said East right-of-way line for 150.00 feet; thence S.89(degree)56'20"E., for 23.00 feet to the point of beginning.

LESS AND EXCEPT that portion of the property conveyed to NCNB National Bank of Florida, recorded in Official Records Book 3866, Page 4350 of the aforesaid public records which is Lot 2, THE CENTER AT MARINERS' VILLAGE, as shown in plat of record in Plat Book 18, Page 15 of the public records of Orange County, Florida, to which plat reference is hereby made for a more particular description of said lot.

EXHIBIT 1.27

Rent Roll

EXHIBIT 1.32

Form of Estoppel Letter

\_\_\_\_\_, 199\_

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: \_\_\_\_\_





THIS AGREEMENT is made as of the 6th day of February, 1997, between WAKE CAPITAL PARTNERSHIP, a North Carolina general partnership ("Seller"), and RRC ACQUISITIONS, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

Background

Buyer wishes to purchase a shopping center in the City of Asheville, County of Buncombe, State of North Carolina, owned by Seller, known as the Oakley Plaza (the "Shopping Center"); and

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 1.3.

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 business 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 Section 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 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 U.S.C. 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 U.S.C. ss. 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. ss. 1251 et seq., Clean Air Act of 1966, as amended, 42 U.S.C. ss. 7401 et seq., Toxic Substances Control Act of 1976, 15 U.S.C. ss. 2601 et seq., Hazardous Materials Transportation Act, 49 U.S.C. App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. ss. 651 et seq., Oil Pollution Act of 1990, 33 U.S.C. ss. 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. ss. App. 11001 et seq., National Environmental Policy Act of 1969, 42 U.S.C. ss. 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 U.S.C. ss. 300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

1.12 Escrow Agent means Chicago Title Insurance Company (Attn: John H. Noblitt), whose address is 1465 Charlotte Plaza, Charlotte, North Carolina 28244 (Phone 704/375-0700; Fax 704/332-7509), or any successor Escrow Agent.

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

1.14 Hazardous Material means any 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.

1.15 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.

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

1.17 Inspection Period means the period of time which expires at the end of business on Friday, March 7, 1997. If such expiration date is a weekend or national holiday, the Inspection Period shall expire at the end of business on the next immediately succeeding business day.

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

1.19 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.

1.20 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) All other easements, restrictions conditions, rights-of-way and other matters set forth in Seller's existing title insurance policy, a copy of which has been furnished to Buyer, determined by Buyer during the Inspection Period to be acceptable.

1.21 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.

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

1.23 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.

1.24 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).

1.25 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.

1.26 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.

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

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

1.29 Seller Financial Statements means the unaudited balance sheets and statements of income, cash flows and changes in financial positions of 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.

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

1.31 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 Buyer's lender, and dated as of the date the Survey was made.

1.32 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. If the lease for a particular tenant requires a particular form of estoppel certificate, or obligates the tenant to provide only certain information, the Tenant Estoppel Letter to be obtained by Seller from such Tenant shall be limited to such form or information, as the case may be, but Seller shall nevertheless endeavor to obtain a Tenant Estoppel Letter in the form of that attached as Exhibit .

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

1.34 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.

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

1.36 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 \$8,057,000. The Purchase Price shall be payable in cash at Closing.

(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 and other items customarily prorated in transactions of this sort; and

(3) subtracting the amount of security deposits, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants. Any rents, percentage rents or tenant reimbursements payable 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. 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 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.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$50,000 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 held as specifically provided in this Agreement and 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 conveyance;
- (2) Cost of satisfying any liens on the Property;
- (3) Cost of curing title defects and recording any curative title documents;
- (4) The broker's commission of Robert S. Carter/Lat Purser & Associates, Inc., if and when this transaction closes, but not otherwise, in an amount equal to two and one-half percent (2.5%) of the Purchase Price; and
- (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 title insurance and Survey;
- (4) Cost of recording the deed; and
- (5) 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. 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 not be refundable except upon the terms otherwise set forth herein.

(b) 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 borings, 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 informs Seller 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 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 a "Phase 1" assessment of the Property, and a copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If the 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 Friday, March 14, 1997, 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 Robert S. Carter and Lat Purser & Associates, Inc., the commission of whom shall be paid by Seller. Seller agrees to indemnify Buyer from any other brokerage 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 attached hereto and certified as true by Lat Purser & Associates, Inc. Any Leases or modifications entered into between the date of this Agreement and the Closing Date shall be entered into only 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 Closing Date, 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. To the best of Seller's knowledge, 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. 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, 1996. 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. To the best of Seller's knowledge, 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 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. 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 use of the Property is consistent with the land use designation and zoning for the Property. There are no outstanding assessments, impact fees or other charges related to the Property.

4.12 Rent Roll; Tenant Estoppel Letters. To the best knowledge of Seller, the Rent Roll is true and correct in all material respects, to be certified by Lat Purser & Associates, Inc., in the form of certificate attached hereto as Exhibit . Seller agrees to use its best 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 material respects.

4.13 Condemnation. To the best of Seller's knowledge, 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.

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 (other than repairs made in the ordinary course of business) 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; 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 that any other person has, caused any Release, threatened Release, or disposal of any Hazardous Material at the Property in any material quantity; and

(2) To Seller's knowledge, 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,

(d) drycleaning plant or other facility using drycleaning solvents; or (e) 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.

(b) It has delivered to Buyer copies of environmental assessment reports for the Property dated \_\_\_\_\_, prepared by \_\_\_\_\_, receipt of which Buyer acknowledges. Seller knows of the existence of, and has reviewed, no other environmental assessment reports which concern the Property or any portion thereof.

(c) During the Inspection Period Buyer may cause additional environmental assessments to be performed. Should an environmental condition be discovered and disclosed to Buyer prior to Closing, Buyer's remedy shall be to terminate the Agreement, in which event the Earnest Money Deposit shall be returned to Buyer, or Buyer may waive such condition and proceed to Closing. Buyer shall have no other remedy with respect to such pre-closing discovery, if any, of environmental conditions.

(d) 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 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.

4.19 As-Is Acquisition. Buyer acknowledges that, except as expressly represented and warranted by Seller in this Agreement, there have been no representations or warranties, express or implied, upon which Buyer is relying which have been made by Seller or upon Seller's behalf relating in any way to the Property, including, without limitation, the condition of the Property, any restrictions related to or approvals required for the development of the Property, or the suitability of the Property for any purposes whatsoever, and that subject to any and all conditions to Buyer's obligations described in this Agreement and to Seller's

representations and warranties expressed in this Agreement, Buyer is acquiring the Property "as is," subject to all faults of every kind and nature whatsoever whether latent or patent and whether now or hereafter existing. Seller shall not be responsible for any work or improvement necessary to cause the Property to meet any applicable law, ordinance, regulation or code or to be suitable for any particular use or for any other work except that which is covered by an express warranty or representation made herein by Seller.

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 Robert S. Carter/Lat Purser & Associates, Inc., whose commission shall be paid by Seller as provided above; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

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. Prior to the end of the Inspection Period Buyer shall order the Title Insurance Commitment from Chicago Title Insurance Company and the Survey from a reputable surveyor familiar with the Property (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 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) 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; 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) No tenant occupying more than 5,000 square feet nor an aggregate of any three tenants, regardless of size, has vacated the Property, filed any proceeding (or been the subject of the filing of any proceeding) under the National Bankruptcy Act, terminated its lease or otherwise defaulted under its lease.

(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, and the survey shall have been obtained by Buyer.

(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 special warranty deed in the form approved by the North Carolina Bar Association, executed in the 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 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, and an indemnity from Buyer for breach of such instruments by Buyer after the Closing Date;

(4) A bill of sale with respect to the Personal Property and Materials;

(5) A title certificate, properly endorsed by Seller, as to any items of Property for which title certificates exist;

(6) Intentionally omitted;

(7) 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;

(8) All Tenant Estoppel Letters obtained by Seller, which must include Bi-Lo, Baby Superstore, Western Auto and Revco 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 of Tenant Estoppel Letter (except as noted in Section above) and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must be acceptable to Buyer in all respects, and the certificate of Seller as landlord, or of Lat Purser & Associates, Inc., as property manager on behalf of Landlord, for all of the remaining tenants certifying as to the substance of the form of Tenant Estoppel Letter, excluding paragraphs 10 and 11 thereof;

(9) A general assignment of all assignable existing warranties relating to the Property (the costs of the transfers of such, if any, to be borne by Buyer);

(10) 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;

(11) 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;

(12) Resolutions of Seller authorizing the transactions described herein;

(13) All keys and other means of access to the Improvements in the possession of Seller or its agents;

(14) Materials; and

(15) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement.

(g) Full execution and delivery to Buyer of an amendment to the Bi-Lo lease evidencing Bi-Lo's expansion and commitment to pay additional rent (new annual rent of \$380,620) and extension of term (20 yrs.). The cost of Bi-Lo's expansion will be at Seller's expense and the payment due Bi-Lo as consideration therefor under the Bi-Lo lease shall be escrowed with Escrow Agent at Closing under an escrow agreement which is mutually acceptable to Buyer and Seller, or alternatively, the Bi-Lo Lease shall be amended in accordance with the proposed letter agreement attached hereto as Exhibit, the form and substance of such lease amendment to be satisfactory to Buyer in all respects.

(h) Baby Superstore's opening and commencement of annual rent payments on a monthly basis in the amounts specified in its lease. All free rent and inducement costs to be Seller's expense and to be paid to Baby Superstore at or before Closing such that full rent and other sums due under the Lease will be payable from and after Closing, the same to be verified by Baby Superstore by a lease amendment and in its Tenant Estoppel Letter.

(i) Simultaneous closing of acquisition by Buyer from Charlotte Capital Partnership of Carmel Commons Shopping Center in Mecklenburg County, North Carolina, pursuant to Purchase and Sale Agreement of even date herewith.

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 . Upon Closing, all conditions precedent shall be deemed satisfied or waived, unless otherwise agreed by Seller and Buyer.

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:

(d) Simultaneous closing of acquisition by Buyer from Charlotte Capital Partnership of Carmel Commons Shopping Center in Mecklenburg County, North Carolina, pursuant to Purchase and Sale Agreement of even date herewith.

(1) 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.

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 . Upon Closing, all conditions precedent shall be deemed satisfied or waived, unless otherwise agreed by Seller and Buyer.

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 material breach by Seller of Seller's warranties, representations and covenants. Seller's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing for a period of six (6) months only following the Closing Date, after which six-month period all indemnities, representations, warranties, covenants, or other obligations of Seller contained or referenced in this Agreement (other than title warranties and the environmental indemnity set forth in Section ), shall be deemed to have terminated, and shall be null and void and of no further force and effect. Any claim for indemnification under the provisions of Section must be made in writing within six (6) months following the Closing Date.

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. Buyer's warranties, representations and covenants, and the foregoing indemnity, shall survive the Closing, after which six-month period all indemnities, representations, warranties, covenants, or other obligations of Buyer contained or referenced in this Agreement shall be deemed to have terminated, and shall be null and void and of no further force and effect. Any claim for indemnification under the provisions of Section must be made in writing within six (6) months following the Closing Date.

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 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.

11.3 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: Wake Capital Partnership  
c/o Lat Purser & Associates, Inc.  
4530 Park Road, Suite 300  
Charlotte, North Carolina 28209  
Attn: Mr. Robert S. Carter  
Phone: (704) 519-4200  
Facsimile: (704) 525-8700

With a copy to: John J. Carpenter, Esq.  
Culp Elliott & Carpenter, P.L.L.C.  
227 West Trade Street, Suite 1500  
Charlotte, North Carolina 28202  
Phone: (704) 372-6322  
Facsimile: (704) 372-1474

As to Buyer: RRC Acquisitions, Inc.  
Suite 200, 121 W. Forsyth St.  
Jacksonville, Florida 32202  
Attn: Robert L. Miller  
Phone: (904) 356-7000  
Facsimile: (904) 634-3428

With a copy to: Rogers, Towers, Bailey, Jones & Gay  
1301 Riverplace Boulevard, Suite 1500  
Jacksonville, Florida 32207  
Attn: William E. Scheu, Esq.  
Phone: (904) 346-5560  
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.

11.4 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.

11.5 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.

11.6 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.

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

11.8 Governing Law. This Agreement shall be governed by the laws of North Carolina 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 Buncombe County, State of North Carolina. Each party waives its right to jurisdiction or venue in any other location.

11.9 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.

11.10 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.

11.11 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.

11.12 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.

11.13 Survival. Subject to the time limitations set forth in Section , the obligations of Seller and Buyer intended to be performed after the Closing shall survive the closing.

11.14 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, INC.,  
a Florida corporation

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: February \_\_\_\_, 1997

Tax Identification No. 59-3210155

"BUYER"

WAKE CAPITAL PARTNERSHIP,  
a North Carolina general partnership

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: February \_\_\_\_, 1997

Tax Identification No. \_\_\_\_\_

"SELLER"



## JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of acknowledging receipt of the initial Earnest Money Deposit and agrees 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 Section of the foregoing Agreement.

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 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 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. 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 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.

CHICAGO TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Its Authorized Agent

Date: \_\_\_\_\_, 1997

"ESCROW AGENT"

EXHIBIT 1.3

Audit Representation Letter

-----  
(Acquisition Completion Date)

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

Dear Sirs:

We are writing at your request to confirm our understanding that your audit of the Statement of Revenue and Certain Expenses for the twelve months ended \_\_\_\_\_, was made for the purpose of expressing an opinion as to whether the statement presents fairly, in all material respects, the results of its operations in conformity with generally accepted accounting principles. In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We have made available to you all financial records and related data for the period under audit.
2. There have been no undisclosed:
  - a. Irregularities involving any member of management or employees who have significant roles in the internal control structure.
  - b. Irregularities involving other persons 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.
3. There are no undisclosed:
  - 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 (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 Revenue and Certain Expenses.

d. Material undisclosed related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.

e. Events that have occurred subsequent to the balance sheet date that would require adjustment to or disclosure in the Statement of Revenue and Certain Expenses.

4. All aspects of contractual agreements that would have a material effect on the Statement of Revenue and Certain Expenses have been complied with.

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

Very truly yours,

Seller/Manager

Name: \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT 1.25

Legal Description of Real Property

All of that certain tract of land located in Asheville, Buncombe County, North Carolina, and more particularly described as follows:

BEGINNING at a point, said point being located North 36 deg. 57' 28" West 1779.82 feet from a U.S.C. & G.S. monument labeled "A- 142 RESET," said beginning point also being situated at the intersections of the I-240 right-of-way and the new U.S. 74 right-of-way, thence with the U.S. 74 right-of-way North 35 deg. 44' 59" East 234.87 feet to a point, thence continuing with said right-of-way North 48 deg. 00' 52" East 624.71 feet to a point, thence South 05 deg. 14' 50" East 140.08 feet to a point, thence North 84 deg. 04' 50" East 185.99 feet to a point, thence North 05 deg. 13' 00" West 105.84 feet to a point, thence North 42 deg. 17' 00" West 140.00 feet to a point in the aforesaid U.S. 74 right-of-way, thence with said right-of-way along a curve to the left which has a radius of 810.64 feet, an arc length of 173.40 feet to a point, thence South 59 deg. 00' 47" East 85.18 feet to a point, thence North 81 deg. 17' 48" East 10.99 feet to a point in the right-of-way of N.C. State Road No. 2862, thence with said right-of-way South 08 deg. 38' 46" East 880.99 feet to a point, thence leaving said right-of-way South 86 deg. 38' 57" West 482.23 feet to a point, thence South 89 deg. 06' 27" West 167.26 feet to a point, thence South 68 deg. 05' 16" West 213.58 feet to a point in the I- 240 right-of-way, thence with said right-of-way North 41 deg. 56' 38" West 252.94 feet to the point and place of BEGINNING, as shown on survey dated August 1, 1988, prepared by Long & Associates, P.A., entitled "Oakley Plaza."

BEING all of that real property conveyed to Wake Capital Partnership by warranty deed from Wake Capital Partners, Inc., recorded in Book 1589, page 372, in the Buncombe County Registry.

EXHIBIT 1.27

Rent Roll

EXHIBIT 1.32

Form of Tenant Estoppel Letter

\_\_\_\_\_, 199\_

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 4.12

Form of Manager's Certificate

Certification of Leases

THIS CERTIFICATION OF LEASES ("Certification") is made this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by LAT PURSER & ASSOCIATES, INC. ("Lat Purser"), in favor of \_\_\_\_\_ ("Seller") and RRC ACQUISITIONS, INC. ("Buyer").

WHEREAS, Seller and Buyer have entered into that certain Purchase and Sale Agreement for the sale and purchase of that certain real property and improvements known as Oakley Plaza, located in Asheville, North Carolina (the "Property");

WHEREAS, Lat Purser is the property manager of the Property;  
and

WHEREAS, Seller and Buyer have requested that Lat Purser provide this Certification in connection with the sale of the Property and Lat Purser has agreed to provide the same;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lat Purser hereby certifies the following to Seller and Buyer as of the date hereof:

1. The lease agreements, and amendments and modifications thereto, attached to this Certification (collectively, "Leases") are all the leases affecting the Property. The Rent Roll attached hereto is true and accurate in all material respect, and the Leases are in full force and effect. There are no modifications and amendments to any of such Leases except as stated in the Rent Roll.

2. Seller as landlord under the Leases is not in default under the Leases and none of the tenants under the Leases is in default thereunder, except as set forth on the Rent Roll.

IN WITNESS WHEREOF, Lat Purser has executed this Certification as of the day and year first above written.

LAT PURSER & ASSOCIATES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT

January \_\_\_\_\_, 1997

BI-LO, Inc.  
Industrial Boulevard  
Post Office Drawer 99  
Mauldin, South Carolina 29662  
Attn: \_\_\_\_\_

RE: Lease By and Between Wake Capital Partnership and BI-LO, Inc. ("BI-LO") for BI-LO Store Located at Oakley Plaza Shopping Center, Asheville, Buncombe County, North Carolina

Dear Sir or Madam:

As discussed, Wake Capital Partnership has decided to sell the Oakley Plaza Shopping Center, the location of your above referenced store. Upon the closing of the sale, we prefer to immediately pay to BI-LO the total amount of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) representing the Landlord's reimbursement obligation for the store expansion and remodeling costs, as detailed in the Lease Extension and Modification Agreement (the "Lease Modification"), dated July 19, 1996. Additionally, Wake Capital desires to obtain BI-LO's acknowledgment of the proper name of Landlord's ownership entity that holds the shopping center. Please let this letter serve as our mutual agreement that:

(a) BI-LO will accept the said \$1,200,000.00 payment prior to the completion of its store expansion. Said payment will be in lieu of and shall satisfy in full the payment required under Section 2 of the Lease Modification; and

(b) Upon the date BI-LO receives the said \$1,200,000.00 payment, and irrespective of the completion at that time of the BI-LO store expansion:

- (1) BI-LO's annual rent shall be adjusted and increased to Three Hundred Eighty Thousand Six Hundred Twenty and 00/100 Dollars (\$380,620.00), payable in monthly installments of Thirty-one Thousand Seven Hundred Eighteen and 33/100 Dollars (\$31,718.33) as detailed in Paragraph 6 of the Lease Modification; and
- (2) BI-LO's new twenty (20) year lease term shall commence as of the first day of the next succeeding month following the date of payment of the \$1,200,000.00; and

- (3) BI-LO will complete the construction and opening for business in the expansion area at no cost or expense to Landlord no later than March 1, 1998.
- (4) The minimum sales base, as that term is defined in the Lease Modification, shall be adjusted and increased to Thirty-eight Million Sixty-two Thousand and 00/100 Dollars (\$38,062,000.00) as detailed in Paragraph 6 of the Lease Modification; and
- (5) BI-LO's annual pro rata share of the Common Area Maintenance Costs shall be adjusted and increased to Twelve Thousand and 00/100 Dollars (\$12,000.00), payable in monthly installments of One Thousand and 00/100 Dollars (\$1,000.00), as detailed and subject to adjustment in Paragraph 4 of the Lease Modification; and
- (6) The proper name of the Landlord and party to the Lease Modification is Wake Capital Partnership, a North Carolina general partnership. The Lease Agreement is hereby amended to replace all references to the Landlord from "Wake Capital Partners, Inc., a North Carolina corporation" to "Wake Capital Partnership, a North Carolina general partnership," and
- (7) Except as herein modified and amended, the terms and provisions of the Lease Modification shall remain in full force and effect as originally written.

If BI-LO agrees with the terms of this letter, please indicate your acceptance where indicated below. Please keep one copy of this letter for your files, and return the other to my attention. We will prepare a lease amendment incorporating these provisions in order to have it ready for execution by March 1, 1997.

Sincerely,

LAT PURSER & ASSOCIATES, INC.  
Agent for Wake Capital  
Partnership, a North Carolina  
general partnership  
("Landlord")

-----  
Lat W. Purser, III  
President

The terms of this letter have been read and are hereby accepted on this  
\_\_\_\_ day of January, 1997.

BI-LO, INC. ("Tenant")

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

WAKE CAPITAL PARTNERSHIP

BY: \_\_\_\_\_  
Robert S. Carter  
Managing General Partner

wes\reg\oakley\psa.new



(Unimproved Lands)

THIS AGREEMENT is made as of the 15th day of August, 1995, between Charles L. & Mary R. Cooper, individuals ("Seller"), RRC ACQUISITIONS, INC., a Florida corporation, its designees, successors and assigns ("Buyer"), and ULMER, MURCHISON, ASHBY & TAYLOR, a professional association organized under the laws of Florida ("Escrow Agent").

Background

Buyer wishes to purchase certain unimproved lands in Leon County, Florida, located at Weems Road & U.S. 90 East in Tallahassee, FL, owned by Seller, consisting of approximately 9.9 acres, more particularly described in Exhibit "A" (the "Property");

Seller wishes to sell the Property (as hereinafter defined) 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 on the following terms and conditions:

1. DEFINITIONS

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

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

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

1.3 Earnest Money Deposit means the deposits delivered by Buyer to Escrow Agent prior to the Closing under Sections 2.2 and 3.1(a) of this Agreement, together with the earnings thereon, if any.

1.4 Escrow Agent means the party described as such in the introductory paragraph hereof and any successor escrow agent.

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1.5 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 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 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

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

1.7 Hazardous Materials means any "hazardous substance" as defined in any Environmental Law in effect at the pertinent date or dates.

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

1.9 Inspection Period means the period of time which expires at the end of business on the one hundred fiftieth (150th) day after the date by which Buyer, Seller and Escrow Agent have properly executed and delivered this Agreement.. If such expiration date is a weekend or national holiday, the inspection period shall expire at the end of business on the next immediately succeeding business day.

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

- (a) Liens for ad valorem taxes not yet due;
- (b) Other matters determined by Buyer to be acceptable.

1.11 Property means the lands described in Exhibit "A" together with all appurtenances thereto.

1.12 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.

1.13 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 2.1 (subject to adjustments as provided herein).

1.14 Buyer means the party identified as Buyer on the initial page hereof and its designees, successors and assigns.

1.15 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 Buyer's lender, and dated as of the date the Survey was made.

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

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

1.18 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.

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

## 2. PURCHASE PRICE AND PAYMENT

### 2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property shall be Nine Hundred Fifty Thousand Dollars (\$950,000) (the "Purchase Price") (subject to adjustment as provided herein). The Purchase Price shall be payable in cash at Closing.

(b) Adjustments to the Purchase Price. The Purchase Price shall be adjusted as of the Closing Date by subtracting the portion of the Closing year's ad valorem real property taxes for the period from January 1, of that year, through the Closing Date (if the amount of the current year's property taxes are not available on the Closing Date, such taxes will be prorated based upon the prior year's assessment); and any other items customarily pro rated in a transaction of this nature.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$1,000.00 shall be delivered to Escrow Agent within three (3) days after execution and delivery of this Agreement by all parties. An additional Earnest Money Deposit in the amount of \$10,000.00 shall be payable by Buyer to Escrow Agent within three (3) days after the conclusion of the Inspection Period unless this Agreement is terminated in accordance with Section 3.1(a) hereof. 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 held as specifically provided in this Agreement and shall be applied to the Purchase Price at the Closing.



### 2.3 Closing Costs.

#### (a) Seller shall pay:

(1) Seller's attorneys' fees relating to the sale of the Property;

(2) Documentary stamp taxes imposed by the State of Florida and/or other governmental entities upon the transactions contemplated hereby;

(3) Cost of the Survey;

(4) Cost of satisfying any liens on the Property;

(5) Cost of title insurance and the costs, if any, of curing title defects and recording any curative title documents; and

(6) All broker's commissions, finders' fees and similar expenses incurred in connection with the sale of the Property.

#### (b) Buyer shall pay:

(1) Buyer's attorneys' fees;

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

(3) Costs of the Phase 1 environmental site assessment to be obtained by Buyer; and

(4) Cost of recording the deed.

2.4 Prorations. Matters of income and expense shall be prorated as of the Closing Date.

## 3. INSPECTION PERIOD AND CLOSING

### 3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the premises, 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. 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 not be refundable except upon the terms otherwise set forth herein. The Inspection Period may be extended by Buyer for Two successive periods of thirty (30) days each, by written notice to Seller given within the Inspection Period, as extended, as the case may be. Each such written notice of extension shall be accompanied by payment of One Thousand Dollars (\$1,000.00) for each extension of the Inspection Period, each of which, when made, shall become part of the Earnest Money Deposit for all purposes.

(b) Buyer, through its officers, employees and other authorized representatives, shall have the right to reasonable access to the Property and to all records of Seller related thereto (including without limitation title information, surveys, environmental testing and assessments reports and other information concerning the condition of the Property), at reasonable times during the Inspection Period for the purpose of inspecting the Property, taking soil borings, conducting Hazardous Materials inspections and reviewing the books and records of Seller concerning the Property. Seller shall cooperate with and assist Buyer in making such inspections and reviews; and Seller shall make available to Buyer such of the foregoing as may be in Seller's possession. 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.

3.2 Hazardous Material. During the Inspection Period Buyer may cause a "Phase 1" assessment of the Property to be made, and a copy of any report shall be submitted to Buyer and Seller promptly upon its completion, if made. If the inspection report discloses the existence of any Hazardous Material, Buyer may notify Seller in writing, within fifteen (15) business days after receipt of the Phase 1 assessment report (whether or not such date falls within the Inspection Period) that it elects to terminate this Agreement, whereupon the Agreement shall terminate and Escrow Agent shall return to Buyer its Earnest Money Deposit.

3.3 Time and Place of Closing. Unless otherwise agreed in writing by the parties, the Closing shall take place at the offices of Escrow Agent in Jacksonville, Florida, at 10:00 A.M. on the date which is the Thirtieth (30th) day following the expiration of the Inspection Period, as extended, as the case may be, as provided in Section 3.1(a). Buyer shall have One (1) successive options to postpone the Closing Date, each for another thirty (30) days, provided Buyer notifies Seller of its intention to postpone prior to Closing (as so postponed), and with respect to each postponement deposits and additional \$ 5,000.00 with Escrow Agent, each of which shall become a part of the Earnest Money Deposit for all purposes.

#### 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 a corporation 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.

4.2 Authorization; Validity. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by the Board of Directors of Seller. This Agreement has been duly and validly executed and delivered by Seller and (assuming the valid execution and delivery of this Agreement by Buyer) 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, other than Southgroup Properties, whose commissions will be paid by 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, either oral or written.

4.8 Contracts. 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 after the Closing.

4.9 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 without Buyer's prior written consent.

4.10 Intangibles and Zoning. Seller has paid all impact fees, assessments, and other charges affecting or relating to the Property. The Property is properly zoned for use as a \_\_\_\_\_ and is neither subject to any development of regional impact ("DRI") development order under Chapter 380, Florida Statutes, nor is it subject to aggregation with any other property of Seller or with any property which heretofore was subject to a DRI development order. The proposed use of the Property as a Shopping Center is consistent with the land use designation for the Property under the comprehensive plan or plans applicable thereto, and all concurrency requirements have been satisfied.

4.11 Condemnation. Neither the whole nor any portion of the Property, including access thereto or any easement benefiting 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.

4.12 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.

4.13 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; 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.

4.14 Environmental Matters.

(a) Seller represents and warrants as of the date hereof and as of the Closing that:

(1) Seller and the Property presently comply with all applicable Environmental Laws;

(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, (d) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act ("RCRA") or any comparable state law, or (e) 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;

(3) Seller has used no Hazardous Material at the Property nor has it permitted any other person to do so;

4.15 Foreign Investment and Real Property Tax Act. Seller is not a "foreign person" within the meaning of Sections 1445 or 897 of the Code, and has furnished Buyer with its federal tax identification number, and at closing will execute and deliver to Buyer an affidavit regarding the same, or if Seller fails to execute and deliver such affidavit, Buyer may deduct and withhold from the Purchase Price such amounts as may be required by Buyer in order to satisfy its tax withholding obligations.

4.16 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.

4.17 Indemnity. Seller shall indemnify and hold Buyer harmless from all loss or damage to the extent they arise from the inaccuracy or breach of any representation or warranty by Seller in this Agreement. This indemnification shall be binding upon successors and assigns of Seller and to the benefit of Buyer and its directors, officers, employees and agents, and their successors and assigns.

#### 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 on behalf of Buyer have been duly authorized to do so.

5.2 Authorization; Validity. The execution, delivery and performance of this Agreement 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, other than Southgroup Properties, whose commissions shall be paid by Seller.

5.4 Indemnity. Buyer shall indemnify and hold Seller harmless from all loss or damage to the extent they arise from the inaccuracy or breach of any representation or warranty by Buyer in this Agreement. This indemnification shall be binding upon successors and assigns of Buyer and to the benefit of Seller and its directors, officers, employees and agents, and their successors and assigns.

## 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 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. Within ten (10) days after execution of this Agreement by the last to sign of Seller and Buyer, Buyer shall order the Title Insurance Commitment from Chicago Title Insurance Company and the Survey from a reputable surveyor familiar with the Property (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 fifteen (15) days from receipt of the Title Commitment (including legible copies of all recorded exceptions noted therein) and Survey 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) 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; 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 written 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, 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) A Title Insurance Commitment in the full amount of the Purchase Price shall have been issued, subject only to Permitted Exceptions.

(d) The physical and environmental condition of the Property shall be unchanged from the date of this Agreement, ordinary wear and tear excepted.

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

(1) General 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) The Survey;

(3) An owner's affidavit, non-foreign affidavit and such further instruments of conveyance, transfer and assignment and 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;

(4) The originals or copies of any real property tax bills for the Real Property and Improvements for the then current fiscal year 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;

(5) Resolutions of Seller authorizing the transactions described herein, certified by the Secretary or Assistant Secretary of Seller;

(6) 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 8.1 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 10.

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are subject to satisfaction (or written 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, 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 2.1 at Closing;

(2) 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 8.2 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 10.

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. 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. ESCROW AGENT; EARNEST MONEY DEPOSIT

10.1 Duties. By signing a copy of this Agreement, Escrow Agent acknowledges receipt of the initial Earnest Money Deposit and agrees 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 section and Section 2.2 above.

10.2 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 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.

10.3 Conflicting Demands. If conflicting demands are made upon Escrow Agent 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 by this Agreement. 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. No disbursements shall be made, other than as provided in Section 2.2 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.

10.4 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.

10.5 Withdrawal. No party shall have the right to withdraw any monies or documents deposited by it with Escrow Agent prior to the Closing or termination of this Agreement except in accordance with the terms of this Agreement.

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

## 11. MISCELLANEOUS

11.1 Disclosure. Neither party shall disclose the transactions contemplated by this Agreement without the prior approval of the other, except 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 Florida. 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 may be served (as an alternative to personal service) by registered or certified mail, overnight courier service or facsimile (followed promptly by hard copy) at the addresses set forth below:

As to Seller: \_\_\_\_\_  
=====

As to Buyer: RRC Acquisitions, Inc.  
Attention: Robert L. Miller  
Suite 200, 121 W. Forsyth St.  
Jacksonville, Florida 32202  
Facsimile: (904) 634-3428

With a copy to: Ulmer, Murchison, Ashby & Taylor  
Attention: William E. Scheu, Esq.  
P. O. Box 479  
Suite 1600, 200 W. Forsyth St.  
Jacksonville, FL 32201 (32202 for courier)

Facsimile: (904) 354-9100

Any such notice or demand given by registered or certified mail or by reputable overnight courier with postage or charges thereon fully prepaid and addressed to the party to be served at the addresses set forth above shall constitute proper notice hereunder upon delivery to the United States Postal Service or to such overnight courier.

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 Florida 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 Duval County, State of Florida. 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.

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 (Please Print)

By:

Its:  
Date: \_\_\_\_\_, 1995

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

Tax Identification No. 59-3210155

"BUYER"

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\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

a \_\_\_\_\_

\_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)

By:

Its:

Date: \_\_\_\_\_, 1995

Tax Identification No:

"SELLER"

ULMER, MURCHISON, ASHBY & TAYLOR

By:

Its Authorized Representative

Date: \_\_\_\_\_, 1995

"ESCROW AGENT"

EXHIBIT "A"

Legal Description

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is entered into by PDI St. Lucie I Limited Partnership, an Ohio limited partnership ("Seller"), and RRC Acquisitions, Inc. ("Buyer"). The "Effective Date" of this Agreement will be the date on which both Seller and Buyer have executed this Agreement. For the parties' convenience in reviewing this Agreement, all defined terms used in this Agreement will be highlighted by boldface print when first defined in this Agreement.

Seller and Buyer hereby agree as follows:

ss.1. SALE OF THE PROPERTY. Upon the terms and subject to the conditions set forth in this Agreement, Seller will sell to Buyer all of Seller's right, title and interest in and to the following described property. All references herein to the "Land", "Improvements", "Personal Property", "Leases" and "Intangible Property" will have the meanings attributed to such terms in this ss.1.

- (a) Land. The approximately 31.5 acre tract of land located off of U.S. I in Port St. Lucie, Florida, which tract is more particularly described in Exhibit A, together with all rights and interests appurtenant thereto, including without limitation, all water and mineral rights, development rights, easements and rights-of-way.
- (b) Improvements. All buildings and other improvements  
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located on the Land, including, without limitation, the shopping center buildings, which contain approximately 235,842 square feet of rentable space, and which are collectively known as the "Eastport Plaza Shopping Center", together with all parking areas and other site and accessory improvements located on the Land and all systems, facilities and fixtures located within such shopping center buildings.
- (c) Personal Property. All tools, machinery, appliances,  
-----  
fixtures (to the extent not part of the Improvements), floor and window coverings, furnishings, signs, equipment, inventory, supplies and tangible personal property owned by Seller and used in connection with the operation of and located on the Real Property, as the same are more particularly described in Exhibit B.
- (d) Leases. All leases with any existing tenants of the Real Property (together with any amendments, extensions, guaranties or modifications to such leases), as the same are more particularly described in the rent roll attached hereto as Exhibit C;
- (e) Intangible Property. Any rights in and to those,  
-----  
contracts, agreements, utility arrangements, warranties, guarantees, indemnities, claims, licenses, applications, permits, construction warranties, certificates of occupancy, plans and specifications, and other similar items and intangible rights used in connection with or relating to the Land, Improvements, Personal Property and Leases (including, without limitation, the non-exclusive right to use the name "Eastport Plaza"), as the same are more particularly described in Exhibit D. Notwithstanding anything to the contrary contained herein, the only contracts to be assigned to and assumed by Buyer and, hence, included within the definition of "Intangible Property" for the purposes of this Agreement, will be those contracts identified on attached Exhibit D, which either: (i) are not cancelable upon 30 days or less notice; or (ii) although cancelable upon 30 days or less notice, are nonetheless specifically designated by Buyer in a written notice to Seller as being

contracts which Buyer desires to have assigned to it at closing (collectively, the "Surviving Contracts").

The Land and Improvements are hereinafter collectively referred to as the "Real Property". The Real Property, Personal Property, Leases and Intangible Property are hereinafter collectively referred to as the "Property".

ss.2. DEPOSIT. Within two business days after the Effective Date, Buyer will deposit with the law firm of Maguire, Voorhis & Wells, P.A. ("Escrow Agent") cash in the sum of \$50,000 as a good faith deposit. Within two business days after date of Buyer's satisfaction of its inspection contingency under ss.5, Buyer will deposit with Escrow Agent cash in an additional sum of \$100,000, which amount will also be held pursuant to the terms of this Agreement. All amounts deposited with the Escrow Agent hereunder will be held in an interest-bearing account, with all references herein to the "Deposit" specifically including not only the initial principal sum of \$50,000, but also the additional principal sum of \$100,000 (once paid to the Escrow Agent), and all interest earned on such principal sums. The Deposit will be disbursed in the following manner:

- (a) If the closing occurs in the manner contemplated in this Agreement, then the Deposit will be paid to Seller and applied as a credit against the Purchase Price payable at closing;
- (b) If this Agreement is terminated under ss.5 as a result of Buyer's failure to satisfy or waive its inspection contingency under ss.5, then the Deposit will be returned to Buyer;
- (c) If the closing fails to occur as a result of Seller's default hereunder, then the Deposit will be returned to Buyer, without prejudice to Buyer's right to pursue the remedy of specific performance to redress such default; and
- (d) If the closing fails to occur as a result of Buyer's default hereunder, then the Deposit will be paid to Seller as full and complete liquidated damages to redress such default.

ss.3. PURCHASE PRICE. The purchase price for the Property will be \$14,804,652 ("Purchase Price"). The Purchase Price will be paid in cash at closing by means of a federal funds wire transfer. The Purchase Price payable at closing will be subject to such prorations, credits, allowances and other adjustments as are provided for in this Agreement.

ss.4. INSPECTION CONTINGENCY. Buyer's obligations under this Agreement are contingent upon Buyer determining, on or before March 25, 1997 ("Inspection Period"), that the Property is acceptable to Buyer. Seller will permit Buyer and Buyer's agents and contractors access to the Property and to all files, books and records maintained by Seller with respect to the Property at all reasonable times during the Inspection Period, so that Buyer can conduct all such tests, studies and inspections of the Property as Buyer deems appropriate and review all such files, books and records as Buyer deems appropriate. All files, books and records maintained by Seller with respect to the Property will be made available for inspection by Buyer and Buyer's agents and contractors at Seller's offices at Suite 1350, 255 South Orange Avenue, Orlando, Florida. During the Inspection Period, Buyer will also be permitted to interview all tenants under the Leases, provided that it provide advance notice to Seller of the times of any such interviews and permits a representative of Seller a reasonable opportunity to be present during such interviews.



Buyer agrees to indemnify and hold Seller harmless from any liability or loss incurred by Seller as a result of Buyer's activities at the Property and to promptly restore any damage caused to the Property as a result of such activities. If Buyer fails to timely satisfy or waive its inspection contingency under this ss.4 then, within ten days after the expiration of the Inspection Period, Buyer will deliver to Seller copies of all written reports received by Buyer with respect to the various tests, studies and inspections conducted by Buyer or its agents or contractors with respect to the Property and will return to Seller copies of all of Seller's files, books and records made by Buyer or its agents or contractors during such Inspection Period.

In order to further facilitate Buyer's determination of the acceptability of the Property, Seller will, within three business days after the Effective Date, provide the following materials to Buyer:

- (a) Copies of all Leases;
- (b) Copies of all environmental reports in its possession with respect to the Real Property;
- (c) The most current survey of the Real Property; (d) The most recent title policy for the Real Property; (e) Copies of financial operating statements for the Property (that is, income and expense statements) for the 1994, 1995 and 1996 calendar years;
- (f) Copies of real estate tax bills for the Real Property for the calendar years 1994, 1995 and 1996;
- (g) Copies of any existing service contracts related to the Property;
- (h) Copies of utilities bills relating to the operation of the Real Property for the calendar year 1996;
- (i) Copies of all certificates of occupancy in its possession with respect to the Improvements;
- (j) Copies of all plans and specifications related to the Improvements including, where appropriate, civil, structural and mechanical drawings;
- (k) Copies of all expense recovery reconciliations for the calendar years 1995 and 1996;
- (l) Seller's operating budget for the calendar year 1996;
- (m) Evidence that all sales tax payments with respect to rents payable for the Real Property are current.

If Buyer gives Seller written notice within the Inspection Period that the results of its inspections are acceptable to Buyer, then Buyer will be obligated to pay the additional \$100,000 deposit to Escrow Agent at the time and in the manner contemplated in ss.2 hereof and the parties will thereafter proceed to close Buyer's purchase of the Property in the manner contemplated in this Agreement. If Buyer gives Seller written notice within the Inspection Period that the results of its inspections are unacceptable to Buyer, for any reason whatsoever (as determined by Buyer in its sole discretion) or if Buyer fails to give any written notice concerning the acceptability of its inspections to Seller during the Inspection Period, then in either such event, the Deposit will be returned to Buyer, this Agreement will thereupon automatically terminate and the parties will be relieved of all further rights, liabilities and obligations under this Agreement, except for Buyer's indemnification, restoration and other obligations expressly placed upon it under this ss.4.

ss.5. TITLE COMMITMENT. Within fifteen days after the Effective Date, Seller will cause First American Title Insurance Company or some other nationally-recognized title insurance company acceptable to Buyer ("Title Company") to furnish to Buyer a commitment for an ALTA Form B Owner's Title Insurance Policy in the face amount of the Purchase Price, together with legible copies of all title exceptions noted in such title commitment ("Title Commitment"). The Title Commitment will show that Seller has marketable fee simple title to the Property, free and clear of all liens and encumbrances, excepting only those liens and encumbrances which are approved by Buyer in the manner hereinafter set forth in this ss.5. If Buyer wishes to obtain a survey of the Real Property (other than any existing survey furnished to Buyer pursuant to ss.4), it will be required to do so at its sole expense.

If the Title Commitment (or any survey obtained by Buyer) discloses any exceptions to title which are unacceptable to Buyer, then Buyer will have seven days after its receipt of such Title Commitment in which to deliver in writing to Seller any objection which Buyer may have to any such title exceptions ("Title Notice"). Buyer will be deemed to have approved any title exceptions appearing in the Title Commitment, which are not objected to in a timely delivered Title Notice and, thereafter, such additional title exceptions will also be treated as "Permitted Exceptions" for the purposes of this Agreement.

If Buyer objects to any such additional title exception by delivering a Title Notice to Seller within the aforementioned seven-day period, then Seller, at its expense, will use its reasonable efforts to satisfy the objections made by Buyer in its Title Notice within five days after Seller's receipt of the Title Notice. If Seller fails to satisfy all of such objections within the aforementioned five-day period then Buyer will have the option of either: (a) terminating its obligations with respect to the purchase of the Property by giving written notice of termination to Seller within three days after the expiration of the aforementioned five-day period, in which event, the Deposit will be returned to Buyer and, thereafter, neither party will have any further rights, liabilities or obligations hereunder with respect to the Property, except for Buyer's indemnification, restoration and other obligations expressly placed upon it under ss.4; or (b) waiving its objections under the Title Notice and proceeding to close on the purchase of the Property. If Seller is successful in satisfying any of Buyer's objections, then Seller will deliver to Buyer proof of such satisfaction and will also deliver to Buyer the Title Company's related Title Commitment endorsement.

ss.6. ESTOPPEL CERTIFICATES. Within 30 days after the Effective Date, Landlord will use its best efforts to deliver to Tenant an estoppel certificate ("Estoppel Certificate"), executed by each tenant under the Leases and dated not earlier than the Effective Date. Such Estoppel Certificates will address the status of rent payments, tenant improvements, defaults and other matters relating to the Leases, and will, except as otherwise agreed to by Buyer, be in substantially the form and content attached hereto as Exhibit H. Buyer's obligations under this Agreement will be expressly contingent upon Buyer receiving executed Estoppel Certificates from the "Anchor Tenants" (as that term is hereinafter defined) and from those other tenants occupying at least 90% of the remaining rentable square footage contained within the Real Property. For the purpose of this Agreement, "Anchor Tenants" will mean Publix, Walgreens, K-Mart and Sears Homelife.

ss.7. CLOSING PRORATIONS AND ADJUSTMENTS. If Seller's sale of the Property to Buyer closes in the manner contemplated in this Agreement, then Buyer's and Seller's respective economic rights and obligations with respect to the Property will be determined in the manner described in this ss.7. Except as otherwise expressly provided herein, all of the income and expense prorations contemplated hereunder will be calculated, apportioned and prorated between Buyer and Seller as of 11:59 p.m. on the day prior to the date of closing.

(a) Real Estate Taxes. Seller will pay or credit on the

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Purchase Price the amount of all delinquent real estate taxes and installments of special assessments, including penalties and interest thereon, that are a lien on the Real Property as of the date of closing. Seller will also credit on the Purchase Price all unpaid real estate taxes and installments of special assessments which are not yet due for years prior to the closing and a portion of such taxes and installments for the year of closing, prorated through the date of closing. The proration of the undetermined taxes and installments of special assessments will be based upon a 365 day year and upon the most recently available tax use, rate and valuation for the Real Property. The proration of taxes and installments of assessments hereunder will be reprorated upon request by either party upon the issuance of the actual tax bill for the year of closing and will then be based upon the amount of such taxes and installments of assessments which are due on the earliest payment date specified by applicable law. Any request for a reproration hereunder must be made on or before December 31 of the year of closing.

- (b) Rents. All rents and other payments due from the tenants under the Leases will be prorated in the manner hereinafter set forth in this subparagraph (b).
- (i) Base Rents. Seller will credit on the Purchase Price that portion of all Base Rents (as that term is hereinafter defined) payable for the calendar month of closing, which are attributable to the period from and after the date of closing. Seller will be entitled to retain any Base Rents collected by it prior to or after the date of closing, which are attributable either to the month of closing or any months preceding the month of closing. If following the date of closing, Buyer collects Base Rents which are attributable to the period prior to the date of closing, then, except as otherwise expressly provided herein, Buyer will immediately pay such Base Rents to Seller. If following the date of closing, Seller collects Base Rents which are attributable to any month after the month of closing, then Seller will immediately pay such Base Rents to Buyer. Notwithstanding anything to the contrary contained herein, any Base Rents collected by Buyer from any tenant after the date of closing will first be applied by Buyer toward the payment of Base Rents owed to Buyer by such tenant for months after the month of closing, and then, and only then, will any excess Base Rents collected by Buyer be paid to Seller under this subparagraph (i). For the purpose of this Agreement, "Base Rents" will mean any fixed, minimum rent payable by tenants under the Leases excluding, however, any Operating Expense Payments (as that term is hereinafter defined).
- (ii) Operating Expense Payments. Seller will credit on the Purchase Price that portion of any Operating Expense Payments (as that term is hereinafter defined) payable for the calendar month of closing, which are attributable to the period from and after the date of closing. Seller will be entitled to any Operating Expense Payments which are both paid periodically on an estimated basis by any tenants under the Leases and are collected by it prior to or after the date of closing and which are further attributable either to the month of closing or any months preceding the month of closing. If following the date of closing, Buyer collects any Operating Expense Payments which are paid periodically on an estimated basis by any tenants under the Leases and which are attributable to the period prior to the date of closing, then, except as otherwise expressly provided herein, Buyer will immediately pay such Operating Expense Payments to Buyer. If, following the date of closing, Seller collects any Operating Expense Payments, which are paid periodically on an estimated basis by any tenants under the Leases, and which are attributable to any month after the month of closing, then Seller will immediately pay such Operating Expenses Payments to Seller. Notwithstanding anything to the contrary contained herein, any Operating Expenses Payments, which are paid periodically on an estimated basis by any tenants under the Leases, and which are collected by Buyer from any tenant after the date of closing, will first be applied by Buyer toward the payment of any Operating Expense Payments owed to Buyer by such tenant for months after the month of closing, and then, and only then, will any excess Operating Expense Payments collected by Buyer be paid to Seller under this subparagraph (ii). With respect to any Operating Expense Payments, which are paid periodically on an estimated basis by any tenants under the Leases, Buyer will

make a final reconciliation of the actual expenses incurred in connection with the Real Property for any fiscal period which includes the date of closing at the time and in the manner required under the terms of the Leases. Within 30 days after the completion of each such reconciliation, Buyer will provide written notice to Seller of the amount of such reconciliation and the portion of the actual Operating Expense Payments of the subject tenant which are attributable to the period prior to the date of closing (with such determination being made strictly on the basis of the number of days prior to the date of closing which are included in the fiscal period for which such reconciliation is being made). If Buyer collects Operating Expense Payments from any tenant under any Lease which, when added to all periodic, estimated Operating Expense Payments collected from such tenant by Buyer after the date of closing (but which are attributable to the fiscal period for which such final reconciliation is being made), exceed the amount of the Tenant's actual Operating Expense Payment obligation for the portion of the subject fiscal period falling after the date of closing, then Buyer will, within 30 days after its collection of such Operating Expense Payments, pay to Seller the amount of such excess. If Buyer is required as a result of any such final reconciliation to make any refund to any tenants under the Leases for any excess periodic Operating Expense Payments made by any such tenants under the Leases, then Seller will pay to Buyer, within 30 days after Seller's receipt of Buyer's determination that any such refund is due, an amount equal to that portion of the refund which is attributable to the period prior to the date of closing (with such determination being made strictly on the basis of the number of days prior to the date of closing which are included in the fiscal period for which such reconciliation is being made). Notwithstanding anything to the contrary contained herein, to the extent any Lease requires any tenant to make any Operating Expense Payments other than on an estimated, periodic basis (for example, an obligation of a tenant to reimburse the owner of the Real Property by way of an annual lump sum payment for its allocable share of the actual real estate taxes or insurance premiums paid by such owner), and if any such Operating Expense Payment relates to expenses which are attributable to periods both before and after the date of closing, then: (i) if any such Operating Expense Payment is payable to Seller prior to the date of closing, Seller will credit on the Purchase Price the portion of such Operating Expense Payment which is attributable to the period from and after the date of closing; and (ii) if such Operating Expense Payment is payable after the date of closing, then Buyer will, within 30 days after its collection of any such Operating Expense Payments, make a payment to Seller of an amount equal to that portion of the Operating Expense Payment which is attributable to the period prior to the date of closing. For the purposes of this Agreement, "Operating Expense Payments" will mean all payments made by the tenants under the Leases which are stated to be applicable towards common area maintenance charges, insurance premiums, real estate taxes and similar expenses associated with the Real Property.

- (iii) **Overage Rents.** Overage Rents (as that term is hereinafter defined) will be separately prorated under each Lease on the basis of the fiscal period set forth in each Lease for the payment of such Overage Rents. Any Overage Rents received by Seller or Buyer before or after the date of closing will be retained by the recipient of such payments, pending a final reconciliation based upon the actual Overage Rents owed for any fiscal period which includes the date of closing. Buyer will make the final reconciliation at the time and in the manner required under the terms of each Lease. Within 30 days after the completion of each such final reconciliation, Buyer will provide written notice to Seller of the amount of such final reconciliation and the portion of the actual Overage

Rents for the subject tenant which are attributable to the period prior to the date of closing. If Buyer actually collects Overage Rents from any tenant under any Lease, which, when added to all estimated, periodic Overage Rents collected from such tenant by Buyer after the date of closing (but which are attributable to the fiscal period for which such final reconciliation is being made), exceed the amount of the Tenant's actual Overage Rent obligation for the portion of the subject fiscal period falling after the date of closing, then Buyer will, within 30 days after its collection of such Overage Rents, pay to Seller the amount of such excess.

(iv) Delinquent Rents. Buyer and Seller agree that, to the extent any existing tenants under any of the Leases (other than the Anchor Tenants and the following national credits tenants - Cato, Beneficial, Subway and Household Finance) are, as of the last day of the Inspection Period, delinquent on their Base Rent obligations for a period of more than 60 days ("Delinquent Rent"), then there will be credited against the Purchase Price payable by Buyer at closing an amount equal to (a) the excess, if any, of the aggregate annual Effective Gross Income (as that term is hereinafter defined) produced under all of the Delinquent Tenant's Leases, in the aggregate, over \$30,000, divided by (b) a capitalization rate of 12%. For the purposes of this Agreement, "Effective Gross Income" means the average annual Base Rent and Operating Expense Payments (but exclusive of any portion of any portion of any Operating Expense Payments attributable to a 4% management fee) payable by the applicable tenant over the initial term of any such lease, less an amount equal to all free rent and other rent concessions made to the tenant under the applicable lease (amortized ratably over each year of the lease) and less a credit reserve of 5% of the average annual Base Rent and Operating Expense Payments due under any such lease.

(c) Utilities. Coincident with the closing of Buyer's

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purchase of the Property, Seller will notify all utility companies servicing the Real Property of the change in ownership and direct that all future billings be made to Buyer at the address of the Real Property (or such other address as Buyer may direct). Seller will obtain final meter readings for all utilities as of the date of closing and will have final bills rendered directly to Seller. In the event that final meter readings cannot be obtained due to the utility companies' internal operating procedures. Seller will reimburse Buyer for any payments to such utilities applicable to the period prior to the closing date immediately upon receipt of written evidence of such payments by Buyer.

- (d) Security Deposits. Seller will pay to Buyer at  
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closing (or credit on the Purchase Price payable at closing) an amount equal to all security deposits which, as of the date of closing, Seller is legally required to ultimately refund to tenants under the Leases. A listing of all such security deposits as of the Effective Date is included in the rent roll attached hereto as Exhibit C. The listing of such security deposits will be updated by Seller as of the date of closing.
- (e) Accounts Receivable. All accounts receivable related  
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to the Property, which are attributable to the period prior to the date of the closing (including, without limitation, those related to delinquent payments of Base Rent, Overage Rents and Operating Expense Payments by any former or existing tenant of the Real Property), will remain the property of Seller and Seller may pursue the collection of such accounts receivable by all available legal means. All accounts receivable related to the Property which are attributable to the period from and after the date of closing will be the property of Buyer. A listing of all accounts receivable for existing tenants of the Real Property as of the Effective Date is attached to this Agreement as Exhibit F. The listing of such accounts receivable will be updated by Seller as of the date of closing. Buyer will at all times after the date of closing continue to invoice any existing tenant of the Real Property for all accounts receivable attributable to any such tenant's occupancy of the Real Property prior to the date of closing and will fully cooperate with Seller in Seller's efforts to collect all accounts receivable which are the property of Seller hereunder.
- (f) Payments under Surviving Contracts. Buyer will be  
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entitled to a credit against the Purchase Price for all sums, which are due and unpaid under the Surviving Contracts as of the date of closing, and which are attributable to the period prior to the date of closing. Similarly, Seller will be entitled to receive an additional payment at closing to the extent it has paid any sum under any Surviving Contract, which is attributable to the period from and after the date of closing.
- (g) Leasing Costs. Except as otherwise expressly  
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provided herein, Buyer will be entitled to a credit against the Purchase Price at closing for the amount of all unpaid costs and expenses which were incurred (or are to be incurred) in connection with any Leases executed, modified or extended by Seller prior to the Effective Date, including, without limitation, all costs and expenses for tenant improvements (either completed or to be completed) and brokerage commissions (collectively "Leasing Costs"). Following its receipt of such Purchase Price credit, Buyer will thereafter be solely responsible for the payment of any such Leasing Costs. Notwithstanding anything to the contrary contained herein, Buyer will

be liable for and will not be entitled to any credit at closing for any Leasing Costs incurred after the Effective Date, which are either: (i) identified in Exhibit G; (ii) set forth as Buyer's obligations under ss.12; or (iii) otherwise hereinafter expressly assumed in writing by Buyer.

(h) Miscellaneous Items of Income and Expense. All other

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items of income and expense related to the Property will be prorated through the date of closing, with Seller being entitled to receive or obligated to pay (with any required payment being made at or prior to closing), as the case may be, all such items of income or expense attributable to the period prior to the date of closing, and Buyer being entitled to receive or obligated to pay, as the case may be, all such items of income and expenses attributable to the period from and after the date of closing.

(i) Items Not to be Prorated. No proration or credit

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will be made or given hereunder for: (i) insurance premiums; (ii) employee salaries, benefits, bonuses, payroll taxes or other employee costs; and (iii) any amount owing under any contracts related to the operation of the Property, other than the Surviving Contracts. Seller will, on or before the date of closing, terminate all agreements and pay all accrued costs related to such items.

For purposes of this ss.7, the determination of whether an item is "attributable to" a particular period will, except as otherwise expressly provided herein, be made in accordance with generally accepted accounting principles, consistently applied.

ss.8. REPRESENTATIONS AND WARRANTIES OF SELLER. For the purpose of inducing Buyer to enter into this Agreement and consummate its purchase of the Property, Seller hereby represents and warrants to Buyer as to the following as of the date of Seller's execution of this Agreement.

(a) No Proceedings. To the best of Seller's knowledge, there is no action, suit, proceeding or investigation pending before any agency, court or governmental authority which relate to the Seller or the Property (including, without limitation, any eminent domain or condemnation proceeding).

(b) Public Improvements. To the best of Seller's knowledge, Seller has not, within a period of two years immediately preceding the Effective Date, received written notice of any contemplated improvement to the Property by any public authority, the cost of which is to be assessed as a special tax or assessment against the Property in the future.

(c) Creditor Problems. To the best of Seller's knowledge, there are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy (or under any other debtor relief laws) pending against Seller or the Property.

- (d) Leases. Except as otherwise disclosed in the  
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accounts receivable report attached hereto as Exhibit F or the list of lease defaults attached hereto as Exhibit I, all of the Leases are, to the best of Seller's knowledge, in full force and effect, without any default on the part of either Seller or the tenant thereunder. The terms and rates for all of the Leases, as set forth in the rent roll attached hereto as Exhibit C, are true and accurate.
- (e) Authority. Seller is an Ohio limited partnership,  
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properly organized under the laws of the State of Ohio, and properly authorized to own property and do business in the State of Florida. Seller is the owner of the Property and has the right, power and legal capacity to enter into this Agreement and to convey the Property to Buyer pursuant to the terms and provisions hereof and to perform its other obligations hereunder. The parties and persons executing this Agreement on behalf of Seller have been duly authorized to execute this Agreement. The execution of this Agreement by Seller, the performance by Seller of its obligations hereunder, and the sale, transfer, conveyance and assignments contemplated hereunder do not require the consent of any third party, nor do any of such acts violate the terms and provisions of any agreement to which Seller is a party.
- (f) No Litigation. To the best of Seller's knowledge, there is no pending litigation relating to the Property (other than collection actions initiated by Seller against former tenants of the Real Property).
- (g) Environmental Matters. Except as otherwise disclosed  
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in any environmental report made available to Buyer by Seller pursuant to the requirements of this Agreement, no "Hazardous Material" (as that term is hereinafter defined) has been generated, treated, stored, recycled, transported, released, discharged, emitted, disposed of or otherwise handled at, on or under the Property by Seller, or, to the best of Seller's knowledge, by any other party, in violation of, and no enforcement action has been initiated or noticed against Seller or, to the best of Seller's knowledge, against any other party, pursuant to, any applicable federal, state or local law relating to the health, safety or environment, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act or the Toxic Substance Control Act. For the purposes of this Agreement, the term "Hazardous Material" means any pollutant, contaminant, toxic substance, hazardous waste, hazardous material, hazardous substance, oil, petroleum or petroleum by-product, which is defined in or regulated pursuant to any of the laws mentioned in the immediately preceding sentence of this section. Notwithstanding anything to the contrary contained herein, Seller's delivery of any environmental reports to Buyer pursuant to the requirements of this Agreement will not constitute any representation or warranty by Seller regarding the truth or accuracy of any such reports; it being understood and agreed that Seller has provided such reports solely to facilitate Buyer's review of the Property.



EXCEPT FOR THOSE LIMITED REPRESENTATIONS AND WARRANTIES SET FORTH ABOVE IN THIS ss.8, BUYER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING PROPERTY IN ITS "AS IS, WHERE IS," CONDITION. BUYER WILL RELY SOLELY UPON ITS OWN INSPECTIONS (INCLUDING THOSE MADE FOR IT BY ITS AGENTS AND CONTRACTORS) WITH REGARD TO THE CONDITION AND CHARACTER OF PROPERTY, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL CONDITION OF THE REAL PROPERTY AND THE PHYSICAL CONDITION OF ALL STRUCTURAL AND NONSTRUCTURAL COMPONENTS AND ELEMENTS OF THE IMPROVEMENTS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER WILL PURCHASE AND ACQUIRE THE PROPERTY WITHOUT ANY REPRESENTATION OR WARRANTY BY SELLER WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OR CHARACTER OF THE PROPERTY OR AS TO ITS FITNESS FOR ANY PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER.

ss.9. CONDITIONS TO CLOSING. Seller's obligation to sell the Property to Buyer is subject to the satisfaction (or Seller's waiver), on or before the date of closing, of all of the following conditions precedent:

- (a) Buyer's performance of all of its obligations under this Agreement, including, without limitation, its payment of the Purchase Price to Seller in the manner set forth in ss.3 and 11 hereof, and its execution and delivery to Seller of all of those documents required to be executed and delivered by it pursuant to ss.11; and
- (b) The simultaneous closing of Buyer's purchase of the Companion Property under the terms of the Companion Contract (as those terms are hereinafter defined).

Buyer's obligation to purchase the Property from Seller is subject to the satisfaction (or Buyer's waiver) on or before the date of closing, of all of the following conditions precedent:

- (a) The satisfaction or waiver of Buyer's inspection contingency under ss.4;
- (b) Seller's performance of all of its obligations under this Agreement, including, without limitation, its timely delivery of the Title Commitment to Buyer in the manner set forth in ss.5, its timely delivery of the Estoppel Certificates in the manner set forth in ss.6, and its execution and delivery of all of those documents required to be executed and delivered by it pursuant to ss.11;
- (c) All of Seller's representations and warranties under ss.7 being materially true and correct as of the date of closing; and
- (d) The simultaneous closing of Buyer's purchase of the Companion Property under the terms of the Companion Contract.

Notwithstanding anything to the contrary contained herein, it is hereby acknowledged and agreed that the fact that any tenant (other than any Anchor Tenant) is, as of the date of closing, delinquent in the payment of any amount payable by it under any Lease will not constitute a default on the part of Seller hereunder or a breach of any of its representations or warranties, nor will any such failure, in and of itself, permit Buyer to terminate or defer its obligation to purchase the Property at the time and in the manner contemplated in this Agreement.

ss.10. DATE AND PLACE OF CLOSING. The closing will occur on or before March 31, 1997, at such specific date, time and place in Orlando, Florida as are mutually agreed to by Seller and Buyer. Possession of the Property (subject, however, only to the rights of tenants under the Leases) will be delivered to Buyer at closing. All references in this Agreement to the "closing", the "closing date" or the "date of closing" will mean the closing of the transaction contemplated in this Agreement at the time, place and manner contemplated by this Agreement.

ss.11. CLOSING OBLIGATIONS/PROCEDURES. Seller's sale of the Property to Buyer will be effected by the parties' taking the following described obligatory actions at closing.

- (a) Purchase Price Payment. Buyer will pay the Purchase Price, plus all then due Additional Payments, to Seller by means of a federal funds wire transfer. The amount of all such payments will be adjusted in the manner contemplated in this Agreement with respect to closing prorations, credits, allowances and other adjustments.
  
- (b) Transfer of Real Property. Seller will execute and -----  
deliver to Buyer a transferable and recordable general warranty deed, pursuant to which Seller will transfer to Buyer marketable fee simple title to the Real Property, free and clear of all liens and encumbrances, excepting only the Permitted Exceptions. The general warranty deed will be in the form attached hereto as Exhibit J. The general warranty deed will expressly reserve for the benefit of Seller, as the owner of Adjacent Land (as that term is hereinafter defined), access and utility easements over the Land, so as to facilitate the development of the Adjacent Land, without materially, adversely impacting the efficient operation of the Real Property as a shopping center complex. Similarly, the general warranty deed will convey for the benefit of Buyer access and utility easements over the Adjacent Land (and, if required under any of the Leases, a parking easement), so as to facilitate the development and operation of the Land, without materially, adversely impacting the efficient development and operation of the Adjacent Land as a retail complex. The form, content and scope of such easement reservations and grants will be agreed to by Buyer and Seller during the Inspection Period.
  
- (c) Assignment of Leases. Seller and Buyer will execute -----  
and deliver to each other an assignment and assumption of Leases, pursuant to which Seller will assign to Buyer all of Seller's rights, title and interest in and to the Leases, and Buyer will assume any and all obligations of Seller thereunder which arise from and after the date of closing. Seller will indemnify and hold Buyer harmless from and against any and all obligations of Seller, which arose prior to the date of closing. The assignment and assumption of Leases will be in the form attached hereto as Exhibit K.
  
- (d) Assignment of Intangible Property. Seller and Buyer -----  
will execute and deliver to each other an assignment and assumption of Intangible Property, pursuant to which Seller will assign to Buyer all of Seller's rights, title and interest in and to the Intangible Property and Buyer will assume any and all obligations of Seller thereunder which will arise from and after the date of closing. The assignment and assumption of Intangible Property will be in the form attached hereto as Exhibit L.

- (e) Transfer of Personal Property. Seller will execute and deliver to Buyer a transferable bill of sale, pursuant to which Seller will transfer to Buyer marketable fee simple title to the Personal Property, free and clear of all liens and encumbrances. The bill of sale will be in the form attached hereto as Exhibit M.
- (f) Closing Affidavits. Seller will execute and deliver to Buyer:
  - (i) An affidavit stating that Seller is not a "foreign person" within the meaning of ss.1445 of the Internal Revenue Code;
  - (ii) An affidavit with respect to off-record title matters, which is sufficient to permit the Title Company to issue a title policy for the Property in the form contemplated in ss.6 and subparagraph (i) of this ss.11; and
  - (iii) An affidavit affirming the continuing truth and accuracy of all representations and warranties set forth in ss.8, or, conversely, stating the manner, if any, in which such representations and warranties need to be modified to reflect post-Effective Date occurrences, which are not within Seller's reasonable control.
- (g) Corporate/Partnership Resolutions. Seller and Buyer -----  
will each execute and deliver to the other a certificate of good standing affirming such party's authority to do business in the state of its organization and in the State of Florida, a certified corporate or partnership resolution affirming the authority of such party to enter into the transaction contemplated in this Agreement and further authorizing the individual officer executing this Agreement and all closing documents on behalf of such party to take such actions.
- (h) Miscellaneous Closing Documents. Seller and Buyer will execute and deliver to each other a closing statement and such other documents as are reasonably requested by either Seller or Buyer to further evidence or effect the sale of the Property to Buyer in the manner contemplated in this Agreement.
  - (i) Title Policy. Seller will cause the Title Company to issue an ALTA Form B owner's title insurance policy (or a marked-up title commitment acceptable to Buyer) in favor of Buyer in the face amount of the Purchase Price, insuring in Buyer marketable fee simple title to the Real Property, free and clear of all liens and encumbrances, excepting only the Permitted Exceptions. Notwithstanding anything to the contrary contained herein, Seller will not be required to delete the survey exception from the Title Policy, unless Buyer has first obtained and delivered a qualifying survey to the Title Company permitting such survey exception to be deleted in accordance with the Title Company's standard practices and procedures.
- (j) Original Leases, etc. Seller will deliver to Buyer the originals of all Leases, Estoppel Certificates, Surviving Contracts and all documents evidencing the Intangible Property.
- (k) Closing Costs. Seller will pay the following costs at closing:

- (i) All premiums and other charges required to permit the Title Company to issue the title insurance policy referred to in subparagraph (1) above;
- (ii) All documentary stamps required to be affixed to the general warranty deed to permit its recording; and
- (iii) The real estate commission owed to Pizzuti Realty of Florida Inc. pursuant to ss.13.

Buyer will pay the following costs at closing:

- (i) All recording fees associated with the recordation of the general warranty deed referred to in subparagraph (b) above; and
- (ii) All costs associated with Buyer's conduct of any inspections pursuant to ss.4 and all costs of obtaining any survey of the Real Property.

Seller and Buyer will each pay any attorney's fees incurred by such party in connection with the transaction contemplated by this Agreement. Any costs associated with the closing of this transaction which are not otherwise specifically addressed in this Agreement will be paid by the party who, in accordance with Central Florida custom and practice, is normally required to pay such closing costs.

ss.12. INTERIM OPERATIONS. During the period from and after the Effective Date and prior to the date of the closing, Seller will manage and maintain the Property in accordance with its previously established practices. Seller will not execute, modify or terminate any Lease, without first obtaining the prior written consent of Buyer. Seller hereby acknowledges and agrees that Buyer will, in all events, have a period of five business days in which to review and approve or disapprove any lease or modification or termination thereof submitted to it by Seller hereunder. If Buyer consents to Seller taking any such action with respect to any Lease, and if the sale of the Property thereafter closes in the manner contemplated in this Agreement, then, except as otherwise expressly agreed in writing by Buyer and Seller, Buyer will be deemed to have assumed and will pay for all costs incurred with respect to any such Lease, including without limitation, all tenant improvement costs and leasing commissions related thereto.

ss.13. BROKERAGE COMMISSIONS. Seller will at closing pay a commission to Pizzuti Realty of Florida Inc. pursuant to a separate agreement. Except as otherwise expressly provided above, each of the parties hereto represents and warrants to the other that it has not contacted or entered into any agreement with any real estate broker, agent, finder or any other party in connection with this transaction or taken any other action which could result in any fee being due and payable to any real estate broker, finder, or other party with respect to the transaction contemplated hereunder. Each party indemnifies and agrees to hold the other party harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorneys' fees) incurred by or claimed against the other party by reason of a breach of this representation and warranty. The provisions of this ss.13 will survive the closing.

ss.14. RISK OF LOSS. The risk of loss to the Real Property from the occurrence of a casualty or a taking by any public authority under the power or right of eminent domain (or by the threat thereof) will be borne by Seller until the closing. If the Real Property or any part thereof is substantially damaged or destroyed as a result of such casualty or is so taken before this transaction closes, then Seller will promptly notify Buyer of the occurrence of such event and Buyer will have the sole option of either: (a) proceeding with the closing and receiving all insurance proceeds or condemnation awards payable as a result of such casualty or taking plus, with respect to any casualty, a payment from Seller in an amount equal to the deductible amount of any insurance policy covering any such casualty; or (b) terminating this Agreement. This Agreement will terminate upon Buyer's delivery to Seller, within the time frame set forth below, written notice of termination pursuant to clause (b), above. If this Agreement is so terminated, then the Deposit will be returned to Buyer and, thereafter, the parties will be relieved of any further rights, liabilities or obligations under this Agreement, except for Buyer's indemnification and restoration obligations under this ss.4. If Buyer fails to make the required election pursuant to this ss.14 within ten days after its receipt of Seller's written notice of the occurrence of any such casualty or taking, then Buyer will be deemed to have elected to close the transaction pursuant to clause (a) of this ss.14.

ss.15. DEFAULTS/REMEDIES. If Seller defaults in the performance of any of its obligations hereunder and such default continues for a period of ten days after written notice of the alleged existence of such default is given to Seller, then Buyer may, as its sole and exclusive remedy, pursue the remedy of specific performance to redress such default. If Buyer defaults on the performance of any of its obligations hereunder and such default continues for a period of ten days after written notice of the alleged existence of such default is given to Buyer, then Seller will be entitled to receive the entire amount of the Deposit as full and complete liquidated damages to redress such default; it being expressly acknowledged by the parties hereto that Seller's damages in the event of a default by Buyer hereunder are uncertain and difficult to ascertain, and that the receipt of the Deposit constitutes a reasonable liquidation of such damages and are intended not as a penalty, but as full liquidated damages. Notwithstanding anything to the contrary contained herein, Seller will not be deemed to be in default under this Agreement if any fact or circumstance occurs after the Effective Date which renders any of Seller's representations and warranties untrue or inaccurate, so long as any such fact or circumstance is not within the reasonable control of Seller.

ss.16. ATTORNEY'S FEES. If any legal action is commenced by either Seller or Buyer to enforce its rights hereunder, then all reasonable attorney's fees and other expenses incurred by the prevailing party in such action will be immediately due and payable to the prevailing party by the non-prevailing party.

ss.17. NOTICES. All notices required or permitted to be given under this Agreement must be in writing and must be delivered to Seller or Buyer at its address set forth below (or such other address as may hereafter be designated by such party). Any such notice must be personally delivered or sent by registered or certified mail, overnight courier or facsimile transmission. Any such notice will be deemed effective when received (if sent by personal delivery, overnight courier or facsimile transmission) or on the date which is three days after such notice is deposited in the United States mail (if sent by registered or certified mail). The parties' addresses for the delivery of all such notices are as follows:

Seller's Address: PDI St. Lucie I Limited Partnership  
c/o Pizzuti Development Inc.  
Suite #1900  
250 East Broad Street  
Columbus, Ohio 43215  
Fax #(614)365-4040  
Attn: Ronald A. Pizzuti and Richard C. Daley

Buyer's Address: Regency Realty Corporation  
121 West Forsyth Street  
Suite 200  
Jacksonville, Florida 32202  
Fax # (904)634-3428  
Attention: Robert L. Miller

with a copy to: William E. Scheu, Esq.

Rogers, Towers, Bailey,  
1301 Riverplace Boulevard  
Jacksonville, Florida 32207

Jones & Gay  
Suite 1500

ss.18. ESCROW AGENT. Escrow Agent agrees to accept, hold and disburse the Deposit in accordance with the terms and conditions of this Agreement. In the event of doubt as to Escrow Agent's duties or liabilities under this Agreement, Escrow Agent may, in its sole discretion: (a) continue to hold the subject matter of this escrow until the parties mutually agree to the disbursement thereof or until a judgment of a court of competent jurisdiction determines the rights of the parties therein; or (b) deposit the same with the Clerk of Circuit Court of Orange County Florida and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent will fully terminate except to the extent of an accounting for items theretofore delivered out of escrow. In the event of any legal action involving Buyer and Seller wherein Escrow Agent is made a party by virtue of acting as Escrow Agent hereunder, or in the event of the commencement of any legal action wherein Escrow Agent interpleads the subject matter of this escrow, Escrow Agent will be entitled to recover reasonable attorney's fees and costs incurred, including, without limitation, those incurred on appeal, if any, and in any administrative, mediation, arbitration or bankruptcy proceedings, said fees and costs to be charged and assessed as court costs in favor of the prevailing party and deducted from the funds interpleaded. Buyer and Seller agree that the Escrow Agent will not be

liable to any party or person whatsoever for misdelivery of the Deposit, unless such misdelivery is due to the willful breach of this Agreement or gross negligence on the part of Escrow Agent, nor will Escrow Agent be liable for any action taken by it, unless taken or suffered in willful disregard of its obligations hereunder or with gross negligence. Additionally, Seller acknowledges that in the event of any disagreement between Seller and Buyer concerning the Deposit, the transaction under this Agreement or any other matter related to the Property, Escrow Agent may continue to represent Buyer in connection with such dispute, including negotiations, arbitration, mediation and litigation, so long as Escrow Agent first delivers the Deposit to the Clerk of Circuit Court of Orange County, Florida in the manner previously contemplated in this ss.18.

ss.19. ASSIGNMENT OF AGREEMENT. Neither Buyer, nor Seller may assign all or any part of this Agreement to any other party, without first obtaining the written consent thereto of the other party; provided, however, that Buyer may assign this Agreement to RRC Centers, Inc. without first having to obtain any consent thereto from Seller.

ss.20. GOVERNING LAW. This Agreement will be construed in accordance with the laws with the State of Florida.

ss.21. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended in any manner, except by a written instrument executed by both parties to this Agreement.

ss.22. COUNTERPARTS. This Agreement may be executed in counterparts, each of which will be deemed an original document. This document will not be binding on the parties, until such time as a counterpart of this document has been executed by each party and a copy thereof delivered to the other party to this Agreement.

ss.23. RADON GAS NOTIFICATION. In accordance with the requirements of Florida Statute ss.404.056

RADON GAS: Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the local county public health center.

ss.24. REASONABLENESS OF CONSENT. Any consent or approval which is required or permitted to be given hereunder by either Seller or Buyer will not be unreasonably withheld or delayed by such party.

ss.25. TIME IS OF THE ESSENCE. Time is of the essence for all purposes of this Agreement. Any time period specified herein which would otherwise end on a weekend day or a legal holiday will, for the purpose of this Agreement, be deemed to instead end on the next business day following such weekend day or legal holiday.

ss.26. PURCHASE OF COMPANION PROPERTY. As of the Effective Date, Buyer and PDI Orlando III Limited Partnership, an affiliate of Seller, have entered into a separate Real Estate Purchase Agreement ("Companion Contract") relating to Buyer's purchase of the Main Street Square shopping center located in Fern Park, Florida ("Companion Property"). It is Seller's and Buyer's contemplation that the closing of Buyer's purchase of the Property under this Agreement will occur simultaneously with the closing of Buyer's purchase of the Companion Property under the Companion Contract. It will be a condition precedent to each of Seller's and Buyer's obligations under this Agreement that there occur a simultaneous closing of the Companion Property under the terms of the Companion Contract.

ss.27. RIGHT OF FIRST REFUSAL ON ADJACENT LAND. If at any time during the five year period after the date of closing, Seller receives a bona fide written offer from a third party ("Third Party Offer") to purchase all or any part of the land which is described in attached Exhibit N ("Adjacent Land"), and if Seller, in good faith, is willing to accept such Third Party Offer, then Seller will give written notice to Buyer of the existence and terms of such Third Party

Offer and will thereafter afford Buyer a period of five days in which to elect to purchase the portion of the Adjacent Land which is the subject of such Third Party Offer, on the identical terms and conditions set forth in the Third Party Offer. If Buyer gives Seller written notice within the aforementioned five-day period that Buyer so elects to purchase the subject portion of the Adjacent Land, then Buyer will proceed to purchase such portion of the Adjacent Land from Seller upon the identical terms and conditions set forth in the Third Party Offer. If Buyer declines to purchase the subject portion of the Adjacent Land or fails to respond to Seller's notice within the aforementioned five day period, then, in either such event, Seller will thereafter be free to sell the subject portion of the Adjacent Land on the terms and conditions set forth in the Third Party Offer; provided, however, that if the subject portion of the Adjacent Land is not sold within 90 days after the outside date for closing specified in such Third Party Offer on the terms and conditions specified in such Third Party Offer, then Seller will be again obligated to offer the subject portion of the Adjacent Land to Buyer as hereinabove provided. The right of first refusal granted to Buyer hereunder will continue to apply throughout the five year term set forth above to all portions of the Adjacent Land which are not sold to a third party in accordance with the provisions of this ss.27.

To the extent any of the existing Leases of the Real Property impose any restrictions on the manner in which the Adjacent Land is to be used or developed, then Seller agrees that it will fully comply with such restrictions and will require any of its successors-in-interest to also comply with such restrictions. If requested by Buyer, Seller will place of public record a document or documents, in form and content reasonably satisfactory to, Buyer subjecting the Adjacent Land to such restrictions.

ss.28. UNUSED DEVELOPMENT RIGHTS. There are currently unused development rights under the development order applicable to the Real Property permitting 38,552 rentable square feet of additional retail development to be built on the portion of the Land located between the K-Mart and Sears Home Life stores. Those unused development rights will be deemed included in the Intangible Property to be transferred to Buyer under this Agreement. Seller agrees that, it will use reasonable efforts to prosecute the receipt of additional development rights under the aforementioned development order and, to the extent it is successful in further increasing its developments rights under the aforementioned development order, Seller will assign to Buyer the first 9,241 rentable square feet of new development rights so obtained by Seller, without any further cost or obligation being owed to Seller by Buyer hereunder.

ss.29. BLOCKBUSTER VIDEO LEASE. Seller intends to enter into a Lease Agreement with Blockbuster Video, Inc., pursuant to which Blockbuster Video, Inc. will agree to lease approximately 5,348 rentable square feet of space in the Real Property. The terms of the Blockbuster Video, Inc. lease will be subject to Buyer's review and approval during the Inspection Period. If Buyer so approves the Blockbuster Video, Inc. lease and if Buyer thereafter closes on its purchase of the Property, it will assume and agree to abide by all of the obligations placed upon the "Landlord" under the Lease Agreement with Blockbuster Video, Inc. Buyer acknowledges that it is a necessary requirement of the terms of the Lease Agreement with Blockbuster Video, Inc. that certain existing tenants be relocated from the leased premises to be leased by Blockbuster Video, Inc. (such tenants being Treasure Coast, Dr. Massaglia and Dr. Ziernba). Buyer will contribute \$40,000 towards the cost of relocating Dr. Massaglia to other space in the Real Property and will also pay a commission of \$33,000 to Pizzuti Realty of Florida Inc. in connection with the Blockbuster Video, Inc. lease (such commission to be paid within ten days after Blockbuster Video, Inc. opens for business in the Real Property and begins paying rent). Any other costs associated with the vacation of any of the existing tenants from Blockbuster Video, Inc.'s leased premises (that being, Treasure Coast, Dr. Massaglia and Dr. Ziernba) will be paid by Seller within 30 days after Seller's receipt of a detailed invoice from Buyer setting forth the amount of the expenses incurred Buyer in connection with such vacation. If Buyer is unable to effect the relocation of the requisite tenants from the leased premises to be leased by Blockbuster Video, Inc., with the end result that the lease with Blockbuster Video, Inc. becomes null and void, then Buyer will have no obligation to make any payments to either Dr. Massaglia or Pizzuti Realty of Florida Inc. under this ss.29.

ss.30. AUDIT LETTER. Seller acknowledges that Buyer, as a publicly-traded real estate investment trust, is required to have the financial operations of the various properties owned by it audited by KPMG Peat Marwick, LLP and the results thereof filed with the Securities and Exchange Commission. Seller agrees that it will make all of its financial books and records associated with the Property available for audit by KPMG Peat Marwick LLP at all reasonable times after the Effective Date and prior to the date which is six months after the

date of closing Buyer will provide Seller with at least 15 days prior advance notice concerning the conduct of any such audit by KPMG Peat Marwick LLP. In addition, Seller hereby agrees that it will, at the request of Buyer and KPMG Peat Marwick LLP, execute an Audit Representation Letter in substantially the form and content attached hereto as Exhibit O and will deliver such executed Audit Representation Letter to KPMG Peat Marwick LLP within 15 days after KPMG Peat Marwick LLP's request for the same.

ss.31. REPLATTING OF PARCEL 4. Buyer and Seller hereby acknowledge that the Land to be conveyed to Buyer hereunder contains part (but not all) of Parcel 4 of the First Replat of Port St. Lucie, Section 67. The portion of Parcel 4 to be conveyed to Buyer is depicted on the site plan attached to this Agreement as Exhibit A. Within five business days after the Effective Date, Seller will prepare and submit to Buyer for its approval a legal description of that portion of Parcel 4 to be conveyed to Buyer hereunder as part of the Land. Following the closing, Seller will promptly and with all due diligence proceed to further replat Parcel 4, so as to create the portion thereof which is being conveyed to Buyer as a separate, free-standing tax parcel, which will be developable by Buyer as a retail building upon Buyer's compliance with all applicable governmental requirements (other than any requirements relating to such replatting). All costs of effecting such replatting will be borne by Seller. Prior to its finalization of any such replatting, Seller will provide all documentation relating to the replatting to Buyer for its review and approval.

ss.32. DEFINED TERMS. For the purpose of this Agreement, the following terms will have the meanings attributed to such terms in the noted sections of this Agreement:

"Adjacent Land" is defined in ss.27.

"Agreement" is defined in the preamble.

"Attributable to" is defined in ss.7.

"Base Rents" is defined in ss.7.

"Buyer" is defined in the preamble.

"Companion Contract" is defined in ss.26.

"Companion Property" is defined in ss.26.

"Deposit" is defined in ss.2.

"Effective Date" is defined in the preamble.

"Effective Gross Income" is defined in ss.7.

"Escrow Agent" is defined in ss.2.

"Estoppel Certificates" is defined in ss.6.

"Hazardous Materials" is defined in ss.8.

"Improvements" is defined in ss.1.

"Inspection Period" is defined in ss.4.

"Intangible Property" is defined in ss.1.

"Land" is defined in ss.1.

"Lease" is defined in ss.1.

"Leasing Costs" is defined in ss.7.

"Operating Expense Payments" is defined in ss.7.

"Overage Rents" is defined in ss.7.

"Permitted Exceptions" is defined in ss.5.

"Property" is defined in ss.1.

"Surviving Contracts" is defined in ss.1.

"Third Party Offer" is defined in ss.27.

"Title Company" is defined in ss.5.

"Title Commitment" is defined in ss.5.

"Title Notice" is defined in ss.5.

ss.33. EXHIBITS. All of the following exhibits, which are attached to this Agreement as of the Effective Date, are incorporated herein by this reference:

Exhibit A - Legal Description and Site Plan of Land Exhibit B - List of Personal Property Exhibit C - Rent Roll Exhibit D - List of Intangible Property Exhibit E - Intentionally Omitted Exhibit F - List of Accounts Receivable Exhibit G - List of Leasing Costs To Be Assumed by Buyer Exhibit H - Form of Estoppel Certificate Exhibit I - List of Lease Defaults Exhibit J - Form of General Warranty Deed Exhibit K - Form of Assignment and Assumption of Leases Exhibit L - Form of Assignment and Assumption of Intangible Property Exhibit M - Form of Bill of Sale Exhibit N - Legal Description of Adjacent Land

Any of the above exhibits which are not attached to this Agreement as of the Effective Date will be negotiated promptly and in good faith by Seller and Buyer and will be attached to this Agreement and incorporated therein by this reference on or before the expiration of the Inspection Period.



Seller and Buyer have executed this Agreement as of the date set forth opposite their respective names below.

SELLER:

PDI ST. LUCIE I LIMITED PARTNERSHIP  
By Pizzuti Development Inc.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

Richard C. Daley  
Executive Vice President

BUYER:

RRC ACQUISITIONS, INC.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

(Name) (Title)

ESCROW AGENT:

(Executing this Agreement solely for the purpose of acknowledging its rights and obligations under ss.18.  
MAGUIRE, VOORHIS & WELLS, P.A.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

(Name) (Title)

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Situated in St. Lucie County, Florida, and being more particularly described as follows:

All of Parcels 5 and 6 and part of Parcel 4 of the First Replat of Port St. Lucie, Section Sixty-seven, as the same appears of public record at Book 30, Page 20 of the plat records of St. Lucie County, Florida.

The Land (including the portion of Parcel 4 to be included as part of the Land) is depicted on the site plan attached hereto as Schedule E-1. A metes and bounds legal description of the included portion of Parcel 4 is being prepared by Seller and will be delivered to Buyer within five days after the Effective Date.

EXHIBIT B  
LIST OF PERSONAL PROPERTY

None.

EXHIBIT C

RENT ROLL

See attached Schedule C-1.

EXHIBIT D

LIST OF INTANGIBLE PROPERTY

Any rights in and to those contracts, agreements, utility arrangements, warranties, guarantees, indemnities, claims, licenses, applications, permits, construction warranties, certificates of occupancy, plans and specifications and other similar items and intangible rights used in connection with or relating to the Land, Improvements, Personal Property and Leases (including, without limitation, the non-exclusive right to use the name "Eastport Plaza"), and expressly including those operating contracts which are attached hereto as Schedule D-1 and which are referred to in the Agreement as Surviving Contracts.

EXHIBIT E

LIST OF PERMITTED EXCEPTIONS

Intentionally Omitted.

EXHIBIT F

LIST OF ACCOUNTS RECEIVABLE

Attached hereto as Schedule F-1 is an "Aged Delinquent and Prepaid Balances" report prepared as of 3/14/97, which itemizes all existing accounts receivable from tenants under the Leases.

EXHIBIT G

LIST OF LEASING COSTS

The following are those Leasing Costs which may be incurred after the date of closing and which will be the obligation of Buyer under ss.6(g) of the Agreement:

1. Leasing commission on St. Lucie Jewelry expansion (anticipated to be \$2,866.93);
2. Leasing commission on AEW/Belzer lease (replacing Unlimited Sales) - commission anticipated to be \$3,162.82;
3. Commission on Dr. Ziemba relocation and expansion - commission anticipated to be \$8,398.80.

All of the foregoing commissions will be payable to Pizzuti Realty of Florida Inc., within ten days after each of the aforementioned tenants' commencement of occupancy and payment of rent.



EXHIBIT H

FORM OF ESTOPPEL CERTIFICATE

See attached Schedule H-1.

EXHIBIT I

The only defaults which exist under the Leases are those referred to in the list of accounts receivable attached to the Agreement as Exhibit F.

EXHIBIT J

FORM OF GENERAL WARRANTY DEED

See attached Schedule J-1.

EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES

See attached Schedule K-1.

EXHIBIT L

FORM OF ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

See attached Schedule L-1.

EXHIBIT M  
FORM OF BILL OF SALE

See attached Schedule M-1.

EXHIBIT N

LEGAL DESCRIPTION OF ADJACENT LAND

See attached Schedule N-1.

LEGAL DESCRIPTION OF ADJACENT LAND

Situated in St. Lucie County, Florida, and being more particularly described as follows:

All of Parcel 1 and part of Parcel 4 of the First Replat of Port St. Lucie, Section Sixty-seven, as the same appears of public record at Book 30, Page 20 of the plat records of St. Lucie County, Florida.

The Adjacent Land (including the portion of Parcel 4 to be included as part of the Adjacent Land) is depicted on the site plan attached hereto as Schedule N-1. A metes and bounds legal description of the included portion of Parcel 4 is being prepared by Seller and will be delivered to Buyer within five days after the Effective Date.



EXHIBIT 0  
FORM OF AUDIT LETTER

See attached Schedule 0-1.

## REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is entered into by PDI Orlando III Limited Partnership, an Ohio limited partnership ("Seller"), and RRC Acquisitions, Inc. ("Buyer"). The "Effective Date" of this Agreement will be the date on which both Seller and Buyer have executed this Agreement. For the parties' convenience in reviewing this Agreement, all defined terms used in this Agreement will be highlighted by boldface print when first defined in this Agreement.

Seller and Buyer hereby agree as follows:

ss.1. SALE OF THE PROPERTY. Upon the terms and subject to the conditions set forth in this Agreement, Seller will sell to Buyer the following described property. All references herein to the "Land", "Improvements", "Personal Property", "Leases" and "Intangible Property" will have the meanings attributed to such terms in this ss.1.

- (a) Land. The approximately 8.9 acre tract of land located off of U.S. 17-92 in Fern Park, Florida, which tract is more particularly described in Exhibit A, together with all rights and interests appurtenant thereto, including without limitation, all water and mineral rights, development rights, easements and rights-of-way.
- (b) Improvements. All buildings and other improvements  
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located on the Land, including, without limitation, the shopping center buildings, which contain approximately 107,159 square feet of rentable space, and which are collectively known as the "Main Street Square Shopping Center", together with all parking areas and other site and accessory improvements located on the Land and all systems, facilities and fixtures located within such shopping center buildings.
- (c) Personal Property. All tools, machinery, appliances,  
-----  
fixtures (to the extent not part of the Improvements), floor and window coverings, furnishings, signs, equipment, inventory, supplies and tangible personal property owned by Seller and used in connection with the operation of and located on the Real Property, as the same are more particularly described in Exhibit B.
- (d) Leases. All leases with any existing tenants of the Real Property (together with any amendments, extensions, guaranties or modifications to such leases), as the same are more particularly described in the rent roll attached hereto as Exhibit C;
- (e) Intangible Property. Any rights in and to those,  
-----  
contracts, agreements, utility arrangements, warranties, guarantees, indemnities, claims, licenses, applications, permits, construction warranties, certificates of occupancy, plans and specifications, and other similar items and intangible rights used in connection with or relating to the Land, Improvements, Personal Property and Leases (including, without limitation, the non-exclusive right to use the name "Main Street

Square"), as the same are more particularly described in Exhibit D. Notwithstanding anything to the contrary contained herein, the only contracts to be assigned to and assumed by Buyer and, hence, included within the definition of "Intangible Property" for the purposes of this Agreement, will be those contracts identified on attached Exhibit D, which either: (i) are not cancelable upon 30 days or less notice; or (ii) although cancelable upon 30 days or less notice, are nonetheless specifically designated

by Buyer in a written notice to Seller as being contracts which Buyer desires to have assigned to it at closing (collectively, the "Surviving Contracts").

The Land and Improvements are hereinafter collectively referred to as the "Real Property". The Real Property, Personal Property, Leases and Intangible Property are hereinafter collectively referred to as the "Property".

ss.2. DEPOSIT. Within two business days after the Effective Date, Buyer will deposit with the law firm of Maguire, Voorhis & Wells, P.A. ("Escrow Agent") cash in the sum of \$50,000 as a good faith deposit. Within two business days after the date of Buyer's satisfaction of its inspection contingency under ss.5, Buyer will deposit with Escrow Agent cash in an additional sum of \$100,000, which amount will also be held pursuant to the terms of this Agreement. All amounts deposited with the Escrow Agent hereunder will be held in an interest-bearing account, with all references herein to the "Deposit" specifically including not only the initial principal sum of \$50,000, but also the additional principal sum of \$100,000 (once paid to the Escrow Agent), and all interest earned on such principal sums. The Deposit will be disbursed in the following manner:

- (a) If the closing occurs in the manner contemplated in this Agreement, then the Deposit will be paid to Seller and applied as a credit against the Purchase Price payable at closing;
- (b) If this Agreement is terminated under ss.5 as a result of Buyer's failure to satisfy or waive its inspection contingency under ss.5, then the Deposit will be returned to Buyer;
- (c) If the closing fails to occur as a result of Seller's default hereunder, then the Deposit will be returned to Buyer, without prejudice to Buyer's right to pursue the remedy of specific performance to redress such default; and
- (d) If the closing fails to occur as a result of Buyer's default hereunder, then the Deposit will be paid to Seller as full and complete liquidated damages to redress such default.

ss.3. PURCHASE PRICE. The purchase price for the Property will be \$5,395,348 ("Purchase Price"). The Purchase Price will be paid in cash at closing by means of a federal funds wire transfer. The Purchase Price payable at closing will be subject to such prorations, credits, allowances and other adjustments as are provided for in this Agreement.

ss.4. ADDITIONAL PAYMENTS. In addition to the Purchase Price payable to Seller at closing, Buyer will make the following additional payments ("Additional Payments") to Seller at the times and under the circumstances set forth below.

- (a) Vacant Space. Buyer will pay to Seller at closing an amount equal to \$15 for every rentable square foot of space in excess of 3,766 rentable square feet, which is both vacant and unleased in the Real Property as of the date of closing (if Park Dry Cleaners is still in possession of its space on the date of closing, no such payment will be made with respect to its space). The payment referred to in this subparagraph will be paid in cash at closing by means of a federal funds wire transfer.

(b) Dry Cleaner Space. Buyer and Seller acknowledge that Seller is currently in the process of effecting an eviction of Park Dry Cleaners from Suite 182 of the Real Property, consisting of 1,400 rentable square feet. Upon the earlier of (i) Seller's successful completion of such eviction action or (ii) Buyer's request that Seller dismiss such eviction action because Buyer has reached an acceptable compromise for Park Dry Cleaners' continued occupancy of the Real Property, an Additional Payment will be due from Buyer to Seller in an amount equal to \$287,597.03, less the amount of any Additional Payments previously made with respect to the subject space under subparagraph (a), above. The above amount will not be reduced in any fashion by any credit for any Additional Payment previously made pursuant to subparagraph (a), above, because the number set forth in the immediately preceding sentence has already been computed net of a credit for the applicable Additional Payments made at closing under subparagraph (a), above. Unless otherwise requested by Buyer, Seller will, at all times after the date of closing and at its sole cost and expense, continue to prosecute the eviction action against Park Dry Cleaners in a diligent and expeditious fashion. Buyer will be required to cooperate with Seller in such eviction action, although Buyer will not be required to expend any funds in connection with such eviction action.

(c) Froggers. Buyer and Seller acknowledge that Seller is currently in the process of negotiating with Froggers Restaurant for the lease of space in the Real Property. Buyer hereby agrees that, to the extent the conditions hereinafter set forth with respect to any lease to Froggers Restaurant are satisfied within six months after the date of closing, then an additional payment will be due from Buyer to Seller in an amount equal to the Effective Gross Income produced under the Froggers lease (in an amount up to, but not exceeding \$11 per rentable square foot, plus operating expense reimbursement recoveries), divided by a capitalization rate of 12.5%, less an amount equal to the sum of: (A) one-third of the first \$150,000 of Buyer's cost of constructing tenant improvements to the Froggers Restaurant space; plus (B) 100% of all such tenant improvement costs in excess of \$150,000.

For the purpose of this Agreement, "Effective Gross Income" means the average annual Base Rent and Operating Expense Payments (as those terms are hereinafter defined, but exclusive of any portion of any Operating Expense Payments attributable to a 4% management fee), payable by the applicable tenant over the initial term of any such lease, less an amount equal to all free rent and other rent concessions made to the tenant under the applicable lease (amortized ratably over each year of the lease) and less a credit reserve of 5% of the average annual Base Rent and Operating Expense Payments due under any such lease. The amount of any payment otherwise required to be paid under this subparagraph (c) will, however, be reduced by an amount equal to the amount of any Additional Payment previously paid to Seller with respect to the subject leased space under subparagraph (a).

The Additional Payments due to Seller from Buyer under this subparagraph (c) will be paid within 30 days after the satisfaction of all of the following conditions with respect to the Froggers Restaurant lease:

- (A) A lease, in form and content reasonably acceptable to Buyer, has been executed with Froggers Restaurant (which lease must, in all events be executed within six months after the date of closing); and
- (B) Froggers Restaurant has accepted its leased premises and opened for business therein and begun paying rent.

The terms of any lease produced with respect to Froggers Restaurant must be acceptable to both Seller and Buyer. Seller agrees that it will pay all leasing commissions due on any lease for Froggers Restaurant. Buyer will be obligated to pay the cost of all tenant improvements and other costs related to the Froggers Restaurant lease (subject to Seller's contribution to the Froggers Restaurant tenant improvement costs under subparagraph (b)(ii), above).

ss.5. INSPECTION CONTINGENCY. Buyer's obligations under this Agreement are contingent upon Buyer determining, on or before March 25, 1997 ("Inspection Period"), that the Property is acceptable to Buyer. Seller will permit Buyer and Buyer's agents and contractors access to the Property and to all files, books and records maintained by Seller with respect to the Property at all reasonable times during the Inspection Period, so that Buyer can conduct all such tests, studies and inspections of the Property and review all such files, books and records as Buyer deems appropriate. All files, books and records maintained by Seller with respect to the Property will be made available for inspection by Buyer and Buyer's agents and contractors at Seller's offices at Suite 1350, 255 South Orange Avenue, Orlando, Florida. During the Inspection Period, Buyer will also be permitted to interview all tenants under the Leases, provided that it provide advance notice to Seller of the times of any such interviews and permits a representative of Seller a reasonable opportunity to be present during such interviews.

Buyer agrees to indemnify and hold Seller harmless from any liability or loss incurred by Seller as a result of Buyer's activities at the Property and to promptly restore any damage caused to the Property as a result of such activities. If Buyer fails to timely satisfy or waive its inspection contingency under this ss.5 then, within ten days after the expiration of the Inspection Period, Buyer will deliver to Seller copies of all written reports received by Buyer with respect to the various tests, studies and inspections conducted by Buyer or its agents or contractors with respect to the Property and will return to Seller copies of all of Seller's files, books and records made by Buyer or its agents or contractors during such Inspection Period.

In order to further facilitate Buyer's determination of the acceptability of the Property, Seller will, within three business days after the Effective Date, provide the following materials to Buyer:

- (a) Copies of all Leases;
- (b) Copies of all environmental reports in its possession with respect to the Real Property;
- (c) The most current survey of the Real Property; (d) The most recent title policy for the Real Property; (e) Copies of financial operating statements for the Property (that is, income and expense statements) for the 1994, 1995 and 1996 calendar years;
- (f) Copies of real estate tax bills for the Real Property for the calendar years 1994, 1995 and 1996;
- (g) Copies of any existing service contracts related to the Property;
- (h) Copies of utilities bills relating to the operation of the Real Property for the calendar year 1996;
- (i) Copies of all certificates of occupancy in its possession with respect to the Improvements;
- (j) Copies of all plans and specifications related to the Improvements including, where appropriate, civil, structural and mechanical drawings;
- (k) Copies of all expense recovery reconciliation's for the calendar years 1995 and 1996;
- (l) Seller's operating budget for the calendar year 1996;
- (m) Evidence that all sales tax payments with respect to rents payable for the Real Property are current.

If Buyer gives Seller written notice within the Inspection Period that the results of its inspections are acceptable to Buyer, then Buyer will be obligated to pay the additional \$100,000 deposit to Escrow Agent at the time and in the manner contemplated in ss.2 hereof and the parties will thereafter proceed to close Buyer's purchase of the Property in the manner contemplated in this Agreement. If Buyer gives Seller written notice within the Inspection Period that the results of its inspections are unacceptable to Buyer, for any reason whatsoever (as determined by Buyer in its sole discretion) or if Buyer fails to give any written notice concerning the acceptability of its inspections to Seller during the Inspection Period, then in either such event, the Deposit will be returned to Buyer, this Agreement will thereupon automatically terminate and the parties will be relieved of all further rights, liabilities and obligations under this Agreement, except for Buyer's indemnification, restoration and other obligations expressly placed upon it under this ss.5

ss.6. TITLE COMMITMENT. Within fifteen days after the Effective Date, Seller will cause First American Title Insurance Company or some other nationally-recognized title insurance company acceptable to Buyer ("Title Company") to furnish to Buyer a commitment for an ALTA Form B Owner's Title Insurance Policy in the face amount of the Purchase Price, together with legible copies of all title exceptions noted in such title commitment ("Title Commitment"). The Title Commitment will show that Seller has marketable fee simple title to the Property, free and clear of all liens and encumbrances, excepting only those liens and encumbrances which are approved by Buyer in the manner hereinafter set forth in this ss.6. If Buyer wishes to obtain a survey of the Real Property (other than any existing survey furnished to Buyer pursuant to ss.5), it will be required to do so at its sole expense.

If the Title Commitment (or any survey obtained by Buyer) discloses any exceptions to title which are unacceptable to Buyer, then Buyer will have seven days after its receipt of such Title Commitment in which to deliver in writing to Seller any objection which Buyer may have to any such title exceptions

("Title Notice"). Buyer will be deemed to have approved any title exceptions appearing in the Title Commitment, which are not objected to in a timely delivered Title Notice and, thereafter, such additional title exceptions will also be treated as "Permitted Exceptions" for the purposes of this Agreement.

If Buyer objects to any such title exception by delivering a Title Notice to Seller within the aforementioned seven-day period, then Seller, at its expense, will use its reasonable efforts to satisfy the objections made by Buyer in its Title Notice within five days after Seller's receipt of the Title Notice. If Seller fails to satisfy all of such objections within the aforementioned five-day period then Buyer will have the option of either: (a) terminating its obligations with respect to the purchase of the Property by giving written notice of termination to Seller within three days after the expiration of the aforementioned five-day period, in which event, the Deposit will be returned to Buyer and, thereafter, neither party will have any further rights, liabilities or obligations hereunder with respect to the Property, except for Buyer's indemnification, restoration and other obligations expressly placed upon it under ss.5; or (b) waiving its objections under the Title Notice and proceeding to close on the purchase of the Property. If Seller is successful in satisfying any of Buyer's objections, then Seller will deliver to Buyer proof of such satisfaction and will also deliver to Buyer the Title Company's related Title Commitment endorsement.

ss.7. ESTOPPEL CERTIFICATES. Within 30 days after the Effective Date, Landlord will use its best efforts to deliver to Tenant an estoppel certificate ("Estoppel Certificate"), executed by each tenant under the Leases and dated not earlier than the Effective Date. Such Estoppel Certificates will address the status of rent payments, tenant improvements, defaults and other matters relating to the Leases, and will, except as otherwise agreed to by Buyer, be in substantially the form and content attached hereto as Exhibit H. Buyer's obligations under this Agreement will be expressly contingent upon Buyer receiving executed Estoppel Certificates from the "Anchor Tenants" (as that term is hereinafter defined) and from those other tenants occupying at least 90% of the remaining rentable square footage contained within the Real Property. For the purpose of this Agreement, "Anchor Tenants" will mean Winn Dixie and Walgreens.

ss.8. CLOSING PRORATIONS AND ADJUSTMENTS. If Seller's sale of the Property to Buyer closes in the manner contemplated in this Agreement, then Buyer's and Seller's respective economic rights and obligations with respect to the Property will be determined in the manner described in this ss.8. Except as otherwise expressly provided herein, all of the income and expense prorations contemplated hereunder will be calculated, apportioned and prorated between Buyer and Seller as of 11:59 p.m. on the day prior to the date of closing.

- (a) Real Estate Taxes. Seller will pay or credit on the

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Purchase Price the amount of all delinquent real estate taxes and installments of special assessments, including penalties and interest thereon, that are a lien on the Real Property as of the date of closing. Seller will also credit on the Purchase Price all unpaid real estate taxes and installments of special assessments which are not yet due for years prior to the closing and a portion of such taxes and installments for the year of closing, prorated through the date of closing. The proration of the undetermined taxes and installments of special assessments will be based upon a 365 day year and upon the most recently available tax use, rate and valuation for the Real Property. The proration of taxes and installments of assessments hereunder will be reprorated upon request by either party upon the issuance of the actual tax bill for the year of closing and will then be based upon the amount of such taxes and installments of assessments which are due on the earliest payment date specified by applicable law. Any request for a reproration hereunder must be made on or before December 31 of the year of closing.

- (b) Rents. All rents and other payments due from the tenants under the Leases will be prorated in the manner hereinafter set forth in this subparagraph (b).

(i) Base Rents. Seller will credit on the Purchase Price that portion of all Base Rents (as that term is hereinafter defined) payable for the calendar month of closing, which are attributable to the period from and after the date of closing. Seller will be entitled to retain any Base Rents collected by it prior to or after the date of closing, which are attributable either to the month of closing or any months preceding the month of closing. If following the date of closing, Buyer collects Base Rents which are attributable to the period prior to the date of closing, then, except as otherwise expressly provided herein, Buyer will immediately pay such Base Rents to Seller. If following the date of closing, Seller collects Base Rents which are attributable to any month after the month of closing, then Seller will immediately pay such Base Rents to Buyer. Notwithstanding anything to the contrary contained herein, any Base Rents collected by Buyer from any tenant after the date of closing will first be applied by Buyer toward the payment of Base Rents owed to Buyer by



such tenant for months after the month of closing, and then, and only then, will any excess Base Rents collected by Buyer be paid to Seller under this subparagraph (i). For the purpose of this Agreement, "Base Rents" will mean any fixed, minimum rent payable by tenants under the Leases excluding, however, any Operating Expense Payments (as that term is hereinafter defined).

(ii) Operating Expense Payments. Seller will credit on the Purchase Price that portion of any Operating Expense Payments (as that term is hereinafter defined) payable for the calendar month of closing, which are attributable to the period from and after the date of closing. Seller will be entitled to any Operating Expense Payments which are both paid periodically on an estimated basis by any tenants under the Leases and are collected by it prior to or after the date of closing and which are further attributable either to the month of closing or any months preceding the month of closing. If following the date of closing, Buyer collects any Operating Expense Payments which are paid periodically on an estimated basis by any tenants under the Leases and which are attributable to the period prior to the date of closing, then, except as otherwise expressly provided herein, Buyer will immediately pay such Operating Expense Payments to Seller. If, following the date of closing, Seller collects any Operating Expense Payments, which are paid periodically on an estimated basis by any tenants under the Leases, and which are attributable to any month after the month of closing, then Seller will immediately pay such Operating Expenses Payments to Buyer. Notwithstanding anything to the contrary contained herein, any Operating Expenses Payments, which are paid periodically on an estimated basis by any tenants under the Leases, and which are collected by Buyer from any tenant after the date of closing, will first be applied by Buyer toward the payment of any Operating Expense Payments owed to Buyer by such tenant for months after the month of closing, and then, and only then, will any excess Operating Expense Payments collected by Buyer be paid to Seller under this subparagraph (ii). With respect to any Operating Expense Payments, which are paid periodically on an estimated basis by any tenants under the Leases, Buyer will make a final reconciliation of the actual expenses incurred in connection with the Real Property for any fiscal period which includes the date of closing, at the time and in the manner required under the terms of the Leases. Within 30 days after the completion of each such reconciliation, Buyer will provide written notice to Seller of the amount of such reconciliation and the portion of the actual Operating Expense Payments of the subject tenant which are attributable to the period prior to the date of closing (with such determination being made strictly on the basis of the number of days prior to the date of closing which are included in the fiscal period for which such reconciliation is being made). If Buyer collects Operating Expense Payments from any tenant under any Lease which, when added to all periodic, estimated Operating Expense Payments collected from such tenant by Buyer after the date of closing (but which are attributable to the fiscal period for which such final reconciliation is being made), exceed the amount of the Tenant's actual Operating Expense Payment obligation for the portion of the subject fiscal period falling after the date of closing, then Buyer will, within 30 days after its collection of such Operating Expense Payments, pay to Seller the amount of such excess. If Buyer is required as a result of any such final reconciliation to make any refund to any tenants under the Leases for any excess periodic Operating Expense Payments made by any such tenants under the Leases, then Seller will pay to Buyer, within 30 days after Seller's receipt of Buyer's determination that any such refund is due, an amount equal to that portion of the refund which is attributable to the period prior to the date of closing (with such determination being made strictly on the basis of the number of days prior to the date of closing which are included in the fiscal period for which such reconciliation is being made).

Notwithstanding anything to the contrary contained herein, to the extent any Lease requires any tenant to make any Operating Expense Payments other than on an estimated, periodic basis (for example, an obligation of a tenant to reimburse the owner of the Real Property by way of an annual lump sum payment for its allocable share of the actual real estate taxes or insurance premiums paid by such owner), and if any such Operating Expense Payment relates to expenses which are attributable to periods both before and after the date of closing, then: (i) if any such Operating Expense Payment is payable to Seller prior to the date of closing, Seller will credit on the Purchase Price the portion of such Operating Expense Payment which is attributable to the period from and after the date of closing; and (ii) if such Operating Expense Payment is payable after the date of closing, then Buyer will, within

30 days after its collection of any such Operating Expense Payments, make a payment to Seller of an amount equal to that portion of the Operating Expense Payment which is attributable to the period prior to the date of closing. For the purposes of this Agreement, "Operating Expense Payments" will mean all payments made by the tenants under the Leases which are stated to be applicable towards common area maintenance charges, insurance premiums, real estate taxes and similar expenses associated with the Real Property.

(iii) **Overage Rents.** Overage Rents (as that term is hereinafter defined) will be separately prorated under each Lease on the basis of the fiscal period set forth in each Lease for the payment of such Overage Rents. Any Overage Rents received by Seller or Buyer before or after the date of closing will be retained by the recipient of such payments, pending a final reconciliation based upon the actual Overage Rents owed for any fiscal period which includes the date of closing. Buyer will make the final reconciliation at the time and in the manner required under the terms of each Lease. Within 30 days after the completion of each such final reconciliation, Buyer will provide written notice to Seller of the amount of such final reconciliation and the portion of the actual Overage Rents for the subject tenant which are attributable to the period prior to the date of closing. If Buyer actually collects Overage Rents from any tenant under any Lease, which, when added to all estimated, periodic Overage Rents collected from such tenant by Buyer after the date of closing (but which are attributable to the fiscal period for which such final reconciliation is being made), exceed the amount of the Tenant's actual Overage Rent obligation for the portion of the subject fiscal period falling after the date of closing, then Buyer will, within 30 days after its collection of such Overage Rents, pay to Seller the amount of such excess.

(c) Utilities. Coincident with the closing of Buyer's purchase of the Property, Seller will notify all utility companies servicing the Real Property of the change in ownership and direct that all future billings be made to Buyer at the address of the Real Property (or such other address as Buyer may direct). Seller will obtain final meter readings for all utilities as of the date of closing and will have final bills rendered directly to Seller. In the event that final meter readings cannot be obtained due to the utility companies' internal operating procedures. Seller will reimburse Buyer for any payments to such utilities applicable to the period prior to the closing date immediately upon receipt of written evidence of such payments by Buyer.

(d) Security Deposits. Seller will pay to Buyer at -----  
closing (or credit on the Purchase Price payable at closing) an amount equal to all security deposits which, as of the date of closing, Seller is legally required to ultimately refund to tenants under the Leases. A listing of all such security deposits as of the Effective Date is included in the rent roll attached hereto as Exhibit C. The listing of such security deposits will be updated by Seller as of the date of closing.

(e) Accounts Receivable. All accounts receivable related -----  
to the Property, which are attributable to the period prior to the date of the closing (including, without limitation, those related to delinquent payments of Base Rent, Overage Rents and Operating Expense Payments by any former or existing tenant of the Real Property), will remain the property of Seller and Seller may pursue the collection of such accounts receivable by all available legal means. All accounts receivable related to the Property which are attributable to the period from and after the date of closing will be the property of Buyer. A listing of all accounts receivable for existing tenants of the Real Property as of the Effective Date is attached to this Agreement as Exhibit F. The listing of such accounts receivable will be updated by Seller as of the date of closing. Buyer will at all times after the date of closing continue to invoice any existing tenant of the Real Property for all accounts receivable attributable to any such tenant's occupancy of the Real Property prior to the date of closing and will fully cooperate with Seller in Seller's efforts to collect all accounts receivable which are the property of Seller hereunder.

- (f) Payments under Surviving Contracts. Buyer will be  
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entitled to a credit against the Purchase Price for all sums, which are due and unpaid under the Surviving Contracts as of the date of closing, and which are attributable to the period prior to the date of closing. Similarly, Seller will be entitled to receive an additional payment at closing to the extent it has paid any sum under any Surviving Contract, which is attributable to the period from and after the date of closing.
- (g) Leasing Costs. Except as otherwise expressly  
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provided herein, Buyer will be entitled to a credit against the Purchase Price at closing for the amount of all unpaid costs and expenses which were incurred (or are to be incurred) in connection with any Leases executed, modified or extended by Seller prior to the Effective Date, including, without limitation, all costs and expenses for tenant improvements (either completed or to be completed) and brokerage commissions (collectively "Leasing Costs"). Following its receipt of such Purchase Price credit, Buyer will thereafter be solely responsible for the payment of any such Leasing Costs. Notwithstanding anything to the contrary contained herein, Buyer will be liable for and will not be entitled to any credit at closing for any Leasing Costs incurred after the Effective Date, which are either: (i) identified in Exhibit G; (ii) set forth as Buyer's obligations under ss.13; or (iii) otherwise hereinafter expressly assumed in writing by Buyer.
- (h) Miscellaneous Items of Income and Expense. All other  
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items of income and expense related to the Property will be prorated through the date of closing, with Seller being entitled to receive or obligated to pay (with any required payment being made at or prior to closing), as the case may be, all such items of income or expense attributable to the period prior to the date of closing, and Buyer being entitled to receive or obligated to pay, as the case may be, all such items of income and expenses attributable to the period from and after the date of closing.
- (i) Items Not to be Prorated. No proration or credit  
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will be made or given hereunder for: (i) insurance premiums; (ii) employee salaries, benefits, bonuses, payroll taxes or other employee costs; and (iii) any amount owing under any contracts related to the operation of the Property, other than the Surviving Contracts. Seller will, on or before the date of closing, terminate all agreements and pay all accrued costs related to such items.

For purposes of this ss.8, the determination of whether an item is "attributable to" a particular period will, except as otherwise expressly provided herein, be made in accordance with generally accepted accounting principles, consistently applied.

ss.9. REPRESENTATIONS AND WARRANTIES OF SELLER. For the purpose of inducing Buyer to enter into this Agreement and consummate its purchase of the Property, Seller hereby represents and warrants to Buyer as to the following as of the date of Seller's execution of this Agreement.

- (a) No Proceedings. To the best of Seller's knowledge, there is no action, suit, proceeding or investigation pending before any agency, court or governmental authority which relate to the Seller or the Property (including, without limitation, any eminent domain or condemnation proceeding).
- (b) Public Improvements. To the best of Seller's knowledge, Seller has not, within a period of two years immediately preceding the Effective Date, received written notice of any contemplated improvement to the Property by any public authority, the cost of which is to be assessed as a special tax or assessment against the Property in the future.
- (c) Creditor Problems. To the best of Seller's knowledge, there are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy (or under any other debtor relief laws) pending against Seller or the Property.
- (d) Leases. Except as otherwise disclosed in the  
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accounts receivable report attached hereto as Exhibit F or the list of lease defaults attached hereto as Exhibit I, all of the Leases are, to the best of Seller's knowledge, in full force and effect, without any default on the part of either Seller or the tenant thereunder. The terms and rates for all of the Leases, as set forth in the rent roll attached hereto as Exhibit C, are true and accurate.
- (e) Authority. Seller is an Ohio limited partnership,  
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properly organized under the laws of the State of Ohio, and properly authorized to own property and do business in the State of Florida. Seller is the owner of the Property and has the right, power and legal capacity to enter into this Agreement and to convey the Property to Buyer pursuant to the terms and provisions hereof and to perform its other obligations hereunder. The parties and persons executing this Agreement on behalf of Seller have been duly authorized to execute this Agreement. The execution of this Agreement by Seller, the performance by Seller of its obligations hereunder, and the sale, transfer, conveyance and assignments contemplated hereunder do not require the consent of any third party, nor do any of such acts violate the terms and provisions of any agreement to which Seller is a party.

(f) No Litigation. To the best of Seller's knowledge, there is no pending litigation relating to the Property (other than collection actions initiated by Seller against former tenants of the Real Property).

(g) Environmental Matters. Except as otherwise disclosed  
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in any environmental report made available to Buyer by Seller pursuant to the requirements of this Agreement or as otherwise referred to in ss.29 of this Agreement, no "Hazardous Material" (as that term is hereinafter defined) has been generated, treated, stored, recycled, transported, released, discharged, emitted, disposed of or otherwise handled at, on or under the Property by Seller, or, to the best of Seller's knowledge, by any other party, in violation of, and no enforcement action has been initiated or noticed against Seller or, to the best of Seller's knowledge, against any other party, pursuant to, any applicable federal, state or local law relating to the health, safety or environment, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act or the Toxic Substance Control Act. For the purposes of this Agreement, the term "Hazardous Material" means any pollutant, contaminant, toxic substance, hazardous waste, hazardous material, hazardous substance, oil, petroleum or petroleum by-product, which is defined in or regulated pursuant to any of the laws mentioned in the immediately preceding sentence of this section. Notwithstanding anything to the contrary contained herein, Seller's delivery of any environmental reports to Buyer pursuant to the requirements of this Agreement will not constitute any representation or warranty by Seller regarding the truth or accuracy of any such reports; it being understood and agreed that Seller has provided such reports solely to facilitate Buyer's review of the Property.

EXCEPT FOR THOSE LIMITED REPRESENTATIONS AND WARRANTIES SET FORTH ABOVE IN THIS ss.9, BUYER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING PROPERTY IN ITS "AS IS, WHERE IS," CONDITION. BUYER WILL RELY SOLELY UPON ITS OWN INSPECTIONS (INCLUDING THOSE MADE FOR IT BY ITS AGENTS AND CONTRACTORS) WITH REGARD TO THE CONDITION AND CHARACTER OF PROPERTY, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL CONDITION OF THE REAL PROPERTY AND THE PHYSICAL CONDITION OF ALL STRUCTURAL AND NONSTRUCTURAL COMPONENTS AND ELEMENTS OF THE IMPROVEMENTS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER WILL PURCHASE AND ACQUIRE THE PROPERTY WITHOUT ANY REPRESENTATION OR WARRANTY BY SELLER WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OR CHARACTER OF THE PROPERTY OR AS TO ITS FITNESS FOR ANY PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER.

ss.10. CONDITIONS TO CLOSING. Seller's obligation to sell the Property to Buyer is subject to the satisfaction (or Seller's waiver), on or before the date of closing, of all of the following conditions precedent:

- (a) Buyer's performance of all of its obligations under this Agreement, including, without limitation, its payment of the Purchase Price to Seller in the manner set forth in ss.3 and 12 hereof, and its execution and delivery to Seller of all of those documents required to be executed and delivered by it pursuant to ss.12; and
- (b) The simultaneous closing of Buyer's purchase of the Companion Property under the terms of the Companion Contract (as those terms are hereinafter defined).

Buyer's obligation to purchase the Property from Seller is subject to the satisfaction (or Buyer's waiver) on or before the date of closing, of all of the following conditions precedent:

- (a) The satisfaction or waiver of Buyer's inspection contingency under ss.5;
- (b) Seller's performance of all of its obligations under this Agreement, including, without limitation, its timely delivery of the Title Commitment to Buyer in the manner set forth in ss.6, its timely delivery of the Estoppel Certificates in the manner set forth in ss.7, and its execution and delivery of all of those documents required to be executed and delivered by it pursuant to ss.12;
- (c) All of Seller's representations and warranties under ss.9 being materially true and correct as of the date of closing; and
- (d) The simultaneous closing of Buyer's purchase of the Companion Property under the terms of the Companion Contract.

Notwithstanding anything to the contrary contained herein, it is hereby acknowledged and agreed that the fact that any tenant (other than any Anchor Tenant) is, as of the date of closing, delinquent in the payment of any amount payable by it under any Lease will not constitute a default on the part of Seller hereunder or a breach of any of its representations or warranties, nor will any such failure, in and of itself, permit Buyer to terminate or defer its obligation to purchase the Property at the time and in the manner contemplated in this Agreement.

ss.11. DATE AND PLACE OF CLOSING. The closing will occur on or before March 31, 1997, at such specific date, time and place in Orlando, Florida as are mutually agreed to by Seller and Buyer. Possession of the Property (subject, however, only to the rights of tenants under the Leases) will be delivered to Buyer at closing. All references in this Agreement to the "closing", the "closing date" or the "date of closing" will mean the closing of the transaction contemplated in this Agreement at the time, place and manner contemplated by this Agreement.

ss.12. CLOSING OBLIGATIONS/PROCEDURES. Seller's sale of the Property to Buyer will be effected by the parties' taking the following described obligatory actions at closing.

(a) Purchase Price Payment. Buyer will pay the Purchase Price, plus all then due Additional Payments, to Seller by means of a federal funds wire transfer. The amount of all such payments will be adjusted in the manner contemplated in this Agreement with respect to closing prorations, credits, allowances and other adjustments.

(b) Transfer of Real Property. Seller will execute and

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deliver to Buyer a transferable and recordable general warranty deed, pursuant to which Seller will transfer to Buyer marketable fee simple title to the Real Property, free and clear of all liens and encumbrances, excepting only the Permitted Exceptions. The general warranty deed will be in the form attached hereto as Exhibit J. The general warranty deed will expressly reserve for the benefit of Seller, as the owner of Adjacent Land (as that term is hereinafter defined), access and utility easements over the Land, so as to facilitate the development of the Adjacent Land, without materially, adversely impacting the efficient operation of the Real Property as a shopping center complex. Similarly, the general warranty deed will convey for the benefit of Buyer access and utility easements over the Adjacent Land (and, if required under any of the Leases, a parking easement), so as to facilitate the development and operation of the Land, without materially, adversely impacting the efficient development and operation of the Adjacent Land as a retail complex. The form, content and scope of such easement reservations and grants will be agreed to by Buyer and Seller during the Inspection Period.

(c) Assignment of Leases. Seller and Buyer will execute

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and deliver to each other an assignment and assumption of Leases, pursuant to which Seller will assign to Buyer all of Seller's rights, title and interest in and to the Leases, and Buyer will assume any and all obligations of Seller thereunder which arise from and after the date of closing. Seller will indemnify and hold Buyer harmless from and against any and all obligations of Seller, which arose prior to the date of closing. The assignment and assumption of Leases will be in the form attached hereto as Exhibit K.



- (d) Assignment of Intangible Property. Seller and Buyer  
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will execute and deliver to each other an assignment and assumption of Intangible Property, pursuant to which Seller will assign to Buyer all of Seller's rights, title and interest in and to the Intangible Property and Buyer will assume any and all obligations of Seller thereunder which will arise from and after the date of closing. The assignment and assumption of Intangible Property will be in the form attached hereto as Exhibit L.
- (e) Transfer of Personal Property. Seller will execute and deliver to Buyer a transferable bill of sale, pursuant to which Seller will transfer to Buyer marketable fee simple title to the Personal Property, free and clear of all liens and encumbrances. The bill of sale will be in the form attached hereto as Exhibit M.
- (f) Closing Affidavits. Seller will execute and deliver to Buyer:
- (i) An affidavit stating that Seller is not a "foreign person" within the meaning of ss.1445 of the Internal Revenue Code;
  - (ii) An affidavit with respect to off-record title matters, which is sufficient to permit the Title Company to issue a title policy for the Property in the form contemplated in ss.6 and subparagraph (i) of this ss.12; and
  - (iii) An affidavit affirming the continuing truth and accuracy of all representations and warranties set forth in ss.9, or, conversely, stating the manner, if any, in which such representations and warranties need to be modified to reflect post-Effective Date occurrences, which are not within Seller's reasonable control.
- (g) Corporate/Partnership Resolutions. Seller and Buyer  
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will each execute and deliver to the other a certificate of good standing affirming such party's authority to do business in the state of its organization and in the State of Florida, a certified corporate or partnership resolution affirming the authority of such party to enter into the transaction contemplated in this Agreement and further authorizing the individual officer executing this Agreement and all closing documents on behalf of such party to take such actions.
- (h) Miscellaneous Closing Documents. Seller and Buyer will execute and deliver to each other a closing statement and such other documents as are reasonably requested by either Seller or Buyer to further evidence or effect the sale of the Property to Buyer in the manner contemplated in this Agreement.

(i) Title Policy. Seller will cause the Title Company to issue an ALTA Form B owner's title insurance policy (or a marked-up title commitment acceptable to Buyer) in favor of Buyer in the face amount of the Purchase Price, insuring in Buyer marketable fee simple title to the Real Property, free and clear of all liens and encumbrances, excepting only the Permitted Exceptions. Notwithstanding anything to the contrary contained herein, Seller will not be required to delete the survey exception from the Title Policy, unless Buyer has first obtained and delivered a qualifying survey to the Title Company permitting such survey exception to be deleted in accordance with the Title Company's standard practices and procedures.

(j) Original Leases, etc. Seller will deliver to Buyer the originals of all Leases, Estoppel Certificates, Surviving Contracts and all documents evidencing the Intangible Property.

(k) Closing Costs. Seller will pay the following costs at closing:

- (i) All premiums and other charges required to permit the Title Company to issue the title insurance policy referred to in subparagraph (l) above;
- (ii) All documentary stamps required to be affixed to the general warranty deed to permit its recording; and
- (iii) The real estate commission owed to Pizzuti Realty of Florida Inc. pursuant to ss.14.

Buyer will pay the following costs at closing:

- (i) All recording fees associated with the recordation of the general warranty deed referred to in subparagraph (b) above; and
- (ii) All costs associated with Buyer's conduct of any inspections pursuant to ss.5 and all costs of obtaining any survey of the Real Property.

Seller and Buyer will each pay any attorney's fees incurred by such party in connection with the transaction contemplated by this Agreement. Any costs associated with the closing of this transaction which are not otherwise specifically addressed in this Agreement will be paid by the party who, in accordance with Central Florida custom and practice, is normally required to pay such closing costs.

ss.13. INTERIM OPERATIONS. During the period from and after the Effective Date and prior to the date of the closing, Seller will manage and maintain the Property in accordance with its previously established practices. Seller will not execute, modify or terminate any Lease, without first obtaining the prior written consent of Buyer. Seller hereby acknowledges and agrees that Buyer will, in all events, have a period of five business days in which to review and approve or disapprove any lease or modification or termination thereof submitted to it by Seller hereunder. If Buyer consents to Seller taking any such action with respect to any Lease, and if the sale of the Property thereafter closes in the manner contemplated in this Agreement, then, except as otherwise expressly agreed in writing by Buyer and Seller, Buyer will be deemed to have assumed and will pay for all costs incurred with respect to any such Lease, including without limitation, all tenant improvement costs and leasing commissions related thereto.

ss.14. BROKERAGE COMMISSIONS. Seller will at closing pay a commission to Pizzuti Realty of Florida Inc. pursuant to a separate agreement. Except as otherwise expressly provided above, each of the parties hereto represents and warrants to the other that it has not contacted or entered into any agreement with any real estate broker, agent, finder or any other party in connection with this transaction or taken any other action which could result in any fee being due and payable to any real estate broker, finder, or other party with respect to the transaction contemplated hereunder. Each party indemnifies and agrees to hold the other party harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorneys' fees) incurred by or claimed against the other party by reason of a breach of this representation and warranty. The provisions of this ss.14 will survive the closing.

ss.15. RISK OF LOSS. The risk of loss to the Real Property from the occurrence of a casualty or a taking by any public authority under the power or right of eminent domain (or by the threat thereof) will be borne by Seller until the closing. If the Real Property or any part thereof is substantially damaged or destroyed as a result of such casualty or is so taken before this transaction closes, then Seller will promptly notify Buyer of the occurrence of such event and Buyer will have the sole option of either: (a) proceeding with the closing and receiving all insurance proceeds or condemnation awards payable as a result of such casualty or taking, plus, with respect to any casualty, a payment from Seller in an amount equal to the deductible amount of any insurance policy covering any such casualty; or (b) terminating this Agreement. This Agreement will terminate upon Buyer's delivery to Seller, within the time frame set forth below, written notice of termination pursuant to clause (b), above. If this Agreement is so terminated, then the Deposit will be returned to Buyer and, thereafter, the parties will be relieved of any further rights, liabilities or obligations under this Agreement, except for Buyer's indemnification and restoration obligations under this ss.5. If Buyer fails to make the required election pursuant to this ss.15 within ten days after its receipt of Seller's written notice of the occurrence of any such casualty or taking, then Buyer will be deemed to have elected to close the transaction pursuant to clause (a) of this ss.15.

ss.16. DEFAULTS/REMEDIES. If Seller defaults in the performance of any of its obligations hereunder and such default continues for a period of ten days after written notice of the alleged existence of such default is given to Seller, then Buyer may, as its sole and exclusive remedy, pursue the remedy of specific performance to redress such default. If Buyer defaults on the performance of any of its obligations hereunder and such default continues for a period of ten days after written notice of the alleged existence of such default is given to Buyer, then Seller will be entitled to receive the entire amount of the Deposit as full and complete liquidated damages to redress such default; it being expressly acknowledged by the parties hereto that Seller's damages in the event of a default by Buyer hereunder are uncertain and difficult to ascertain, and that the receipt of the Deposit constitutes a reasonable liquidation of such damages and are intended not as a penalty, but as full liquidated damages. Notwithstanding anything to the contrary contained herein, Seller will not be deemed to be in default under this Agreement if any fact or circumstance occurs after the Effective Date which renders any of Seller's representations and warranties untrue or inaccurate, so long as any such fact or circumstance is not within the reasonable control of Seller.

ss.17. ATTORNEY'S FEES. If any legal action is commenced by either Seller or Buyer to enforce its rights hereunder, then all reasonable attorney's fees and other expenses incurred by the prevailing party in such action will be immediately due and payable to the prevailing party by the non-prevailing party.

ss.18. NOTICES. All notices required or permitted to be given under this Agreement must be in writing and must be delivered to Seller or Buyer at its address set forth below (or such other address as may hereafter be designated by such party). Any such notice must be personally delivered or sent by registered or certified mail, overnight courier or facsimile transmission. Any such notice will be deemed effective when received (if sent by personal delivery, overnight courier or facsimile transmission) or on the date which is three days after such notice is deposited in the United States mail (if sent by registered or certified mail). The parties' addresses for the delivery of all such notices are as follows:

Seller's Address: PDI Orlando III Limited Partnership  
c/o Pizzuti Development Inc.  
Suite #1900  
250 East Broad Street  
Columbus, Ohio 43215  
Fax #(614)365-4040  
Attn: Ronald A. Pizzuti and Richard C. Daley

Buyer's Address: Regency Realty Corporation  
121 West Forsyth Street  
Suite 200  
Jacksonville, Florida 32202  
Fax # (904)634-3428  
Attention: Robert L. Miller

with a copy to: William E. Scheu, Esq.  
Rogers, Towers, Bailey,  
Jones & Gay  
1301 Riverplace Boulevard  
Suite 1500  
Jacksonville, Florida 32207

ss.19. ESCROW AGENT. Escrow Agent agrees to accept, hold and disburse the Deposit in accordance with the terms and conditions of this Agreement. In the event of doubt as to Escrow Agent's duties or liabilities under this Agreement, Escrow Agent may, in its sole discretion: (a) continue to hold the subject matter of this escrow until the parties mutually agree to the disbursement thereof or until a judgment of a court of competent jurisdiction determines the rights of the parties therein; or (b) deposit the same with the Clerk of Circuit Court of Orange County Florida and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent will fully terminate except to the extent of an accounting for items theretofore delivered out of escrow. In the event of any legal action involving Buyer and Seller wherein Escrow Agent is made a party by virtue of acting as Escrow Agent hereunder, or in the event of the commencement of any legal action wherein Escrow Agent interpleads the

subject matter of this escrow, Escrow Agent will be entitled to recover reasonable attorney's fees and costs incurred, including, without limitation, those incurred on appeal, if any, and in any administrative, mediation, arbitration or bankruptcy proceedings, said fees and costs to be charged and assessed as court costs in favor of the prevailing party and deducted from the funds interpleaded. Buyer and Seller agree that the Escrow Agent will not be liable to any party or person whatsoever for misdelivery of the Deposit, unless such misdelivery is due to the willful breach of this Agreement or gross negligence on the part of Escrow Agent, nor will Escrow Agent be liable for any action taken by it, unless taken or suffered in willful disregard of its obligations hereunder or with gross negligence. Additionally, Seller acknowledges that in the event of any disagreement between Seller and Buyer concerning the Deposit, the transaction under this Agreement or any other matter related to the Property, Escrow Agent may continue to represent Buyer in connection with such dispute, including negotiations, arbitration, mediation and litigation, so long as Escrow Agent first delivers the Deposit to the Clerk of Circuit Court of Orange County, Florida in the manner previously contemplated in this ss.19.

ss.20. ASSIGNMENT OF AGREEMENT. Neither Buyer, nor Seller may assign all or any part of this Agreement to any other party, without first obtaining the written consent thereto of the other party; provided, however, that Buyer may assign this Agreement to RRC Centers, Inc. without first having to obtain any consent thereto from Seller.

ss.21. GOVERNING LAW. This Agreement will be construed in accordance with the laws with the State of Florida.

ss.22. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended in any manner, except by a written instrument executed by both parties to this Agreement.

ss.23. COUNTERPARTS. This Agreement may be executed in counterparts, each of which will be deemed an original document. This document will not be binding on the parties, until such time as a counterpart of this document has been executed by each party and a copy thereof delivered to the other party to this Agreement.

ss.24. RADON GAS NOTIFICATION. In accordance with the requirements of Florida Statute ss.404.056

RADON GAS: Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the local county public health center.

ss.25. REASONABLENESS OF CONSENT. Any consent or approval which is required or permitted to be given hereunder by either Seller or Buyer will not be unreasonably withheld or delayed by such party.

ss.26. TIME IS OF THE ESSENCE. Time is of the essence for all purposes of this Agreement. Any time period specified herein which would otherwise end on a weekend day or a legal holiday will, for the purpose of this Agreement, be deemed to instead end on the next business day following such weekend day or legal holiday.

ss.27. PURCHASE OF COMPANION PROPERTY. As of the Effective Date, Buyer and PDI St. Lucie I Limited Partnership, an affiliate of Seller, have entered into a separate Real Estate Purchase Agreement ("Companion Contract") relating to Buyer's purchase of the East Port Plaza shopping center located in Port St. Lucie, Florida ("Companion Property"). It is Seller's and Buyer's contemplation that the closing of Buyer's purchase of the Property under this Agreement will occur simultaneously with the closing of Buyer's purchase of the Companion Property under the Companion Contract. It will be a condition precedent to each of Seller's and Buyer's obligations under this Agreement that there occur a simultaneous closing of the Companion Property under the terms of the Companion Contract.

ss.28. RIGHT OF FIRST REFUSAL ON ADJACENT LAND. If at any time during the five year period after the date of closing, Seller receives a bona fide written offer from a third party ("Third Party Offer") to purchase all or any part of the land which is described in attached Exhibit N ("Adjacent Land"), and if Seller, in good faith, is willing to accept such Third Party Offer on the terms and conditions specified in such Third Party Offer, then Seller will give written notice to Buyer of the existence and terms of such Third Party Offer and will thereafter afford Buyer a period of five days in which to elect to purchase the portion of the Adjacent Land which is the subject of such Third Party Offer, on the identical terms and conditions set forth in the Third Party Offer. If Buyer gives Seller written notice within the aforementioned five-day period that Buyer so elects to purchase the subject portion of the Adjacent Land, then Buyer will proceed to purchase such portion of the Adjacent Land from Seller upon the identical terms and conditions set forth in the Third Party Offer. If Buyer declines to purchase the subject portion of the Adjacent Land or fails to respond to Seller's notice within the aforementioned five day period, then, in either such event, Seller will thereafter be free to sell the subject portion of the Adjacent Land on the terms and conditions set forth in the Third Party Offer; provided, however, that if the subject portion of the Adjacent Land is not sold within 90 days after the outside date for closing specified in such Third Party Offer on the terms and conditions specified in such Third Party Offer, then Seller will be again obligated to offer the subject portion of the Adjacent Land to Buyer as hereinabove provided. The right of first refusal granted to Buyer hereunder will continue to apply throughout the five year term set forth above to all portions of the Adjacent Land which are not sold to a third party in accordance with the provisions of this ss.28.

To the extent any of the existing Leases of the Real Property impose any restrictions on the manner in which the Adjacent Land is to be used or developed, then Seller agrees that it will fully comply with such restrictions and will require any of its successors-in-interest to also comply with such restrictions. If requested by Buyer, Seller will place of public record a document or documents, inform and content reasonably satisfactory to, Buyer subjecting the Adjacent Land to such restrictions.

ss.29. PARK DRY CLEANER SPILL. Seller and Buyer acknowledge that there has been a spill of Hazardous Materials from the space in the Real Property currently occupied by Park Dry Cleaners ("Park Dry Cleaners' Spill") and that Seller has made application to the Florida Department of Environmental Protection's Drycleaning Solvent Clean-Up Program to cover the cost of the required remediation of such spill. A Phase III environmental report prepared by PSI and dated as of March 3, 1997, details the nature of such spill and projects the cost of remediation of the resulting contamination as being \$40,000. Buyer acknowledges receipt of a copy of the aforementioned Phase III environmental report. Seller and Buyer hereby agree that Buyer will assume responsibility for effecting and paying for all required remediation in connection with the Park Dry Cleaner Spill and will, in consideration of assuming such responsibility, receive a credit against the Purchase Price at closing equal to \$50,000 (representing 125% of the anticipated cost of remediation set forth in the aforementioned Phase III environmental report). To the extent Buyer receives reimbursement from the Florida DEP under the aforementioned program for any of the costs of such remediation, Buyer will, within thirty days after its receipt of such reimbursement, pay to Seller the lesser of: (a) the amount of such EPA reimbursement, net of any costs incurred by Buyer in applying for and receiving any such reimbursement; or (b) the amount of the Purchase Price credit given to Buyer at closing in connection with the Park Dry Cleaner Spill. Notwithstanding anything to the contrary contained herein, Buyer will not be responsible for and Seller will indemnify and hold Buyer harmless from and against any non-governmental third party claims made against Buyer in connection with the Park Dry Clean Spill (but not any claims made in connection with the remediation thereof). The amount of the Purchase Price credit to be given to Buyer hereunder is subject to Buyer's review and approval of the remediation cost estimate during the Inspection Period.

ss.30. AUDIT LETTER. Seller acknowledges that Buyer, as a publicly-traded real estate investment trust, is required to have the financial operations of the various properties owned by it audited by KPMG Peat Marwick, LLP and the results thereof filed with the Securities and Exchange Commission. Seller agrees that it will make all of its financial books and records associated with the Property available for audit by KPMG Peat Marwick LLP at all reasonable times after the Effective Date and prior to the date which is six months after the date of closing Buyer will provide Seller with at least 15 days prior advance notice concerning the conduct of any such audit by KPMG Peat Marwick LLP. In addition, Seller hereby agrees that it will, at the request of Buyer and KPMG Peat Marwick LLP, execute an Audit Representation Letter in substantially the form and content attached hereto as Exhibit 0 and will deliver such executed Audit Representation Letter to KPMG Peat Marwick LLP within 15 days after KPMG Peat Marwick LLP's request for the same.

ss.31. DEFINED TERMS. For the purpose of this Agreement, the following terms will have the meanings attributed to such terms in the noted sections of this Agreement:

"Additional Payments" is defined in ss.4.

"Adjacent Land" is defined in ss.28.

"Agreement" is defined in the preamble.

"Attributable to" is defined in ss.8.

"Base Rents" is defined in ss.8.

"Buyer" is defined in the preamble.

"Companion Contract" is defined in ss.27.

"Companion Property" is defined in ss.27.

"Deposit" is defined in ss.2.

"Effective Date" is defined in the preamble.

"Effective Gross Income" is defined in ss.4.

"Escrow Agent" is defined in ss.2.

"Estoppel Certificates" is defined in ss.7.

"Hazardous Materials" is defined in ss.9.

"Improvements" is defined in ss.1.

"Inspection Period" is defined in ss.5.

"Intangible Property" is defined in ss.1.

"Land" is defined in ss.1.

"Lease" is defined in ss.1.

"Leasing Costs" is defined in ss.8.

"Operating Expense Payments" is defined in ss.8.

"Overage Rents" is defined in ss.8.

"Park Dry Cleaners Spill" is defined in ss.29.

"Permitted Exceptions" is defined in ss.6.

"Property" is defined in ss.1.

"Surviving Contracts" is defined in ss.1.

"Third Party Offer" is defined in ss.28.

"Title Company" is defined in ss.6.

"Title Commitment" is defined in ss.6.

"Title Notice" is defined in ss.6.

ss.32. EXHIBITS. All of the following exhibits, which are attached to this Agreement as of the Effective Date, are incorporated herein by this reference:

Exhibit A - Legal Description and Site Plan of Land Exhibit B - List of Personal Property Exhibit C - Rent Roll Exhibit D - List of Intangible Property Exhibit E - Intentionally Omitted Exhibit F - List of Accounts Receivable Exhibit G - List of Leasing Costs To Be Assumed by Buyer Exhibit H - Form of Estoppel Certificate Exhibit I - List of Lease Defaults Exhibit J - Form of General Warranty Deed Exhibit K - Form of Assignment and Assumption of Leases Exhibit L - Form of Assignment and Assumption of Intangible Property Exhibit M - Form of Bill of Sale Exhibit N - Legal Description of Adjacent Land Exhibit O - Form of Audit Letter

Any of the above exhibits which are not attached to this Agreement as of the Effective Date will be negotiated promptly and in good faith by Seller and Buyer and will be attached to this Agreement and incorporated therein by this reference on or before the expiration of the Inspection Period.

Seller and Buyer have executed this Agreement as of the date set forth opposite their respective names below.

SELLER:

PDI ORLANDO III LIMITED PARTNERSHIP  
By Pizzuti Development Inc.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

Richard C. Daley  
Executive Vice President

BUYER:

RRC ACQUISITIONS, INC.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

(Name) (Title)

ESCROW AGENT:

(Executing this Agreement solely for the purpose of acknowledging its rights and obligations under ss.18.  
MAGUIRE, VOORHIS & WELLS, P.A.

Date of Execution: \_\_\_\_\_  
By \_\_\_\_\_

(Name) (Title)



EXHIBIT A

LEGAL DESCRIPTION OF LAND

See attached Schedule A-1.

EXHIBIT B  
LIST OF PERSONAL PROPERTY

None.

EXHIBIT C

RENT ROLL

See attached Schedule C-1.

EXHIBIT D

LIST OF INTANGIBLE PROPERTY

Any rights in and to those contracts, agreements, utility arrangements, warranties, guarantees, indemnities, claims, licenses, applications, permits, construction warranties, certificates of occupancy, plans and specifications and other similar items and intangible rights used in connection with or relating to the Land, Improvements, Personal Property and Leases (including, without limitation, the non-exclusive right to use the name "Main Street Square"), and expressly including those operating contracts which are attached hereto as Schedule D-1 and which are referred to in the Agreement as "Surviving Contracts".

EXHIBIT E

LIST OF PERMITTED EXCEPTIONS

Intentionally Omitted.

EXHIBIT F

LIST OF ACCOUNTS RECEIVABLE

Attached as Schedule F-1 hereto is an "Aged Delinquent and Prepaid Balances" report prepared as of 3/14/97, which itemizes all existing accounts receivable from tenants under the Leases.

EXHIBIT G

LIST OF LEASING COSTS

The following are those Leasing Costs which may be incurred after the date of closing and which will be the obligation of Buyer under ss.7(g) of the Agreement:

None.

EXHIBIT H

FORM OF ESTOPPEL CERTIFICATE

See attached Schedule H-1.



EXHIBIT I

The only defaults which exist under the Leases are those referred to in the list of accounts receivable attached to the Agreement as Exhibit F and the default by HGMR Enterprises, Inc. which is the subject of the Complaint filed by Seller in the Circuit Court for Seminole County, Florida, a copy of which complaint is attached hereto as Schedule 1.

EXHIBIT J

FORM OF GENERAL WARRANTY DEED

See attached Schedule J-1.

EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES

See attached Schedule K-1.

EXHIBIT L

FORM OF ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

See attached Schedule L-1.

EXHIBIT M  
FORM OF BILL OF SALE

See attached Schedule M-1.

EXHIBIT N

LEGAL DESCRIPTION OF ADJACENT LAND

See attached Schedule N-1.

EXHIBIT 0  
FORM OF AUDIT LETTER

See attached Schedule 0-1.

DEPOSIT RECEIPT CONTRACT FOR SALE AND PURCHASE

SELLER: THE INSTITUTE FOR ECONOMETRIC RESEARCH, INCORPORATED, a Florida corporation, 3471 North Federal Highway, Oakland Park, FL 33306

BUYER: RRC ACQUISITIONS, INC., a Florida corporation, 121 West Forsyth Street, Jacksonville, FL 32202

The above named Buyer and Seller hereby agree that Seller shall sell and the Buyer shall purchase the following described property (the "Property"), upon the terms and conditions herein set forth, including all addenda hereto:

1. Vacant real estate located in Deerfield Beach, Broward County, Florida, consisting of the easternmost 8.50 acres of:

Parcel "A", COLONNADE BUSINESS CENTER I, Plat Book 139, Page 49, of the public records of Broward County, Florida as shown on the sketch attached hereto as Exhibit "A".

The surveyor who prepares the survey as hereinafter provided shall prepare an accurate legal description of the Property which shall contain approximately 8.50 acres, as shown on the sketch in Exhibit "A" attached hereto. Frontage along SW 10th Street shall be no less than 800 feet, approximately

2. PURCHASE PRICE IS: (in U.S. Funds).....\$2,100,000

3. METHOD OF PAYMENT: Earnest Money Deposit within three (3) days after full execution hereof in Mastriana & Christiansen, P.A. ("Escrow Agent") Trust Account. ....\$ 50,000

Additional Earnest Money Deposit due upon the expiration of the Inspection Period referred to in PARAGRAPH 6 hereof, if this Contract is not terminated by Buyer during the Inspection Period (which Additional Earnest Money Deposit shall be considered as part of the Earnest Money Deposit for all purposes).....\$ 50,000

Balance of funds due from Buyer in the form of U.S. currency, or wired funds on closing and delivery of deed (or such greater or lesser amount as may be necessary to complete payment of purchase price after deposits, credits, adjustments and prorations, it being agreed that earnings on the Earnest Money Deposit shall be deemed to be part of the Earnest Money Deposit for all purposes).....\$2,000,000

TOTAL PURCHASE PRICE.....\$2,100,000

4. ACCEPTANCE DATE: This offer shall be null and void unless accepted, in writing, and a signed copy received by Buyer on or before 5:00 p.m., March 3, 1995 (the "Final Acceptance Date") (fax transmittal acceptable, followed by hard copy.)

5. CLOSING DATE: This contract shall be closed and the deed and possession shall be delivered no later than thirty (30) days after the expiration of the Inspection Period, as hereinafter defined, subject to the provisions of PARAGRAPH 6 hereof.

6. BUYER is granted by Seller an Inspection Period commencing with the Final Acceptance Date of this Contract and terminating at the close of the business day next following ninety (90) days thereafter. The purpose of the Inspection Period is to allow Buyer to investigate and gather information regarding the Property and other matters relevant to Buyer's decision to purchase, to determine at Buyer's full and complete discretion the feasibility of the Property for Buyer's intended use or purpose, as well as all necessary inquiries regarding concurrency, zoning and environmental inspections. In the event during the Inspection Period Buyer determines in its sole and absolute discretion that the Property is not suitable for Buyer's intended use, including without limitation title and survey matters, Buyer shall have the option of terminating this Contract and receiving a return of all of Buyer's deposits by giving Seller written notice of termination on or before the expiration of the Inspection Period. Failure to exercise said option to terminate by the expiration of the



Inspection Period, shall cause the deposits to become nonrefundable. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

Seller makes no warranty or representations express or implied as to zoning, availability of utilities, soil tests, drainage, accessibility, use limitations, access, impact fees, master land use plans or restrictions, drainage district requirements, record dedication requirements or platting requirements, or any other factors affecting use and development of the Property. Seller has not, and has no knowledge that any other person has, caused any release or disposal of any hazardous material at, upon or under the Property in any material quantity. The Property, to the best of Seller's knowledge, does not and has not contained any: (a) underground storage tank, (b) material amounts of asbestos-containing building material, (c) landfills or dumps, (d) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act ("RCRA") or any comparable state law, or (e) 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.

Buyer and its agent are granted the right to enter upon the Property for purposes of conducting such tests and surveys as it chooses within said Inspection Period and Buyer but does hereby fully indemnify Seller against all claims of any nature whatsoever which may result from said activity, either directly or indirectly, and agrees to pay such reasonable costs and fees as may be incurred by Seller in defense thereof.

7. Buyer's interest in this Contract is assignable, but may only be assigned in writing with advance notice to Seller, provided such assignment shall in no way delay the date of the closing.

8. EVIDENCE OF TITLE: Within fifteen (15) days of the date of execution hereof, Seller will provide at Seller's expense and deliver to Buyer or Buyer's attorney, a title insurance commitment, in form and substance acceptable to Buyer. Buyer shall have ten (10) business days from the date of receiving the title insurance commitment to examine same. If title is not acceptable to Buyer, Buyer shall notify Seller in writing specifying defects(s). Seller will have ninety (90) days from receipt of notice within which to remove said defect(s); and if Sellers are unsuccessful in removing them within said time, Buyer shall have the option of either accepting the title as it then is, or demanding a refund of the Earnest Money Deposit, which shall forthwith be returned to Buyer and thereupon Buyer and Seller shall be released, as to one another, of all further obligations under Contract.

9. SURVEY: With the title insurance commitment Seller at Seller's expense will deliver a current and accurate survey of the Property certified and prepared in accordance with ALTA/ACSM standards by a registered Florida surveyor. If the survey shows any encroachment on Property or that improvements intended to be located on

Property in fact encroach on setback lines, easements, lands of others, or violate any restrictions, covenants or applicable governmental regulations, the same shall be treated as a title defect.

10. PLACE OF CLOSING: Closing shall be held in the office of Escrow Agent in Broward County, Florida. It is acknowledged that Escrow Agent is Seller's attorney.

11. TIME: Time is of the essence of this Contract. Time periods herein of less than six (6) days shall in the computation exclude Saturdays, Sundays and legal holidays, and any time period provided for herein which shall end on Saturday, Sunday or legal holiday shall extend to 5:00 p.m. of the next business day.

12. DOCUMENTS FOR CLOSING: Seller shall furnish a statutory warranty deed, subject to matters shown in the title insurance commitment approved by Buyer, a no lien and possession affidavit, a GAP affidavit, a FIRPTA affidavit and any corrective instruments that may be required to perfect title. Buyer shall furnish the closing statement.

13. EXPENSES: In addition to other expenses allocated hereunder, Seller shall be responsible for payment of all state and county documentary stamps and other transfer taxes on the deed, the title insurance premium and the cost of the survey. Buyer shall be responsible for the cost of recording the deed.

14. PRORATIONS: Taxes, assessments, and other expenses and revenue of property shall be prorated through day prior to closing. Cash at closing shall be increased or decreased as may be required by the prorations. Taxes shall be prorated based on the current year's tax. If closing occurs at a date when the current year's millage is not fixed, and current year's assessments is available, taxes will be prorated based upon such assessment and the prior year's millage. If current year's assessment is not available, then taxes will be prorated on the prior year's tax. Any tax proration based on an estimate may at request of either Buyer or Seller be subsequently readjusted upon receipt of tax bill on the condition that a statement to that effect is in the closing documents.

15. SPECIAL ASSESSMENT LIENS: Certified, confirmed and ratified special assessment liens as of date of closing are to be paid by Seller. Pending liens as of date of closing shall be assumed by Buyer, provided, however, that if the improvement has been substantially completed as of closing date, such pending lien shall be considered as certified, confirmed or ratified and Seller shall, at closing, be charged an amount equal to the last estimate by the public body of assessment for the improvement.

16. ATTORNEY FEES; COSTS: In any litigation arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs, including appellate fees and costs.

17. FAILURE OF PERFORMANCE: If Buyer fails to perform this Contract within the time specified (including payment of all deposits hereunder) absent a default by Seller, the Earnest Money Deposit paid by Buyer shall be retained by or for the account of Seller as liquidated damages in consideration for the execution of this Contract and in full settlement of any claims; whereupon Buyer and Seller shall be relieved of all obligations under this Contract. If Seller fails, neglects or refuses to perform this Contract, the Buyer may seek specific performance or elect to receive the return of the Earnest Money Deposit.

18. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE: Neither this Contract nor any notice thereof shall be recorded in any public records. This Contract shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and the

general shall include all. Notice given by or to the attorney for any party shall be as effective as if given by or to said party.

19. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No modification or change in this Contract shall be valid or binding upon the parties unless in writing and executed by the party or parties to be bound thereby.

20. DESTRUCTION OF PROPERTY: If any portion of the Property is damaged or destroyed by fire or other cause prior to the date of Closing, then Buyer may, at Buyer's option, either (a) receive the proceeds of any insurance payable in connection therewith, if any, under the insurance policy or policies covering the damaged or destroyed property and thereupon remain obligated to perform this Contract, or (b) terminate this Contract and receive a return of the Earnest Money Deposit previously paid, deposited or advanced by Buyer. Upon such termination, neither party hereto shall thereafter be under any further liability or obligation to the other party hereunder, except that Buyer shall receive the return of all such deposits.

21. EMINENT DOMAIN: If any condemnation proceedings or eminent domain proceedings of any kind shall be commenced against the property prior to Closing, then at the option of Buyer,

(a) this contract may be terminated, and upon such termination, the parties hereto shall be relieved of all further liability hereunder, except that Buyer shall receive the return of the Earnest Money Deposit, or

(b) this Contract shall continue without adjustment in the Purchase Price and all awards under such proceedings shall become the property of Buyer, Seller hereby assigning to Buyer any claim or interest therein.

22. AGREEMENTS CONCERNING OFF-SITE IMPROVEMENTS: The parties acknowledge that Broward County and Seller's predecessor in title heretofore entered into a certain agreement concerning off-site improvements for roads. Such agreements are (i) an Agreement/Phasing the Installation of Required Road Improvements recorded in official Records Book 20258, Page 105 of the public records of Broward County, Florida, and (ii) a Replacement Road Impact Agreement recorded in Official Records Book 20258, Page 116 of said records (collectively the "Road Improvement Agreements"). The Property is subject to the burdens of the Road Improvement Agreements, and a portion of certain sums due thereunder from Seller will be reimbursed by Buyer, should the Closing occur. Such portion shall be Buyer's prorata share based on the area of the Property as acquired by Buyer and the aggregate area of the lands which are the subject of the Road Improvement Agreements. At Closing, should it occur, Buyer shall deposit cash or letters of credit with Escrow Agent until such time as the Road Improvement Agreements are modified so as to substitute Buyer, as the person obligated thereunder with respect to the obligations attributable to the Property, in such manner and amounts as are agreed to by Buyer, Seller and Broward County, prior to the conclusion of the Inspection Period it being the intent of the parties that Buyer shall be substituted for Seller with respect to the obligations imposed with respect to the Property if and when a Closing occurs, but not otherwise. Should such substitution be made, Buyer's performance under the Road Improvement Agreements and its right to the benefits thereof, shall not be dependent upon the performance of any other person with respect to any other property affected by the Road Improvement Agreements.

23. LEASE: It is a condition of closing that Buyer have entered into an acceptable lease of a portion of the Property with Winn-Dixie Stores, Inc., or other supermarket acceptable to Buyer. Buyer may terminate this agreement should such condition not occur prior to the expiration of the Inspection Period, in which event the Earnest Money Deposit shall be returned to Buyer.

24. BROKERS: The parties recognize as real estate broker in this transaction are the following:

SUN VEST REAL ESTATE  
2600 E. Commercial Blvd., #200  
Fort Lauderdale, Florida 33308

Seller agrees to pay the total commission of said broker upon closing of this transaction, of SIX percent (6%) of the gross purchase price. In the event Buyer fails to close for any reason, and the deposit(s) herein are paid to Seller, Broker shall hold no claim on said deposit monies.

25. Should this transaction close, Buyer shall landscape, which landscaping plan must be approved by Seller, the western boundary of the Property with trees and shrubbery to act as a buffer between the Property and Seller's remaining property. Seller's approval of such plan shall not be unreasonably withheld. The approved landscaping plan shall be incorporated into Buyer's site plan submittal to the City of Deerfield Beach for Site Plan Approval. Seller agrees to approve the plan no later than the date which is thirty (30) days prior to the end of the Inspection Period.

26. ESCROW AGENT: By signing a copy of this Agreement, Escrow Agent acknowledges receipt of the initial Earnest Money Deposit and agrees 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 Agreement. Escrow Agent shall invest the Earnest Money Deposit in a money market interest account with a national bank acceptable to Seller and Buyer. 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 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.

27. TAX IDENTIFICATION. Seller and Buyer shall provide to Escrow Agent appropriate Federal tax identification numbers.

28. 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 may be served (as an alternative to personal service) by registered or certified mail, overnight courier service or facsimile (followed promptly by hard copy) at the addresses set forth below:

As to Seller:           The Institute for Econometric Research, Inc.  
                                  Attention: Glen Parker  
                                  3471 North Federal Highway  
                                  Oakland Park, Florida 33306  
                                  Facsimile: (305) 563-9003

As to Buyer:            RRC Acquisitions, Inc.  
                                  Attention: Robert L. Miller  
                                  Suite 200, 121 W. Forsyth St.  
                                  Jacksonville, Florida 32202  
                                  Facsimile: (904) 634-3428

With a copy to: Ulmer, Murchison, Ashby & Taylor  
Attention: William E. Scheu, Esq.  
P. O. Box 479  
Suite 1600, 200 W. Forsyth St.  
Jacksonville, Florida 32201  
(32202 for courier)  
Facsimile: (904) 354-9100

As to Escrow Agent: Mastriana & Christiansen  
Attention: F. Ronald Mastriana  
2750 North Federal Highway  
Ft. Lauderdale, Florida 33306  
Facsimile: (305) 566-1592

Any such notice or demand given by registered or certified mail or by reputable overnight courier with postage or charges thereon fully prepaid and addressed to the party to be served at the addresses set forth above shall constitute proper notice hereunder upon delivery to the United States Postal Service or to such overnight courier.

Executed by Seller on \_\_\_\_\_ Executed by Buyer on \_\_\_\_\_

SELLER:  
  
THE INSTITUTE FOR ECONOMETRIC  
CORPORATION RESEARCH,  
INCORPORATED, a Florida corporation

BUYER:  
  
RRC ACQUISITIONS, INC., a  
Florida  
corporation

By: \_\_\_\_\_  
GLEN KING PARKER, Chairman

By: \_\_\_\_\_  
[ - - - - - ]  
Name (Please Print)  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
NORMAN G. FOSBACK, President

Deposit received on \_\_\_\_\_, 1995, to be held subject to this Contract; if check, subject to clearance.

By: MASTRIANA & CHRISTIANSEN

By: \_\_\_\_\_  
F. RONALD MASTRIANA

deerfiel.psa



REVOLVING LINE OF CREDIT AGREEMENT

THIS REVOLVING LINE OF CREDIT AGREEMENT (this "Agreement") is made this \_\_\_\_ day of May, 1994, between RRC GA ONE, INC., a Georgia Corporation ("Borrower"), and WACHOVIA BANK OF GEORGIA, N.A., a national banking association chartered pursuant to the laws of the United States of America ("Lender").

ARTICLE 1 - BACKGROUND

1.1 Background. Lender has agreed to extend a line of credit (the "Line of Credit") in the aggregate principal amount of \$5,000,000 to Borrower under which separately documented, secured (except as hereinafter provided in subsection 2.2.3) loans may be made subject to and upon the conditions set forth in this Agreement.

1.2 Statement of Agreement. For and in consideration of the mutual covenants herein contained, the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as indicated in this Agreement.

ARTICLE 2 - AGREEMENTS

2.1 Line of Credit. Subject to the terms hereof, Lender extends to Borrower a revolving line of credit in the maximum amount of \$5,000,000 inclusive of all outstanding principal and interest (the "Line of Credit"), available from the date hereof until April \_\_, 1995, unless terminated earlier in accordance with the terms of this Agreement. The aggregate amount of principal and interest due with respect to all loans made hereunder (individually called a "Loan" and collectively called "Loans") shall never exceed the sum of \$5,000,000. Borrower may submit a request for a disbursement under the Line of Credit only in accordance with Section 2.2 of this Agreement. Prior to an Event of Default, as said term is hereinafter defined, or maturity of any of the Loans, the principal balance of all indebtedness evidenced by any Loan from time to time arising under the Line of Credit shall bear interest at one-quarter of one percent (0.25%) plus the "Prime Rate" (as hereinafter defined), as such rate may fluctuate from time to time, simple interest. For purposes of the Line of Credit,

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the term "Prime Rate" shall mean the interest rate so denominated and set by Lender from time to time as an interest rate basis for borrowings. The Prime Rate is one of several interest rate bases used by Lender. Lender lends at interest rates above and below the Prime Rate. In the event that Lender shall abolish or abandon the practice of establishing its Prime Rate, Lender shall designate a comparable reference rate which shall be deemed to be the Prime Rate hereunder. The rate of interest on every Loan hereunder shall change each time the Prime Rate changes on the date of the change in which the Prime Rate is effective. Interest shall be computed on every Loan hereunder with respect to each day during the term of the Loan by multiplying the outstanding principal balance thereunder at the close of business on that day (or on the most recent day on which Lender was open for business) by a daily interest factor, which daily interest factor shall be calculated by dividing the aforesaid interest rate per annum in effect on that day by 360. Interest so computed shall accrue for each and every day (365 days per year, 366 days per leap year) on which any indebtedness under the Loan remains outstanding, including the day on which funds are initially advanced regardless of the time of day such advances are made, and including the day on which funds are repaid unless repayment is credited prior to close of business. Payments in federal funds immediately available to the place designated for payment received by Lender prior to 2:00 p.m. local time at said place of payment shall be credited prior to close of business, while other payments may, at the option of Lender, not be credited until immediately available to Lender in federal funds in the place designated for payment prior to 2:00 p.m. local time at said place of payment on a day on which Lender is open for business. As indicated in the form of Real Estate Note attached hereto as Exhibit D and incorporated herein by this reference (the

"Note"), Borrower may be entitled to a reduced rate of interest on particular Loans upon the fulfillment of certain conditions precedent and the acknowledgement in writing of the fulfillment of those conditions precedent by Lender with respect to the applicable Loan. Interest on each Loan shall be payable monthly during the term of the Loan. Notwithstanding anything contained herein to the contrary, all outstanding principal and unpaid interest for each particular Loan shall be due in full on the earliest of (a) date of closing of any additional financing for the "Project" (as defined in Section 2.2 below) securing that particular Loan or any portion thereof, (b) the date of closing of any sale of the Project or any portion of said Project, or (c) twenty-four (24) months from the



date of closing of that particular Loan. Notwithstanding the foregoing, for each particular Loan, Borrower may request an extension of the maturity date for that particular Loan in accordance with the terms and conditions more particularly set forth in that certain Construction Loan Agreement attached hereto as Exhibit F and incorporated herein by this reference (the "Loan Agreement"). Equal monthly principal payments of \$2,000 shall be due on each Loan commencing on the first anniversary date of the closing of that particular Loan and extending to the maturity date of that particular Loan subject to the right of Borrower to extend the maturity of that particular Loan as provided in the Loan Agreement. The payment and performance of all of Borrower's obligations under the Line of Credit and all Loans shall be unconditionally guaranteed by Regency Realty Corporation, a Florida corporation ("Guarantor").

## 2.2 Disbursement of Loans.

2.2.1 Except as expressly provided to the contrary in subsection 2.2.3 below, Borrower may request disbursement of proceeds for a Loan only after approval by Lender of the proposed Project, which approval shall be provided upon the satisfaction of the conditions hereinafter described in subsections 2.2.1.1 through 2.2.1.9. Proceeds for a Project will only be disbursed in a maximum amount equal to the lesser of: (a) 80% loan to appraised value of the Project or (b) 80% loan to the actual costs of the acquisition of the "Land" (as hereinafter defined) and construction of the Project. "Project" shall mean the construction by Borrower of a freestanding retail building located in Georgia, Tennessee, Florida, Mississippi, South Carolina or Alabama together with parking and other appurtenant facilities upon land owned by Borrower (the "Land") and the acquisition and installation of personal property to be used in connection with said retail building. The Project must be leased in its entirety to Eckerd Corporation, a Delaware corporation ("Eckerd"). Lender shall have the right, subject to the terms herein stated, to approve any proposed Project for financing under the Line of Credit. Lender's review and approval shall be limited to and shall be granted upon the satisfactory delivery by Borrower of the following items:

2.2.1.1 Borrower shall submit an agreement fully-executed by Eckerd for the leasing of the Project which agreement must be in form and substance satisfactory to Lender and

must include a subordination, non-disturbance and attornment agreement executed by Eckerd in favor of Lender in form and substance satisfactory to Lender together with an estoppel certificate executed by Eckerd in favor of Lender in form and substance satisfactory to Lender. Without in any way limiting Lender's foregoing right of approval, each proposed agreement for leasing by Eckerd of the Project must provide for an acceptable minimal rental, term and leaseable square footage of the Project.

2.2.1.2 Borrower shall submit a description of the Land upon which the Project shall be located, the plans and specifications for any and all improvements within the Project and a breakdown of all costs associated with the acquisition, construction and operation of the Project and the financing thereof which shall be approved by Lender in its discretion as a condition to closing of the Loan. The aforesaid approval of Lender shall include the review by Newbanks & Company, Inc. ("NewBanks"), a Georgia corporation, of the cost estimates in the plans and specifications prior to closing. Subsequent reviews shall be conducted by Newbanks including inspection of the Project to verify construction progress in accordance with the applicable Loan Agreement prior to periodic disbursements of the Loan proceeds for each Loan.

2.2.1.3 Borrower shall submit evidence in writing that Eckerd has received final approval from its committee for real estate for leasing of the Project (sometimes commonly known within the real estate industry as the "Eckerd Committee Real Estate Approval Letter").

2.2.1.4 Borrower shall submit a fully executed purchase agreement and escrow agreement for each Project which has been pre-sold by Borrower and which shall contain terms and conditions satisfactory to Lender (which terms and conditions shall include, without limitation, the purchase price, closing requirements and the prospective purchaser) and which shall be absolutely assigned to Lender in the "Loan Documents" (as hereinafter defined). Borrower shall also submit evidence that Eckerd has or will deliver all forms of estoppel certificates and subordination, non-disturbance and attornment agreements required by the prospective purchaser. If the purchase agreement provides for a cash purchase price sufficient to pay all obligations of Borrower to Lender under the Loan Documents for the applicable

Project and provided that purchase agreement contains no unusual warranty, indemnification or like provisions, then Lender shall approve the purchase agreement.

2.2.1.5 Borrower shall submit evidence that the Land on which the Project is to be constructed lies in a district with an appropriate zoning designation to allow construction and operation of the Project under applicable zoning ordinances. This zoning verification shall include evidence to demonstrate that all applicable materials relative to the restrictions and requirements which relate to such zoning, including lot size, building size and height, setbacks, parking, use and other relevant matters for the Project have been met and that the intended use of the Project is permitted as a matter of right.

2.2.1.6 Borrower shall deliver a Phase I Environmental Report evaluating the Land on which the Project is to be constructed and setting forth findings and conclusions satisfactory to Lender in its sole discretion. The aforesaid Phase I Environmental Report, or other evidence to be delivered by Borrower to Lender such as a survey of the Land, shall also indicate that the Project when constructed will not be located in an area having special flood hazards according to the flood hazard boundary maps used by the United States Department of Housing and Urban Development in connection with the National Flood Insurance Program and shall indicate that the proposed construction of the Project and the contemplated use of the Project are such that provisions of the laws relating to the filling, dredging, excavation or other usage of lands classified as wetlands or lands which are subject to periodic flooding or have thereon standing or moving bodies of water are not applicable to the construction of the Project.

2.2.1.7 Borrower shall deliver an appraisal of the Project satisfactory to Lender in its sole discretion as to form and substance. Lender shall have the right to approve the qualifications for any party who may deliver any such appraisal.

2.2.1.8 Borrower shall deliver a mortgagee's title insurance commitment issued by a reputable national title underwriter approved by Lender in the full amount of the proposed

Loan for the Project upon terms and conditions satisfactory to Lender in its sole discretion.

2.2.1.9 Borrower shall deliver all other pre-closing requirements and loan closing documents as set forth on the Loan Closing Checklist attached hereto as Exhibit A and incorporated herein by this reference.

2.2.2 Upon submission of the above pre-closing requirements, Lender shall direct its counsel to prepare loan closing documents (the "Loan Documents") as set forth in the Loan Closing Checklist and substantially in the form of those documents attached hereto as Exhibits B through Exhibit Q and incorporated herein by this reference. These Exhibits attached hereto are as follows:

- Exhibit A -- Loan Closing Checklist
- Exhibit B -- Certificate of Plans and Specifications
- Exhibit C -- Form of Surveyor's Certificate
- Exhibit D -- Real Estate Note (the "Note")
- Exhibit E -- Deed to Secure Debt, Assignment and Security Agreement (the "Security Deed")
- Exhibit F -- Construction Loan Agreement
- Exhibit G -- UCC-1 Financing Statements (State where the Project is located and Florida)
- Exhibit H -- Borrower's Affidavit
- Exhibit I -- Agreement regarding Environmental Activity
- Exhibit J -- Unconditional Guaranty of Payment and Performance
- Exhibit K -- Guaranty of Agreement Regarding Environmental Activity
- Exhibit L -- Loan Closing Statement
- Exhibit M -- Subordination Non-Disturbance and Attornment Agreement
- Exhibit N -- Tenant Estoppel Certificate
- Exhibit O -- Form of Opinion Letter for Counsel of Borrower and Guarantor
- Exhibit P -- Construction Consultant Agreement
- Exhibit Q -- Consent to Assignment of Construction Documents
- Exhibit R -- Unsecured Note
- Exhibit S -- Guaranty of Unsecured Note

Each of the aforesaid documents shall be executed by Borrower, Guarantor, Eckerd and/or the third party indicated therein and shall be delivered to Lender for its execution.

2.2.3 Notwithstanding subsections 2.2.1 and 2.2.2 above, Borrower may request that Lender disburse up to \$500,000 under the Line of Credit on a temporarily unsecured basis provided said funds are either: (a) secured by an approved Project within 45 days of the applicable advance or (b) repaid in their entirety with interest thereon as provided hereunder on or before the 45th day after said advance. For any temporary advance under this subsection, Borrower shall execute and deliver to Lender an unsecured note in the form attached hereto as Exhibit R and shall cause Guarantor to execute and deliver to Lender a guaranty of unsecured note in the form attached hereto as Exhibit S.

2.3 Purpose. Proceeds of the Loans shall be used solely for an approved Project (except that for disbursements made pursuant to the terms of subsection 2.2.3 above the Project need not be approved), and in no event shall any proceeds of any Loan be used for personal, family or household purposes.

2.4 Final Approval and Limitations. The obligation of Lender to make any Loan is conditioned upon prior approval of each separate request for a Loan by Borrower and prior approval of the proposed Project or to the extent applicable the temporarily unsecured Loan as provided in subsection 2.2.2 above.

2.5 Condition of Closing Subsequent Loans. In addition to the conditions set forth in Section 2.2 above, Lender shall have no obligation to make any Loan if there shall exist any event of default hereunder or under any Loan Documents for a previously funded Loan. The obligations of Borrower under all Loan Documents with regard to all Loans shall be cross-defaulted within the Loan Documents such that a default under the Loan, not cured as provided in the Loan Documents (if any cure period is provided), shall constitute a default under all of the Loans. In addition, each Project shall be cross-collateralized such that each Project serves as collateral for all outstanding Loans, provided that upon the full and final payment of a Note evidencing a Loan, the security provided to collateralize that particular Note, including the Security Deed for that particular Note, shall be cancelled and terminated.

2.6 Principal Payments. Upon the receipt of any payments made by or on account of Borrower with respect to Loans under the Line of Credit, Lender shall apply such payments as provided in the Note evidencing such Loan.

2.7 Events of Default. Borrower shall be in default hereunder and under all of the Loans if any one or more of the following events occur (an "Event of Default"):

2.7.1 Failure to pay any installment of principal or interest due under any Note evidencing a Loan as and when due thereunder; or

2.7.2 Failure to observe and perform each and every covenant, agreement and provision of this Agreement or any documents evidencing, governing or securing any Loan including, without limitation, the Loan Documents; or

2.7.3 Appointment of a receiver, trustee, custodian or a liquidator of Borrower or Guarantor or any other property of Borrower or Guarantor; or

2.7.4 Filing by Borrower or Guarantor of a voluntary petition in bankruptcy seeking reorganization or rearrangement or taking advantage of any applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or limits of creditors generally, as in effect from time to time, or an answer by Borrower or Guarantor admitting the material allegations of a petition filed against Borrower or Guarantor in any bankruptcy, reorganization, insolvency, conservatorship or similar proceeding or an admission by Borrower or Guarantor in writing of non-availability to pay any debts that become due; or

2.7.5 The making of Borrower or Guarantor of a general assignment for the benefit of creditors; or

2.7.6 The entry of an order of relief by any court of competent jurisdiction or the approval of a petition seeking reorganization of Borrower or Guarantor or an arrangement of their debts or the appointment of a receiver, trustee, conservator, custodian or liquidator of Borrower or Guarantor or any property

owned by Borrower or Guarantor, not dismissed within sixty (60) days in the event of an involuntary action.

2.7.7 Notwithstanding anything herein or in any Loan Documents to the contrary, Borrower shall receive the benefit of the notice and cure periods (if any) set forth in Paragraph D-1 of Exhibit "D" to the Security Deed prior to an "Event of Default" and the exercise by Lender of its remedies hereunder with respect thereto.

2.8 Remedies. If any Event of Default occurs hereunder, Lender may require the entire principal and all interest accrued on the Loans to be, and the same shall thereupon become due and payable, without any presentment, demand, notice of intention to accelerate the indebtedness evidenced by the Loans, protest or other notice of any kind, all of which are hereby expressly waived. If Borrower fails to pay when due, the principal and interest owing under any Loan or any other charges owing under any of the Loan Documents, Borrower will pay Lender such further amount as may be sufficient to cover the cost and expenses of collection, including, but not limited to, reasonable attorneys' fees of Lender's counsel and expenses related thereto.

2.9 Financial Statements. Borrower shall keep and maintain or shall cause to be kept and maintained, at Borrower's cost and expense and in accordance with sound accounting practices and principles consistently applied, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of each Project by Borrower and all items of cost in connection with the construction of any improvements which are now or hereafter a portion of the Project, and Lender and any persons authorized by Lender shall have the right at all reasonable times to inspect such books, records and accounts and to make copies thereof. Borrower shall deliver to Lender within thirty (30) days after notice by Lender unaudited statements of the income, expenses and capital expenditures arising out of the conduct of any business by Borrower at any Project, or any part thereof or the construction of any improvements thereon, for the twelve (12) month period prior to the giving of such notice or for such other period as may be designated by Lender in such notice, prepared in such detail and containing such supporting documentation, including rent rolls and lease information, as Lender may request. As soon as practicable, but in any event

within thirty (30) days after the end of each of the first three quarters of each calendar year (or applicable fiscal year) and within ninety (90) days after the end of each calendar year (or applicable fiscal year), Borrower shall furnish to Lender unaudited general financial statements of Borrower and each Guarantor for such quarter or such year, and prepared in such detail as Lender may request. All unaudited statements referred to in this Section 2.9 shall be prepared in accordance with sound accounting practices and principles consistently applied and shall be certified by Borrower (or Guarantor, where appropriate), if an individual, or by the chief financial officer or partner of Borrower (or Guarantor, where appropriate). Borrower shall also promptly deliver to Lender copies of any audited general financial statements prepared for Borrower or any Guarantor and copies of any audited reports available to Borrower relating to the conduct of any business at any Project or the construction of any improvements thereon, if any. Upon the occurrence of an Event of Default hereunder, or if Lender reasonably suspects that inaccurate information has been provided by Borrower under this Section 2.9, Borrower shall deliver to Lender within thirty (30) days after demand by Lender, statements of the income and expense for each Project or of the cost of construction of any improvements thereon, for the period designated by Lender, certified by a certified public accountant. Borrower, upon ten (10) days' prior written notice, shall furnish Lender a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness evidenced by the Loans and stating whether or not any known offsets or defenses exist against such indebtedness, or any portion thereof and the specific facts relating to any such offset or defense.

2.10 Term of Agreement. This Agreement and the Line of Credit shall continue unless sooner terminated as provided herein until May \_\_, 1995. Upon any such termination, Borrower's obligations and the powers and rights of Lender under this Agreement and any of the Loan Documents shall continue in full force and effect until all Loans have been paid in full and until all of the liabilities and obligations of Borrower hereunder or under any of the Loan Documents shall have been fully satisfied.

2.11 Costs and Expenses. Borrower shall pay all costs and expenses incurred in connection with the preparation for and the closing of the Line of Credit and each particular Loan, whether the Loan is closed or not, including appraisal fees, environmental



audit fees, inspection fees (including fees of Newbanks), surveyors' fees, legal fees (including fees of counsel for Lender), intangibles taxes, note taxes, mortgage taxes, transfer taxes, all recording costs, all license and permit fees, and all title and other insurance premiums. Lender shall not bear any out-of-pocket costs or expenses whatsoever in connection with the Line of Credit or any Loan.

2.12 Discount or Origination Fee. Borrower shall pay to Lender a discount or loan origination fee in the amount of one percent (1%) of the principal amount of each Loan (excluding any disbursement made pursuant to the terms of subsection 2.2.3, provided that such disbursement is converted to a Loan secured by a Project), which shall be fully earned, non-refundable and due and payable at the time of closing of that particular Loan. In the event Borrower shall elect to extend the maturity of that particular Loan as provided in the Loan Agreement, an additional one-half of one percent (0.5%) loan fee shall be paid in accordance with the stipulations set forth in the applicable Loan Agreement with regard to the extension of the maturity of that particular Loan.

### ARTICLE 3 - GENERAL CONDITIONS

3.1 No Waiver; Remedies Cumulative. No delay or omission by Lender to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Agreement or any of the Loan Documents to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or implied, by Lender to or of any default shall be deemed or construed to be a consent or waiver to or of any other default. No delay, indulgence, departure, act or omission by Lender shall release, discharge, modify, change or otherwise affect the original liability under this Agreement or any of the Loan Documents or any other obligation of Borrower or any subsequent purchaser of a Project or any part thereof, or any maker, surety or Guarantor, or preclude Lender from exercising any right, privilege or power granted herein or in any of the Loan Documents. Lender may at any time, without notice to or further consent from Borrower, surrender or substitute any property or other security of any kind or nature

whatsoever securing the indebtedness evidenced by the Loans or release any Guarantor, and no such action will release Borrower's obligations hereunder or alter the effect hereof. No right, power or remedy conferred upon or reserved to Lender hereunder is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the other Loan Documents or now or hereafter existing at law, in equity or by statute.

3.2 Survival of Certain Agreements. Notwithstanding the repayment of the indebtedness evidenced by the Loans and the cancellation or transfer of the Loan Documents, or any foreclosure of, or sale under power contained in, any of the Loan Documents, or the acquisition by Lender of title to any Project in lieu of foreclosure, or any other realization upon collateral securing any indebtedness evidenced by the Loans, all agreements of Borrower contained herein or in any of the other Loan Documents to pay the costs and expenses of Lender in connection with the Loans contemplated by the Loan Documents and all agreements of Borrower contained herein or in any of the other Loan Documents to indemnify and/or hold harmless Lender shall continue in full force and effect so long as there exists any possibility of expense or liability on the part of Lender.

3.3 No Obligation to Third Parties. The Loans are and will be made solely for the benefit of Lender. No tenant nor any party involved with the construction of any Project nor any other party whatsoever shall have standing to bring any action against Lender as the result of this Agreement or the Loan Documents, or to assume that Lender will exercise any remedies provided herein, and no party other than Lender shall be deemed to be a beneficiary of any provision of the Loan Documents, any and all of which may be freely waived in whole or in part by Lender in its discretion at any time. Nothing contained in this Agreement or the Loan Documents shall be deemed to impose upon Lender any liability for the performance of any obligation of Borrower.

3.4 Miscellaneous. This Agreement shall inure to the benefit of and be binding upon Borrower and Lender and their respective heirs, executors, legal representatives, successors, successors-in-title and assigns, subject to all restrictions on transfer herein or in the Loan Documents. Neither this Agreement

nor the proceeds of any Loans contemplated by the Loan Documents may be assigned by Borrower without the prior consent of Lender which may be given or withheld at the discretion of Lender. Notwithstanding the foregoing, Borrower may assign its rights under this Agreement to an affiliate, subsidiary or corporate parent of Borrower so long as: (a) there is no Event of Default under this Agreement or any of the Loan Documents, (b) Guarantor and Borrower remain fully obligated for performance of all obligations under this Agreement and the Loan Documents, and (c) Borrower provides such financial and business information concerning the proposed assignee as Lender may reasonably request. This Agreement may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement contains the entire agreement between Borrower and Lender relating to the Line of Credit and supersedes entirely any and all prior written or oral agreements with respect thereto; and Borrower and Lender hereto acknowledge and agree that there are no contemporaneous oral agreements with respect to the subject matter hereof. Nothing contained in this Agreement shall be construed to create an agency, partnership or joint venture between Borrower and Lender. All personal pronouns used in this Agreement whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of articles and sections in this Agreement are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions thereof. If more than one person or entity constitutes, collectively, Borrower or Guarantor, all of the provisions of this Agreement referring to Borrower or Guarantor shall be construed to refer to each such person or entity individually as well as collectively. When anything is described or referred to in this Agreement in general terms and one or more examples or components of what has been described or referred to generally is associated with that description (whether or not following the word "including"), the examples or components shall be deemed illustrative only and shall not be construed as limiting the generality of the description or reference in any way. Wherever in this Agreement the approval or consent of Lender is required or permitted, or wherever a requirement of Lender or the standard of acceptability or satisfaction of Lender must be determined, such approval, consent or determination of Lender shall not be unreasonably withheld or delayed; provided, however, that wherever it is indicated that such approval, consent or

determination is to be given or made at the option or in the discretion or judgment of Lender, then Lender may grant or withhold such approval or consent or make such determination without restriction in its sole and absolute discretion. If any provisions of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. Time is of the essence with respect to each and every covenant, agreement and obligation of Borrower under this Agreement. All exhibits referred to in this Agreement are by such reference incorporated into this Agreement as if fully set forth therein. The parties acknowledge and agree that they have been represented by counsel and that each of the parties has participated in the drafting of this Agreement. Accordingly, it is the intention and agreement of the parties that the language, terms and conditions of this Agreement are not to be construed in any way against or in favor of any party hereto by reason of the responsibilities in connection with the preparation of this Agreement.

3.5 Communications. Unless and except as otherwise specifically provided herein, any and all notices, elections, approvals, consents, demands, requests and responses thereto ("Communications") permitted or required to be given under this Agreement shall be in writing, signed by or on behalf of the party giving the same, and shall be deemed to have been properly given and shall be effective upon the earlier of receipt thereof or deposit thereof in the United States mail, postage prepaid, certified with return receipt requested, to the other party at the address of such other party set forth hereinbelow or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any Communication must be given shall commence on the date of receipt thereof; and provided further that no notice of change of address shall be effective with respect to Communications sent prior to the time of receipt thereof. Receipt of Communications under this Agreement shall occur upon actual delivery (whether by mail, telecopy transmission, messenger, courier service, or otherwise) to any person who is Borrower or an officer or general partner of Borrower at any location where such person may be found, or to an

officer, partner, agent or employee of Borrower or Lender, at the address of such party set forth hereinbelow, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the Communication shall also be deemed to be and constitute receipt. Any Communication, if given to Lender, must be addressed as follows, subject to change as provided hereinabove:

Wachovia Bank of Georgia, N.A.  
Real Estate Finance Division  
30th Floor, Mail Code 1810  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303

and, if given to Borrower, must be addressed as follows, subject to change as provided hereinabove:

RRC GA One, Inc.  
Suite 200, 121 West Forsyth Street  
Jacksonville, Florida 32202

3.6 Applicable Law. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Georgia.

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement under seal, as of the day and year first above written.

As to Borrower, signed sealed and delivered in the presence of:

BORROWER:  
RRC GA ONE, INC.,  
a Georgia corporation

\_\_\_\_\_  
Unofficial Witness

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Attest: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Its: \_\_\_\_\_

Commission Expiration Date:  
(NOTARIAL SEAL)

[CORPORATE SEAL]

LENDER:

As to Lender, signed sealed and delivered in the presence of:

WACHOVIA BANK OF GEORGIA, N.A.

\_\_\_\_\_  
Unofficial Witness

By: \_\_\_\_\_  
James F. Harrell  
Vice President

\_\_\_\_\_  
Notary Public

(BANK SEAL)

Commission Expiration Date:  
(NOTARIAL SEAL)



FIRST MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT

THIS FIRST MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT (this "Modification Agreement") is made and entered into as of the 30th day of April, 1995, by and between Wachovia Bank of Georgia, N.A., a national banking association ("Lender"), RRC GA One, Inc., a Georgia corporation ("Borrower").

ARTICLE I - BACKGROUND AND CONSIDERATION

Section 1.01 Background. Lender and Borrower did enter into that certain Revolving Line Of Credit Agreement dated May 31, 1994 (the "Line Of Credit Agreement"). Borrower has requested that Lender extend the term of the Line Of Credit Agreement and modify the purpose for which proceeds from Loans (as defined in the Line Of Credit Agreement) may be used by Borrower. Terms not otherwise defined herein shall have the meanings as set forth in the Line Of Credit Agreement.

Section 1.02 Consideration. For and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower do hereby agree as follows.

ARTICLE II - MODIFICATION

Section 2.01 Modified Line Of Credit Term. The first sentence of Article 2, Paragraph 2.1 of the Line Of Credit Agreement shall be deleted in its entirety and the following sentence shall be inserted:

Subject to the terms thereof, Lender extends to Borrower a revolving line of credit in the maximum amount of \$5,000,000 inclusive of all outstanding principal and interest (the "Line of Credit"), available from the date hereof until April 30, 1996, unless terminated earlier in accordance with the terms of this Agreement.

Section 2.02 Modified Line Of Credit Purpose. Paragraph 2.3 of Article 2 of the Line Of Credit

-----  
Agreement shall be modified by adding the following:

Notwithstanding that this Agreement requires that the Project be leased in its entirety to Eckerd, Lender will permit financing on Projects to be lease to Big B, Inc., Revco Discount Drugs, Inc., or similar national tenants approved by Lender in its discretion.

Section 2.03 No Further Modification. Except as is expressly set forth above, the terms and provisions of the Lien Of Credit Agreement shall remain in full force and effect without further modification.

ARTICLE III - GENERAL CONDITIONS

Section 3.01 Successor and Assigns. Subject to Paragraph 3.4 of Article 3 of the Line Of Credit Agreement, this Modification Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors-in-title and assigns.

Section 3.02 Miscellaneous. All personal pronouns used herein whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles and Sections as set forth herein are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provision hereof. Lender and Borrower acknowledge and agree that they have been represented by counsel and that each has participated in the drafting of this Modification Agreement. Accordingly, it is the intention and agreement of Lender and Borrower that the language, terms and conditions of the Modification Agreement are not to be construed in any way against or in favor of either Lender or Borrower by reason of their responsibilities in connection with the preparation of this Modification Agreement.

IN WITNESS WHEREOF, Lender and Borrower have hereunto set their hands and affixed their seals as of the date and year first above written.

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.



By: \_\_\_\_\_  
James F. Harrell  
Vice President

BORROWER:

RRC GA ONE, INC.,  
a Georgia Corporation

By: \_\_\_\_\_  
Its:

SECOND MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT

THIS SECOND MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT (this "Modification Agreement") is made and entered into as of the \_\_\_ day of December, 1995, by and among Wachovia Bank of Georgia, N.A., a national banking association ("Lender"), RRC GA One, Inc., a Georgia corporation ("Original Borrower"), Regency Realty Group, Inc., a Florida corporation ("New Borrower") and Regency Realty Corporation, a Florida corporation ("Guarantor").

ARTICLE I - BACKGROUND AND CONSIDERATION

Section 1.01 Background. Lender and Original Borrower did enter into that certain Revolving Line Of Credit Agreement dated May 31, 1994, as amended by that certain First Modification To Revolving Line Of Credit Agreement dated April 30, 1995 (as amended, the "Line Of Credit Agreement"). Original Borrower has requested that Lender increase the principal amount of the Line of Credit and extend future Loans (as defined in the Line Of Credit Agreement) to New Borrower. Terms not otherwise defined herein shall have the meanings as set forth in the Line Of Credit Agreement.

Section 1.02 Consideration. For and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender, Original Borrower, New Borrower and Guarantor do hereby agree as follows.

ARTICLE II - MODIFICATION

Section 2.01 Modified Borrower. From and after the date hereof, the "Borrower" under the Line Of Credit Agreement shall be the New Borrower.

Section 2.02 Modified Principal Amount Of Line Of Credit. The first two sentences of Article 2, Subsection 2.1 of the Line Of Credit Agreement shall be deleted in their entirety and the following sentences shall be inserted:

Subject to the terms hereof, Lender extends to Borrower a revolving line of credit in the maximum amount of \$7,000,000 inclusive of all outstanding principal and interest (the "Line of Credit"), available from the date hereof until April 30, 1996, unless terminated earlier in accordance with the terms of this Agreement. The aggregate amount of principal and interest due with respect to all loans made hereunder (individually called a "Loan" and collectively called "Loans") shall never exceed the sum of \$7,000,000.

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Section 2.03 Modified Amount Of Unsecured Funds Disbursed. The first sentence of Article 2, Subsection 2.2.3 of the Line Of Credit Agreement shall be deleted in its entirety and the following sentence shall be inserted:

Notwithstanding Subsections 2.2.1 and 2.2.2 above, Borrower may request that Lender disburse up to \$1,000,000 under the Line of Credit on a temporarily unsecured basis provided said funds are either: (a) secured by an approved Project within 45 days of the applicable advance or (b) repaid in their entirety with interest thereon as provided hereunder on or before the 45th day after said advance.

Section 2.04 No Further Modification. Except as is expressly set forth above, the terms and provisions of the Line Of Credit Agreement shall remain in full force and effect without further modification. Original Borrower and Guarantor shall continue to be liable for any and all Loans currently outstanding under the Line Of Credit Agreement, and New Borrower and Guarantor

shall be liable for any and all future Loans extended under the Line Of Credit Agreement.

### ARTICLE III - GENERAL CONDITIONS

Section 3.01 Successors and Assigns. Subject to Subsection 3.4 of Article 3 of the Line Of Credit Agreement, this Modification Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors-in-title and assigns.

Section 3.02 Miscellaneous. All personal pronouns used herein whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles and Sections as set forth herein are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provision hereof. Lender, Original Borrower, New Borrower and Guarantor acknowledge and agree that they have been represented by counsel and that each has participated in the drafting of this Modification Agreement. Accordingly, it is the intention and agreement of Lender, Original Borrower, New Borrower and Guarantor that the language, terms and conditions of this Modification Agreement are not to be construed in any way against or in favor of either Lender, Original Borrower, New Borrower or Guarantor by reason of their responsibilities in connection with the preparation of this Modification Agreement.

IN WITNESS WHEREOF, Lender, Original Borrower, New Borrower and Guarantor have hereunto set their hands and affixed their seals as of the date and year first above written.

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.

By: \_\_\_\_\_  
Edwin S. Poole, III  
Vice President

ORIGINAL BORROWER:

RRC GA ONE, INC., a Georgia  
corporation

By: \_\_\_\_\_  
Its:

NEW BORROWER:

REGENCY REALTY GROUP, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Its:

GUARANTOR:

REGENCY REALTY CORPORATION,  
a Florida corporation

By: \_\_\_\_\_  
Its:



THIS THIRD MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT (this "Modification Agreement") is made and entered into as of the 30th day of April, 1996, by and among Wachovia Bank of Georgia, N.A., a national banking association ("Lender") and Regency Realty Group, Inc., a Florida corporation ("Borrower").

ARTICLE I - BACKGROUND AND CONSIDERATION

Section 1.01 Background. Lender and RRC GA One, Inc., a Georgia corporation (predecessor of Borrower) did enter into that certain Revolving Line Of Credit Agreement dated May 31, 1994, as amended by that certain First Modification To Revolving Line Of Credit Agreement dated April 30, 1995, and further amended by that certain Second Modification to Revolving Line of Credit Agreement dated December, 1995 (as amended, the "Line Of Credit Agreement"). Borrower has requested that Lender increase the principal amount of the Line of Credit and extend future Loans (as defined in the Line Of Credit Agreement) to Borrower. Terms not otherwise defined herein shall have the meanings as set forth in the Line Of Credit Agreement.

Section 1.02 Consideration. For and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower do hereby agree as follows.

ARTICLE II - MODIFICATION

Section 2.01 Modified Principal Amount Of Line Of Credit. The first two sentences of Article 2, Subsection 2.1 of the Line Of Credit Agreement shall be deleted in their entirety and the following sentences shall be inserted:

Subject to the terms hereof, Lender extends to Borrower a revolving line of credit in the maximum amount of \$10,000,000 inclusive of all outstanding principal and interest (the "Line of Credit"), available from the date hereof until April 30, 1997, unless terminated earlier in accordance with the terms of this Agreement. The aggregate amount of principal and interest due with respect to all loans made hereunder (individually called a "Loan" and collectively called "Loans") shall never exceed the sum of \$10,000,000.

Section 2.02 No Further Modification. Except as is expressly set forth above, the terms and provisions of the Line Of Credit Agreement shall remain in full force and effect without further modification. Borrower shall be liable for any and all Loans extended under the Line Of Credit Agreement.

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ARTICLE III - GENERAL CONDITIONS

Section 3.01 Successors and Assigns. Subject to Subsection 3.4 of Article 3 of the Line Of Credit Agreement, this Modification Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors-in-title and assigns.

Section 3.02 Miscellaneous. All personal pronouns used herein whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles and Sections as set forth herein are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provision hereof. Lender and Borrower acknowledge and agree that they have been represented by counsel and that each has participated in the drafting of this Modification Agreement. Accordingly, it is the intention and agreement of Lender and Borrower that the language, terms and conditions of this Modification Agreement are not to be construed in any way against or in favor of either Lender or Borrower by reason of their responsibilities in connection with the preparation of this Modification Agreement.

IN WITNESS WHEREOF, Lender and Borrower have hereunto set their hands and affixed their seals as of the date and year first above written.

LENDER:  
WACHOVIA BANK OF GEORGIA, N.A.

By: \_\_\_\_\_  
Edwin S. Poole, III  
Vice President

BORROWER:

REGENCY REALTY GROUP, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Its:

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THIS FOURTH MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT (this "Modification Agreement") is made and entered into as of the 1st day of November, 1996, by and among Wachovia Bank of Georgia, N.A., a national banking association ("Lender") and Regency Realty Group, Inc., a Florida corporation ("Borrower").

## ARTICLE I - BACKGROUND AND CONSIDERATION

Section 1.01 Background. Lender and RRC GA One, Inc., a Georgia corporation (predecessor of Borrower) did enter into that certain Revolving Line Of Credit Agreement dated May 31, 1994, as amended by that certain First Modification To Revolving Line Of Credit Agreement dated April 30, 1995, as further amended by that certain Second Modification to Revolving Line of Credit Agreement dated December, 1995, and as further amended by that certain Third Modification to Revolving Line of Credit Agreement dated April 30, 1996 (as amended, the "Line Of Credit Agreement"). Borrower has requested that Lender increase the principal amount of the Line of Credit and extend future Loans (as defined in the Line Of Credit Agreement) to Borrower. Terms not otherwise defined herein shall have the meanings as set forth in the Line Of Credit Agreement.

Section 1.02 Consideration. For and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower do hereby agree as follows.

## ARTICLE II - MODIFICATION

Section 2.01 Modified Principal Amount Of Line Of Credit. The first two sentences of Article 2, Subsection 2.1 of the Line Of Credit Agreement shall be deleted in their entirety and the following sentences shall be inserted:

Subject to the terms hereof, Lender extends to Borrower a revolving line of credit in the maximum amount of \$15,000,000 inclusive of all outstanding principal and interest (the "Line of Credit"), available from the date hereof until November 1, 1997, unless terminated earlier in accordance with the terms of this Agreement. The aggregate amount of principal and interest due with respect to all loans made hereunder (individually called a "Loan" and collectively called "Loans") shall never exceed the sum of \$15,000,000.

AT1/40426-1

Section 2.02 Modified Amount Of Unsecured Funds Disbursed. The first sentence of Article 2, Subsection 2.2.3 of the Line Of Credit Agreement shall be deleted in its entirety and the following sentence shall be inserted:

Notwithstanding Subsections 2.2.1 and 2.2.2 above, Borrower may request that Lender disburse up to \$3,000,000 under the Line of Credit on a temporarily unsecured basis provided said funds are either: (a) secured by an approved Project within 45 days of the applicable advance or (b) repaid in their entirety with interest thereon as provided hereunder within 45 days of the applicable advance. On February 1, 1997, Borrower shall pay down all outstanding unsecured loans under this Line of Credit such that an outstanding balance of \$1,500,000 or less exists. Thereafter, from February 1, 1997 through the term of the Line of Credit, Borrower may request that Lender disburse up to \$1,500,000 under the Line of Credit on a temporarily unsecured basis provided said funds are either: (a) secured by an approved Project within 45 days of the applicable advance or (b) repaid in their entirety with interest thereon as provided within 45 days of the applicable advance.

Section 2.03 No Further Modification. Except as is expressly set forth above, the terms and provisions of the Line Of Credit Agreement shall remain in full force and effect without further modification. Borrower shall be liable for any and all Loans extended under the Line Of Credit Agreement.

## ARTICLE III - GENERAL CONDITIONS

Section 3.01 Successors and Assigns. Subject to Subsection 3.4 of Article 3 of the Line Of Credit Agreement, this Modification Agreement shall be

binding upon and shall inure to the benefit of the parties hereto, their respective successors-in-title and assigns.

Section 3.02 Miscellaneous. All personal pronouns used herein whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles and Sections as set forth herein are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provision hereof. Lender and Borrower acknowledge and agree that they have been represented by counsel and that each has participated in the drafting of this Modification Agreement. Accordingly, it is the intention and agreement of Lender and Borrower that the language, terms and conditions of this Modification Agreement are not to be construed in any way against or in favor of either Lender or Borrower by reason of their responsibilities in connection with the preparation of this Modification Agreement.

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IN WITNESS WHEREOF, Lender and Borrower have hereunto set their hands and affixed their seals as of the date and year first above written.

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.

By: \_\_\_\_\_  
Cathy Casey  
Vice President

BORROWER:

REGENCY REALTY GROUP, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Its:



THIS FIFTH MODIFICATION TO REVOLVING LINE OF CREDIT AGREEMENT (this "Modification Agreement") is made and entered into as of the \_\_\_ day of December, 1996, by and among Wachovia Bank of Georgia, N.A., a national banking association ("Lender") and Regency Realty Group, Inc., a Florida corporation ("Borrower").

#### ARTICLE I - BACKGROUND AND CONSIDERATION

Section 1.01 Background. Lender and RRC GA One, Inc., a Georgia corporation (predecessor of Borrower) did enter into that certain Revolving Line Of Credit Agreement dated May 31, 1994, as amended by that certain First Modification To Revolving Line Of Credit Agreement dated April 30, 1995, as further amended by that certain Second Modification to Revolving Line of Credit Agreement dated December, 1995, as further amended by that certain Third Modification to Revolving Line of Credit Agreement dated April 30, 1996, and as further amended by that certain Fourth Modification to Revolving Line of Credit Agreement dated November 1, 1996 (as amended, the "Line Of Credit Agreement"). Borrower has requested that Lender increase the maximum amount of loan proceeds available to Borrower per Project (as defined in the Line Of Credit Agreement). Terms not otherwise defined herein shall have the meanings as set forth in the Line Of Credit Agreement.

Section 1.02 Consideration. For and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower do hereby agree as follows.

#### ARTICLE II - MODIFICATION

Section 2.01 Modification of Disbursement of Loans. The first two sentences of Article 2, Subsection 2.2.1 of the Line Of Credit Agreement shall be deleted in their entirety and the following sentences shall be inserted:

Except as expressly provided to the contrary in subsection 2.2.3 below, Borrower may request disbursement of proceeds for a Loan only after approval by Lender of the proposed Project, which approval shall be provided upon the satisfaction of the conditions hereinafter described in subsections 2.2.1.1 through 2.2.1.9. Proceeds for a Project will only be disbursed in a maximum amount equal to the lesser of: (a) 90% loan to appraised value of the Project or (b) 90% loan to the actual costs of the acquisition of the "Land" (as hereinafter defined) and construction of the Project.

AT1/41921-1

Section 2.02 No Further Modification. Except as is expressly set forth above, the terms and provisions of the Line Of Credit Agreement shall remain in full force and effect without further modification. Borrower shall be liable for any and all Loans extended under the Line Of Credit Agreement.

#### ARTICLE III - GENERAL CONDITIONS

Section 3.01 Successors and Assigns. Subject to Subsection 3.4 of Article 3 of the Line Of Credit Agreement, this Modification Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors-in-title and assigns.

Section 3.02 Miscellaneous. All personal pronouns used herein whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles and Sections as set forth herein are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provision hereof. Lender and Borrower acknowledge and agree that they have been represented by counsel and that each has participated in the drafting of this Modification Agreement. Accordingly, it is the intention and agreement of Lender and Borrower that the language, terms and conditions of this Modification Agreement are not to be construed in any way against or in favor of either Lender or Borrower by reason of their responsibilities in connection with the preparation of this Modification Agreement.

IN WITNESS WHEREOF, Lender and Borrower have hereunto set their hands and affixed their seals as of the date and year first above written.

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.

By: \_\_\_\_\_  
Cathy Casey  
Vice President

BORROWER:  
REGENCY REALTY GROUP, INC., a Florida  
corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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## THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT dated as of March 7, 1997 by and among REGENCY REALTY CORPORATION (the "Borrower"), each of the Guarantors signatory hereto (the "Guarantors"), each of the Lenders signatory hereto (the "Lenders") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association and successor in interest to Wells Fargo Realty Advisors Funding, Incorporated, as Agent (the "Agent").

WHEREAS, the Borrower, the Lenders and the Agent are parties to that certain Credit Agreement dated as of May 17, 1996 (as amended prior to the date hereof, the "Credit Agreement");

WHEREAS, the Borrower has advised the Lenders and the Agent that the Borrower has entered into that certain Contribution Agreement and Plan of Reorganization dated as of February 10, 1997 (the "Contribution Agreement") by and among Branch Properties, L.P., Branch Realty, Inc. and the Borrower, pursuant to which the Borrower proposes to consummate the transaction as more particularly described by the Borrower to the Lenders and the Agent on Exhibit A attached hereto (the "Branch Transaction"); and

WHEREAS, in connection with the Branch Transaction, the Borrower has requested that the Lenders and the Agent amend certain provisions of the Credit Agreement on the terms and conditions contained herein.

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

Section 1. Specific Amendments to Credit Agreement.

(a) The Credit Agreement is hereby amended by deleting from Section 1.1 the definition of the term "Development Property" and substituting in its place the following:

"Development Property" means either a real estate project acquired by a Loan Party as unimproved real estate to be developed as a Property or a Property acquired by a Loan Party on which such Loan Party is to increase materially the rentable square footage of such Property, in each case for which an 85% Occupancy Rate has not been achieved; provided, however, that "Development Property" 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.

(b) The Credit Agreement is amended by deleting the first sentence of the last paragraph of Section 9.7 in its entirety and substituting in its place the following:

Additionally, the aggregate amount of the Construction Budgets for Development Properties in which the Borrower either has a direct or indirect ownership interest shall not exceed 15% of the Borrower's Gross Asset Value.

(c) The Credit Agreement is amended by supplementing the Schedules attached thereto as follows:

(i) Schedule 7.2 of the Credit Agreement ["Ownership Structure"] is hereby supplemented to add the additional information set forth on the "Supplement to Schedule 7.2" attached hereto;

(ii) Schedule 7.6 of the Credit Agreement ["Existing Indebtedness"] is hereby supplemented to add the additional information set forth on the "Supplement to Schedule 7.6" attached hereto;

(iii) Schedule 7.10 of the Credit Agreement ["Material Contracts"] is hereby supplemented to add the additional information set forth on the "Supplement to Schedule 7.10" attached hereto; and

(iv) The representations and warranties contained in Section 7.17 of the Credit Agreement ["Environmental Matters"] shall be deemed supplemented by the information set forth on Schedule 7.17 attached hereto.

Section 2. Branch Transaction. The Borrower represents and warrants to the Agent and the Lenders as follows: (a) the Branch Transaction constitutes an Acquisition subject to the provisions of Section 8.16 of the Credit Agreement; (b) after giving effect to the Branch Transaction and this Amendment, the Borrower will be in compliance with the terms and conditions of the Credit

Agreement and the other Loan Documents, including without limitation, the financial covenants contained in Article IX. of the Credit Agreement; (c) the Borrower has delivered to the Agent a true, correct and complete copy of the Contribution Agreement (excluding the schedules thereto); and (d) the Contribution Agreement remains in full force and effect.

Section 3. Waiver; Limitation. The Agent and Lenders acknowledge receipt of the Compliance Certificate provided by the Borrower pursuant to Sections 8.16. Subject to the effectiveness of this Amendment, the Agent and the Lenders hereby waive the requirement of Section 8.16 that the Borrower shall have given the Agent and the Lenders at least 30 days prior written notice of the Branch Transaction. The foregoing waiver shall not be construed to be a waiver of any other term or condition of the Credit Agreement or a waiver of any Default or Event of Default that may be in existence as of the date hereof. Further, foregoing waiver shall not be construed as a waiver of, or consent to departure from, any future obligations under the above-referenced covenant or any of the other terms and conditions of the Credit Agreement or any other Loan Document, nor shall the Borrower, by receipt of foregoing waiver, expect that any such waiver will be given in the future.

Section 4. Copies of Certain Notices, Etc. Under Contribution Agreement. The Borrower shall deliver to the Agent and each Lender the following: (a) promptly upon the execution and delivery thereof, a copy of any amendment, supplement, other modification, waiver or consent of or relating to the Contribution Agreement; (b) promptly upon the giving or receipt thereof, any notice alleging a breach or other failure to comply with the terms of the Contribution Agreement on the part of any party to the Contribution Agreement and (c) promptly upon the giving or receipt thereof, any notice given under Section 5.13 of the Contribution Agreement

Section 5. Effectiveness of Amendments and Waivers. The effectiveness of Section 1 and the effectiveness of the waivers set forth in Section 3 are both subject to satisfaction of the following conditions precedent:

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(a) Receipt by the Agent of each of the following in form and substance satisfactory to the Agent:

(i) Counterparts of this Amendment executed by each of the parties hereto;

(ii) A copy of the resolutions of the board of directors of the Borrower authorizing the execution and delivery of this Amendment, certified by the Secretary or an Assistant Secretary of the Borrower; and

(iii) Such other documents and instruments as the Agent may reasonably request; and

(b) All consents, waivers, exemptions and approvals required to be obtained by the parties to the Contribution Agreement in connection with the First Closing (as defined in the Contribution Agreement) shall have been obtained, and the First Closing shall have been consummated without waiver of any condition precedent to the occurrence thereof (other than those waived with the written concurrence of the Required Lenders).

Section 6. Representations of the Borrower. The Borrower represents and warrants to the Agent and the Lenders that:

(a) Authorization. The Borrower has the right and power, and has taken all necessary action to authorize it, to execute and deliver this Amendment and to perform its obligations hereunder and under the Credit Agreement, as amended by this Amendment, in accordance with their respective terms. This Amendment has been duly executed and delivered by a duly authorized officer of the Borrower and each of this Amendment and the Credit Agreement, as amended by this Amendment, is a legal, valid and binding obligation of the Borrower enforceable against the Borrower 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 contained herein or therein may be limited by equitable principles generally.

(b) Compliance with Laws, etc. The execution and delivery by the Borrower of this Amendment and the performance by the Borrower of this Amendment and the Credit Agreement, as amended by this Amendment, in accordance with their respective terms, do not and will not, by the passage of time, the giving of notice or otherwise: (i) require any Government Approval or violate any Applicable Law relating to the Borrower the failure to possess or to comply with which would have a Materially Adverse Effect; (ii) conflict with, result in a breach of or constitute a default under the Borrower's articles of incorporation or by-laws or any indenture, agreement or other instrument to which the Borrower 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 (iii) 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 other than Permitted Liens.

Section 7. Reaffirmation by Borrower. The Borrower hereby repeats and reaffirms all representations and warranties made by the Borrower to the Agent and the Lenders in the Credit Agreement and the other Loan Documents to which it is a party on and as of the date hereof (and after giving effect to this Amendment) with the same force and effect as if such representations and warranties were set forth in this Amendment in full.

Section 8. Reaffirmation by Guarantor. Each Guarantor hereby reaffirms its continuing obligations to the Agent and the Lenders under the Guaranty to which it is a party, and agrees that the transactions contemplated by this Amendment shall not in any way affect the validity and enforceability of such Guaranty, or reduce, impair or discharge the obligations of such Guarantor thereunder.

Section 9. References to the Credit Agreement. Each reference to the Credit Agreement in any of the Loan Documents (including the Credit Agreement) shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment.

Section 10. Benefits. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 11. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

Section 12. Effect. Except as expressly herein amended, the terms and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect.

Section 13. Effective Date. This Amendment shall not be effective until its execution and delivery by all of the parties hereto whereupon its shall be deemed effective as of the date first written above.

Section 14. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

Section 15. Definitions. All capitalized terms not otherwise defined herein are used herein with the respective definitions given them in the Credit Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to Credit Agreement to be executed as of the date first above written.

BORROWER:

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson  
Title: Executive Vice President

GUARANTORS:

RRC FL ONE, INC.  
RRC FL TWO, INC.  
REGENCY CENTERS, INC.  
(f/k/a/ RRC FL Three, Inc.)  
RRC FL SEVEN, INC.

By:

Name: Bruce M. Johnson  
Title: Executive Vice President

REGENCY OFFICE PARTNERSHIP, L.P.  
UNIVERSITY MARKETPLACE

By: RRC FL One, Inc.,  
its General Partner

By :.....

Name: Bruce M. Johnson  
Title: Executive Vice President

[Signatures Continued on Following Page]

[Signature Page to Third Amendment to Credit Agreement dated  
as of February 28, 1997 for Regency Realty Corporation]

AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, individually and as Agent

By:

Name: Mary Ann Kelly  
Title: Vice President

FIRST UNION NATIONAL BANK OF FLORIDA

By:

Name:  
Title:

WACHOVIA BANK OF GEORGIA, N.A.

By:

Name:  
Title:

BARNETT BANK, N.A.

By:

Name:  
Title:

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EXHIBIT A

Branch Transaction

Pursuant to the Contribution Agreement, the Borrower will indirectly acquire from Branch Properties, L.P. (the "Transferor"), among other things, (1) twenty existing shopping centers, including seven which are owned through subpartnerships with outside investors, (2) six shopping centers under development or redevelopment (one of which is expected to be resold to a third party) and (3) certain property management contracts, in consideration of the assumption by Regency Retail Partnership, L.P. (the "Partnership"), a newly formed partnership of which Regency Atlanta, Inc., a wholly owned subsidiary of the Borrower, will become the sole general partner at closing, of approximately \$121,900,000 of debt (net of minority interest) and the issuance of 3,373,801 partnership units of the Partnership exchangeable for the Borrower's common stock and 155,797 shares of Borrower's common stock to be issued as part of a C reorganization on the part of Branch Realty, Inc., the Transferor's general partner. Such units and shares have an aggregate value of approximately \$78,100,000 based on an agreed exchange ratio pegged at \$22.125 per share of Borrower's common stock and approximately \$95,300,000 based on a current trading price of \$27 per share. In addition, the Transferor shall have the right to earn an additional \$23,300,000 (which is based on a price of \$22.125 per unit/share and includes an estimated \$750,000 based on revenues from certain third-party management business transferred by Transferor) paid in up to 1,053,000 Partnership units/shares during the three years following the closing.

A-1

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SUPPLEMENT TO SCHEDULE 7.2

Ownership Structure

[To be provided by Borrower]

- 1 -

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SUPPLEMENT TO SCHEDULE 7.6

Existing Indebtedness

[To be provided by Borrower]

- 1 -

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SUPPLEMENT TO SCHEDULE 7.10

Material Contracts

[To be provided by Borrower]

- 1 -

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SCHEDULE 7.17  
Environmental Matters

[To be provided by Borrower]

- 1 -

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## FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT dated as of March 24, 1997 by and among REGENCY REALTY CORPORATION ("Borrower"), each of the Guarantors signatory hereto ("Guarantors"), each of the Lenders signatory hereto ("Lenders") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association and successor in interest to Wells Fargo Realty Advisors Funding, Incorporated, individually ("Wells Fargo") and as Agent ("Agent").

WHEREAS, Borrower, Lenders and Agent are parties to that certain Credit Agreement dated as of May 17, 1996 (as amended prior to the date hereof, the "Credit Agreement") and desire to amend certain provisions of the Credit Agreement on the terms and conditions contained herein.

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

## Section 1. Specific Amendments to Credit Agreement.

(a) The Credit Agreement is hereby amended by deleting from Section 1.1 the definition of the terms "Applicable Margin", "Capitalized EBITDA", "Development Property", "Eligible Property", "Funds From Operations", "Gross Asset Value", "Guarantor", "Maximum Loan Availability", "Revolving Commitment", "Revolving Credit Termination Date", "Subsidiary" and "Unencumbered Pool Value" and substituting in their respective places the following:

"Applicable Margin" shall mean, as of any date of determination, the percentage rate set forth below for LIBOR Loans corresponding to the rating assigned to the senior long-term unsecured debt obligations of the Borrower, as rated by the Rating Agencies:

Level	Rating	Applicable Margin
1	BBB/Baa2 or higher	1.375%
2	BBB- or Baa3 or lower or unrated	1.50%

The Agent shall determine the Applicable Margin from time to time in accordance with the above table and notify the Borrower and the Lenders of such determination. If the Rating Agencies assign ratings which correspond to different levels on the above table resulting in different Applicable Margin determinations, the Applicable Margin will correspond to the lower of the two levels. If only one Rating Agency exists or continues rating the Borrower's senior long-term unsecured debt obligations, such agency's rating shall be used for purposes of the above table. Each change in the Applicable Margin resulting from a change in the rating of the Borrower's senior long-term unsecured debt obligations shall take effect on the first calendar day of the month following the month in which such rating is publicly announced by the relevant Rating Agency.

"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) 9.75%. 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.

"Eligible Property" means a Property which satisfies all of the following requirements as determined by the Agent: (a) such Property is owned in fee simple by the Borrower or a Wholly Owned Subsidiary of the Borrower; (b) neither such Property, nor any interest of the Borrower or such Wholly Owned 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 Wholly Owned Subsidiary, none of the Borrower's direct or indirect ownership interest in such Wholly Owned 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; (d) such Property has an Occupancy Rate which has remained stabilized and (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. The term "Eligible Property" shall also include any Property which is a Regency Retail LP Eligible Property 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: (a) if such Property has two or more anchor tenants and the other anchor tenants still actually occupy their respective spaces or (b) 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.

"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 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.

"Gross Asset Value" means, at a given time, the sum of (a) the Borrower's Capitalized EBITDA at such time, plus (b) the Borrower's Capitalized Fee Income at such time, plus (c) the purchase price paid by the Borrower (less any amounts paid to the Borrower as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements) for any real property acquired for development by the Borrower as a Property during the Borrower's fiscal quarter most recently ended, plus (d) all of Borrower's cash and cash equivalents as of the end of such fiscal quarter, plus (e) the lesser of (i) \$20,000,000 and (ii) with respect to each of the Borrower's Unconsolidated Affiliates, (1) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Borrower's pro rata share of the book value of Construction in Process for such Property as of the end of such fiscal quarter and (2) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Borrower'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 (including Build-to-Suit Projects) acquired for development by any Loan Party as a Property as such book value is set forth on the Borrower's consolidated balance sheet most recently delivered to the Lenders under Section 8.1.(a) or (b).

"Guarantor" means any Subsidiary other than RRC FL SPC, Inc., RRC GA SPC, Inc., RRC AL SPC, Inc., RRC MS SPC, Inc., RRC General SPC Inc., RRC Limited SPC, Inc., Treasure Coast Investors, Ltd, Regency Rosewood Temple Terrace, Ltd., Landcom Regency Mandarin, Ltd., RSP IV Criterion, Ltd., Equiport Associates, L.P., Branch/HOP Associates, L.P., Old Fort Associates, L.P., Fieldstone Associates, L.P., Roswell Village, RRC Operating Partnership of Georgia, L.P. and Regency Ocean East Partnership Limited.

"Guaranty" means a Guaranty executed and delivered by a Guarantor substantially in the form of Exhibit H.

"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 (x) the Loans, (y) any amounts related to contributions by the Borrower paid in the Borrower's capital stock to the 401(k) plan maintained by the Borrower or (z) contributions paid by the Borrower to the Borrower's Long-term Omnibus Plan) of the Borrower and its Subsidiaries determined on a consolidated basis and (b) the Revolving Commitment.

"Revolving Commitment" means an amount equal to \$150,000,000, as such amount may be reduced from time to time in accordance with the terms hereof.

"Revolving Credit Termination Date" means the earlier to occur of (a) May 17, 1999, 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 the Term Loan pursuant to Section 2.11

"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.

"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) 10.0%, in the case of an Unencumbered Pool Property consisting of office building property, and 9.75%, in the case of an Unencumbered Pool Property consisting of a retail shopping center.

(b) The Credit Agreement is hereby amended by deleting from Section 1.1 the definition of the terms "Eckerd Property" and "Wholly Owned Subsidiary".

(c) The Credit Agreement is amended by adding to Section 1.1 the following new definitions in the appropriate alphabetical locations:

"Build-to-Suit Project" means a build-to-suit store leased to Eckerd Corporation, Revco or CVS with respect to which The Regency Group II, Inc. and a third party have entered into a bona fide sale contract. If the sale contemplated by any such sale contract shall not have been consummated within 9 months following the commencement of construction of such store, then the Construction in Process for such Build-to-Suit Project shall be excluded when determining Gross Asset Value.

"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%.

"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.



"Regency Retail LP Eligible Property" means any Property described on Schedule 1.1 which satisfies all of the following requirements as determined by the Agent: (a) such Property is owned in fee simple by Regency Retail Partnership, L.P. ("Regency Retail LP") and the general partner of Regency Retail LP is a Wholly Owned Subsidiary of the Borrower; (b) neither such Property, nor any interest of Regency Retail 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) none of the Borrower's direct or indirect ownership interest in Regency Retail LP 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; (d) such Property has an Occupancy Rate which has remained stabilized and (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. 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: (a) if such Property has two or more anchor tenants and the other anchor tenants still actually occupy their respective spaces or (b) 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.

(d) The Credit Agreement is hereby amended by deleting subsections (a) and (b) of Section 3.1 in their entirety and substituting in their place the following:

(a) Unused 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 an unused facility fee equal to (a) one-eighth of one percent (0.125%) per annum of the average daily unused portion of the Lenders' Commitments if such average is less than or equal to \$75,000,000 or (b) one-quarter of one percent (0.25%) per annum of the average daily unused portion of the Lenders' Commitments otherwise. 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 fees payable hereunder are bona fide commitment fees and are 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 Lenders grant an extension of the Revolving Credit Termination Date, the Borrower agrees to pay to the Agent for the account of the Lenders an extension fee equal to fifteen one-hundredths of one percent (0.15%) of the Revolving Commitment at such time. Such fee shall be payable on the date five days following the date on which the Agent notified the Borrower of such extension.

(e) The Credit Agreement is hereby amended by deleting subsections (a)(x) and (a)(2) of Section 4.1 in their entirety and substituting in their place the following:

(x) [Intentionally omitted.]

(2) [Intentionally omitted.]

(f) The Credit Agreement is hereby amended by deleting clause (c)(i) of Section 8.19 in its entirety and substituting in its place the following:

(i) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interest owned by the Borrower or any other Subsidiary;

(g) The Credit Agreement is hereby amended by adding a new Section 8.24 as follows:

#### SECTION 8.24 New Subsidiaries.

Upon the acquisition, incorporation or other creation of a Subsidiary after the date hereof, Borrower shall cause such Subsidiary to execute and deliver to Agent within 10 days of such acquisition, incorporation or creation a Guaranty executed and delivered by such Subsidiary, together with the following items:

(a) the articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of such Subsidiary certified as of a recent date by the Secretary of State of the State of formation of such Subsidiary;

(b) a Certificate of Good Standing or certificate of similar meaning with respect to such Subsidiary issued as of a recent date by the Secretary of State of the State of formation of such Subsidiary 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 Subsidiary is required to be so qualified;

(c) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of such Subsidiary with respect to each of the officers of such Subsidiary authorized to execute and deliver the Loan Documents to which such Subsidiary is a party;

(d) copies certified by the Secretary or Assistant Secretary of such Subsidiary (or other individual performing similar functions) of (i) the by-laws of such Subsidiary, 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 Subsidiary to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(e) an opinion of Foley & Lardner, counsel to Borrower, addressed to Agent and Lenders, and regarding, among other things, the authority of such Subsidiary to execute, deliver and perform the Guaranty, and such other matters as Agent or its counsel may request; and

(f) such other documents and instruments as Agent may reasonably request.

(h) The Credit Agreement is hereby amended by deleting Annex I attached thereto and substituting in its place Annex I attached hereto.

(i) The Credit Agreement is hereby amended by adding thereto Schedule 1.1 hereto.

(j) The Credit Agreement is amended by increasing the amount of the Commitment of Wells Fargo to \$105,000,000.

Section 2. Majority Lenders. Notwithstanding anything set forth in the definition of "Majority Lenders" in Section 1.1 of the Credit Agreement to the contrary, at any time the Commitment of Wells Fargo exceeds \$49,950,000 the number of Lenders which shall constitute the "Majority Lenders" under the Credit Agreement shall be two or more.

Section 3. Acknowledgment of Lenders' Commitments; Adjustment of Outstandings. The parties hereto hereby agree that after giving effect to the transactions contemplated by this Amendment, the amount of each Lender's respective Commitment is as set forth on Annex I attached hereto. To effect the increase of the Commitment of Wells Fargo in terms of each Lender's Pro Rata Share of Revolving Loans, upon the effectiveness of this Amendment, Wells Fargo shall purchase from the other Lenders, on a non-recourse, "as-is" basis, an appropriate principal amount of Revolving Loans such that after giving effect to all such purchases the principal balance of Revolving Loans owing to each Lender shall equal (a) the aggregate principal balance of all Revolving Loans then outstanding times (b) such Lender's Pro Rata Share (determined with the amount of the Commitments set forth on Annex I attached hereto). All payments to be made or received under this paragraph shall be made on a net basis. If under this paragraph any Lender is obligated to pay any amount to any other party, such Lender shall make payment to Agent for the account of such other party.

Section 4. Effectiveness of Amendment. All transactions contemplated by this Amendment shall be deemed to have occurred simultaneously upon its effectiveness. This Amendment shall only be effective upon its execution and delivery by all of the parties hereto and the satisfaction of the condition contained in the next sentence. The effectiveness of this Amendment is further

subject to receipt by Agent of each of the following in form and substance satisfactory to Agent:

(a) Payment of an extension fee to the Agent for the account of the Lenders equal to fifteen one-hundredths of one percent (0.15%) of the Revolving Commitment (as such term is amended herein);

(b) Payment of all fees set forth in the fee letter dated the date hereof between the Agent and the Borrower;

(c) A Note executed by Borrower, payable to the order of Wells Fargo and in the original principal amount of \$105,000,000 (the "New Note") in replacement of the outstanding Note in favor of Wells Fargo in the principal amount of \$45,000,000;

(d) A copy of the resolutions of the board of directors of Borrower authorizing the execution and delivery of this Amendment and the New Note and the increase in the Revolving Commitment effected hereby, certified by the Secretary or an Assistant Secretary of Borrower;

(e) A Guaranty in the form of Exhibit H to the Credit Agreement (the "New Guaranties") executed by each of the Subsidiaries listed on Schedule A attached hereto (the "New Guarantors");

(f) The articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of such New Guarantors certified as of a recent date by the Secretary of State of the State of formation of such New Guarantors;

(g) A Certificate of Good Standing or certificate of similar meaning with respect to each 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;

(h) 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;

(i) Copies certified by the Secretary or Assistant Secretary of such New Guarantor (or other individual performing similar functions) of (i) the by-laws of such 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 (ii) 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;

(j) an opinion of Foley & Lardner, counsel to Borrower, addressed to Agent and Lenders, and regarding (i) the authority of (x) the Borrower to execute, deliver and perform this Amendment, the Credit Agreement as amended hereby and the New Note and (y) the New Guarantors to execute, deliver and perform the New Guaranties, and such other matters as Agent or its counsel may request and (ii) certain corporate matters relating to the New Guarantors; and

(k) Such other documents and instruments as Agent or its counsel may reasonably request.

Section 5. Representations of Borrower. Borrower represents and warrants to Agent and Lenders that:

(a) Authorization. Borrower has the right and power, and has taken all necessary action to authorize it, to execute and deliver this Amendment and the New Note and to perform its obligations hereunder, under the New Note and under the Credit Agreement, as amended by this Amendment, in accordance with their respective terms. Each of this Amendment and the New Note has been duly executed and delivered by a duly authorized officer of Borrower and each of this Amendment, the New Note and the Credit Agreement, as amended by this Amendment, is a legal, valid and binding obligation of Borrower enforceable against Borrower 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 contained herein or therein may be limited by equitable principles generally.

(b) Compliance with Laws, etc. The execution and delivery by Borrower of this Amendment and the New Note and the performance by Borrower of this Amendment, the New Note and the Credit Agreement, as amended by this Amendment, in accordance with their respective terms, do not and will not, by the passage of time, the giving of notice or otherwise: (i) require any Government Approval or violate any Applicable Law relating to Borrower the failure to possess or to comply with which would have a Materially Adverse Effect; (ii) conflict with, result in a breach of or constitute a default under Borrower's articles of incorporation or by-laws or any indenture, agreement or other instrument to which Borrower 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 (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by Borrower other than Permitted Liens.

Section 6. Reaffirmation. The Borrower hereby repeats and reaffirms all representations and warranties made by the Borrower to the Agent and the Lenders in the Credit Agreement and the other Loan Documents to which it is a party on and as of the date hereof with the same force and effect as if such representations and warranties were set forth in this Amendment in full.

Section 7. Reaffirmation. Each Guarantor hereby reaffirms its continuing obligations to Agent and Lenders under the Guaranty to which it is a party, and agrees that the transactions contemplated by this Amendment shall not in any way affect the validity and enforceability of such Guaranty, or reduce, impair or discharge the obligations of such Guarantor thereunder.

Section 8. References to the Credit Agreement. Each reference to the Credit Agreement in any of the Loan Documents (including the Credit Agreement) shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment.

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Section 9. Benefits. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 10. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

Section 11. Effect. Except as expressly herein amended, the terms and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect.

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Section 12. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

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Section 13. Definitions. All capitalized terms not otherwise defined herein are used herein with the respective definitions given them in the Credit Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to Credit Agreement to be executed as of the date first above written.

BORROWER:

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson  
Title: Executive Vice President

GUARANTORS:

RRC FL ONE, INC.  
RRC FL TWO, INC.  
REGENCY CENTERS, INC.  
(f/k/a/ RRC FL Three, Inc.)  
RRC FL SEVEN, INC.

By:

Name: Bruce M. Johnson  
Title: Executive Vice President

REGENCY OFFICE PARTNERSHIP, L.P.

By: RRC FL One, Inc.,  
its General Partner

By: .....  
Name: Bruce M. Johnson  
Title: Executive Vice President

[Signatures Continued on Following Page]

[Signature Page to Fourth Amendment to Credit Agreement dated  
as of March , 1997 for Regency Realty Corporation]

AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:

Name: Mary Ann Kelly

Title: Vice President

FIRST UNION NATIONAL BANK OF FLORIDA

By:

Name:

Title:

WACHOVIA BANK OF GEORGIA, N.A.

By:

Name:

Title:

BARNETT BANK, N.A.

By:

Name:

Title:



ANNEX I

LIST OF LENDERS,  
COMMITMENT AMOUNTS AND LENDING OFFICES

Wells Fargo Bank, N.A.

Lending Office (all Types of Loans): Commitment Amount:

2859 Paces Ferry Road, Suite 1805 \$105,000,000  
Atlanta, Georgia 30339  
Attention: Mary Ann Kelly  
Telecopier: (404) 435-2262  
Telephone: (404) 435-3800

Wiring Instructions:

To: Wells Fargo Bank, N.A.  
WFB REG Disbursement Center  
AC 2934507203  
ABA #121000248  
2120 East Park Place, Suite 100  
El Segundo, CA 90245  
Attn: Judi Mammen  
Loan No.: 8773 ZMA  
Obligor: Regency Realty Corp.

First Union National Bank of Florida

Lending Office (all Types of Loans): Commitment Amount:

214 Hogan Street \$15,000,000  
Jacksonville, Florida 32202  
Attention: Alice Ricker, Commercial Loan  
Accounting (FL0070)  
Telephone No.: (904) 361-6003  
Telecopy No.: (904) 361-1010

Address for Notices:

First Union National Bank of Florida  
P.O. Box 2080  
Jacksonville, Florida 32231  
Attention: Real Estate Portfolio Management  
(FL0061)  
Telephone No.: (904) 361-1285  
Telecopy No.: (904) 361-1833

Wiring Instructions:

To: First Union National Bank of Florida  
Jacksonville, Florida  
ABA No.: 063000021  
Account No.: 1459162008  
Account Name: Regency Realty  
Corporation  
Reference: #7354172078

Wachovia Bank of Georgia, N.A.

Lending Office (all Types of Loans): Commitment Amount:

Mail Code GA1810 \$15,000,000  
191 Peachtree Street, N.E., 30th Floor  
Atlanta, Georgia 30303-1757  
Attention: Betty J. Hightower  
Telephone No.: 404-332-4204  
Telecopy No.: 404-332-4066

Address for Notices:

Wachovia Bank of Georgia, N.A.  
Mail Code GA1810  
191 Peachtree Street, N.E., 30th Floor

Atlanta, Georgia 30303-1757  
Attention: Edwin S. Poole, III  
Telephone No.: 404-332-5478  
Telecopy No.: 404-332-4066

Wiring Instructions:

To: Wachovia Bank of Georgia, N.A.  
Atlanta, Georgia  
ABA No.: 061000010  
Account No.: 18-800-621  
Account: WPGA Money Transfer Clearing  
Reference: Regency Realty Corp Revolving Line

Barnett Bank, N.A.

Lending Office (all Types of Loans):

Commitment Amount:

Barnett Bank Comm. Loan Operation  
9000 Southside Boulevard, Building #600  
Jacksonville, Florida 32232  
Attention: Participation Dept.  
Telephone No.: (904) 464-6631  
Telecopy No.: (904) 464-5552

\$15,000,000

Address for Notices:

Barnett Bank, N.A.  
50 N. Laura Street  
Jacksonville, Florida 32202  
Attention: Scott R. Stevens  
Telephone No.: (904)-791-7555  
Telecopy No.: (904)-791-5582

Wiring Instructions:

To: Barnett Bank, N.A.- Jacksonville  
Jacksonville, Florida  
ABA No.: # 063-000047  
Account No.: 00100074863  
Account Name: Regency Realty Inc.  
Attention: Commercial Loan Accounting for Further Credit to Account  
# 001396-10231

Schedule A

New Guarantors

RRC FL Five, Inc. RRC JV One, Inc.  
RRC Acquisitions, Inc.  
Regency Atlanta, Inc.  
Regency Retail Partnership, L.P.



THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM REGENCY REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 1997

REGENCY REALTY CORPORATION

1

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MAR-31-1997		
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	2,843,500	
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	3,737,031	
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4,036,772		
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	0.30	