

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended September 30, 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

(State or other jurisdiction of incorporation or organization)

59-3191743

(I.R.S. Employer Identification No.)

121 West Forsyth Street
Suite 200

Jacksonville, Florida 32202

(Address of principal executive offices) (Zip code)

(904) 356-7000

(Registrant's telephone 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 November 13, 1997, there were 23,256,277 shares outstanding of the registrant's common stock.

Item 1. Financial Statements

REGENCY REALTY CORPORATION

Consolidated Balance Sheets

September 30, 1997 and December 31, 1996

September 30,
1997

December 31,
1996

Assets		
Real estate investments, at cost:		
Land	\$187,700,054	85,395,120
Buildings and improvements	584,796,206	305,277,505
Construction in progress for resale	16,210,961	1,695,062
	-----	-----
	788,707,221	392,367,687
Less: accumulated depreciation	37,129,650	26,213,225
	-----	-----
	751,577,571	366,154,462
Investments in real estate partnerships	1,004,801	1,035,107
	-----	-----
Real estate investments, net	752,582,372	367,189,569
Cash and cash equivalents	14,031,270	8,293,229
Tenant receivables, net of allowance for uncollectible accounts of \$1,420,662 and \$832,091 at September 30, 1997 and December 31, 1996, respectively	5,213,264	5,281,419
Deferred costs, less accumulated amortization of \$3,467,554 and \$2,519,019 at September 30, 1997 and December 31, 1996, respectively	4,158,131	3,961,439
Other assets	2,664,734	1,798,393
	-----	-----
	\$778,649,771	386,524,049
	=====	=====

Liabilities and Stockholders' Equity

Liabilities:		
Mortgage loans payable	236,277,202	97,906,288
Acquisition and development line of credit	3,831,185	73,701,185
Accounts payable and other liabilities	16,002,249	6,300,640
Tenants' security deposits	2,225,748	1,381,673
	-----	-----
Total liabilities	258,336,384	179,289,786
	-----	-----

Redeemable partnership units	13,752,877	-
Limited partners' interest in consolidated partnerships	8,504,275	508,486
	-----	-----
Total minority interest	22,257,152	508,486
	-----	-----

Stockholders' equity:		
Common stock \$.01 par value per share:		
150,000,000 shares authorized; 23,250,697 and 10,614,905 shares issued and outstanding at September 30, 1997 and December 31, 1996, respectively		
	232,507	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	519,282,270	223,080,831
Distributions in excess of net income	(19,336,794)	(13,981,770)
Stock loans	(2,146,748)	(2,504,433)
	-----	-----
Total stockholders' equity	498,056,235	206,725,777
	-----	-----
	\$778,649,771	386,524,049
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Three Months Ended September 30, 1997 and 1996

	September 30, 1997	September 30, 1996
	-----	-----
Revenues:		
Minimum rent	\$19,364,235	8,897,421
Percentage rent	504,178	175,065
Recoveries from tenants	4,317,917	1,948,944
Management, leasing and brokerage fees	2,601,076	991,427
Equity in income of real estate partnership investments	2,557	16,787
	-----	-----
Total revenues	26,789,963	12,029,644
	-----	-----
Operating expenses:		
Depreciation and amortization	4,427,304	1,999,248
Operating and maintenance	3,978,209	1,896,479
General and administrative	2,545,388	1,294,469
Real estate taxes	2,450,520	1,059,950
	-----	-----
Total operating expenses	13,401,421	6,250,146
	-----	-----
Interest expense (income):		
Interest expense	4,527,622	2,945,634
Interest income	276,112	191,408
	-----	-----
Net interest expense	4,251,510	2,754,226
	-----	-----
Income before minority interest	9,137,032	3,025,272
Minority interest of redeemable partnership units	172,945	-
Minority interest of limited partners' interest in consolidated partnerships	220,589	-
	-----	-----
Net income	8,743,498	3,025,272
Preferred stock dividends	-	-
	-----	-----
Net income for common stockholders	\$ 8,743,498	3,025,272
	=====	=====
Weighted average common shares outstanding	25,423,740	10,802,711
	=====	=====
Earnings per share (EPS):		
Primary EPS	\$.35	.28
	=====	=====
Fully diluted EPS	\$.33	.28
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Nine Months Ended September 30, 1997 and 1996

	September 30, 1997	September 30, 1996
	-----	-----
Revenues:		
Minimum rent	\$49,924,839	24,898,572
Percentage rent	1,612,115	598,785
Recoveries from tenants	11,303,821	5,435,877
Management, leasing and brokerage fees	6,288,601	2,511,929
Equity in income of real estate partnership investments	19,694	38,132
	-----	-----
Total revenues	69,149,070	33,483,295
	-----	-----
Operating expenses:		
Depreciation and amortization	11,501,974	5,565,088
Operating and maintenance	9,966,899	5,356,131
General and administrative	7,761,402	3,898,109
Real estate taxes	6,049,354	2,971,807
	-----	-----
Total operating expenses	35,279,629	17,791,135
	-----	-----
Interest expense (income):		
Interest expense	14,748,996	7,915,281
Interest income	728,715	478,586
	-----	-----
Net interest expense	14,020,281	7,436,695
	-----	-----
Income before minority interest	19,849,160	8,255,465
	-----	-----
Minority interest of redeemable partnership units	1,776,382	-
Minority interest of limited partners' interest in consolidated partnerships	565,731	-
	-----	-----
Net income	17,507,047	8,255,465
	-----	-----
Preferred stock dividends	-	57,721
	-----	-----
Net income for common stockholders	\$17,507,047	8,197,744
	=====	=====
Weighted average common shares outstanding	19,955,594	10,150,394
	=====	=====
Earnings per share (EPS):		
Primary EPS	\$.97	.81
	=====	=====
Fully diluted EPS	\$.89	.81
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 1997 and 1996

	1997	1996
	-----	-----
Cash flows from operating activities:		
Net income	\$17,507,047	8,170,465
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,501,974	5,565,088
Deferred financing cost amortization ...	674,326	542,880
Minority interest in redeemable partnership units	1,776,382	-
Limited partners' minority interest in consolidated partnerships	565,731	-
Equity in income of real estate partnership investments	(19,694)	(38,132)
Changes in assets and liabilities:		
Decrease(increase) in tenant receivables	736,356	(440,663)
Increase in deferred leasing commissions	(580,641)	(377,021)
Increase in other assets	(1,177,680)	(1,291,818)
Increase in tenants' security deposits	386,550	192,222
Increase in accounts payable and other liabilities	6,661,691	1,951,914
	-----	-----
Net cash provided by operating activities	38,032,042	14,274,935
	-----	-----
Cash flows from investing activities:		
Acquisition and development of real estate	(109,967,466)	(48,539,267)
Investment in real estate partnership ..	-	(881,308)
Capital improvements	(2,662,606)	(1,857,276)
Construction in progress for resale	(8,094,704)	(8,863,090)
Distributions received from real estate partnership investments	50,000	8,160
Net cash received from purchase of real estate	2,742,914	-
	-----	-----
Net cash used in investing activities ..	(117,931,862)	(60,132,781)
	-----	-----
Cash flows from financing activities:		
Net proceeds from common stock issuance	208,356,926	16,468,800
Proceeds from issuance of redeemable partnership units	2,255,140	-
Distributions to redeemable partnership unit holders	(1,710,402)	-
Distribution to limited partners in consolidated partnerships	(160,983)	-
Dividends paid to stockholders	(22,862,071)	(11,548,562)
(Repayment) or proceeds from acquisition and development line of credit	(69,870,000)	48,961,382
Proceeds from mortgage loans payable ..	14,649,706	4,900,576
Repayments of mortgage loans payable ..	(44,455,869)	(593,875)
Deferred financing costs	(564,586)	(692,515)
	-----	-----
Net cash provided by financing activities	85,637,861	57,495,806
	-----	-----
Net increase in cash and cash equivalents	5,738,041	11,637,960
	-----	-----
Cash and cash equivalents at beginning of period	8,293,229	3,401,701
	-----	-----
Cash and cash equivalents at end of period	\$ 14,031,270	15,039,661
	=====	=====

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 September 30, 1997, the Company owned 87 properties in the eastern 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"), its subsidiaries and their wholly owned or majority owned properties and 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 70% 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). Subsequent to the acquisition of Branch, the Company issued 198,626 Units to acquire the partnership interests of two outside investors that had partial interests in two properties. Limited partners' interest in consolidated partnerships of \$7,925,479 was recorded for the four partnerships with outside investors. The operations of Branch are included from the date of acquisition and contributed \$2,398,011 to net income for Common stockholders net of the minority interest of redeemable partnership units of \$1,776,382. For purposes of determining minority interest, the Company owned 32.6% of the outstanding Units in the Partnership until the approval by the Company's shareholders at its annual meeting on June 12, 1997, at which time 3,027,080 of the outstanding

Units held by Unit Holders were redeemed for Common Stock. At completion of the redemption, the Company owned approximately 88% of the outstanding Units of the Partnership.

In addition to the Branch acquisition, the Company completed the acquisition of ten shopping centers which were accounted for as purchases during the nine months ending September 30, 1997. The properties are 100% owned unless noted otherwise as follows:

Shopping Center	Location	Contract Purchase Price	Date Acquired by the Company	Company GLA
Oakley Plaza	Asheville, NC	8,057,000	03-14-97	118,727
Mariners Village	Orlando, FL	7,400,000	03-25-97	117,665
Carmel Commons	Charlotte, NC	11,210,000	03-28-97	132,647
Mainstreet Square	Orlando, FL	5,792,911	04-15-97	107,159
East Port Plaza	Port St.Lucie,FL	14,810,305	04-25-97	232,270
Hyde Park Plaza	Cincinnati, OH	42,000,000	06-06-97	374,537
Rivermont Station	Atlanta, GA	13,066,035	06-30-97	90,323
Lovejoy Station	Clayton, GA	7,057,662	06-30-97	77,336
Tamiami Trail	Miami, FL	9,301,300	07-10-97	110,867
Garden Square	Miami, FL	9,425,000	09-19-97	90,258

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.

4. Stockholders' Equity

On June 11, 1996, the Company entered into a Stockholders Agreement (the "Agreement") with SC-USREALTY granting it certain rights such as purchasing Common Stock, nominating representatives to the Company's Board of Directors, and subjecting SC-USREALTY to certain restrictions including voting and ownership restrictions. The Agreement primarily granted SC-USREALTY (i) the right to acquire 7,499,400 shares for approximately \$132 million and also participation rights entitling it to purchase additional equity in the Company, at the same price as that offered to other purchasers, each time that the Company sells additional shares of capital stock or options or other rights to acquire capital stock, in order to preserve SC-USREALTY's pro rata ownership position; and (ii) the right to nominate a proportionate number of directors on the Company's Board, rounded down to the nearest whole number, based upon SC-USREALTY's percentage ownership of outstanding Common Stock (but not to exceed 49% of the Board). As of September 30, 1997, SC-USREALTY

has acquired all of the 7,499,400 shares related to the Agreement.

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

In connection with the Units and shares of Common Stock issued in exchange for Branch's assets on March 7, 1997, SC-USREALTY 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, SC-USREALTY 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. SC-USREALTY'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 SC-USREALTY did not exercise its participation rights at the time of issuance of such Units. On August 28, 1997, SC-USREALTY acquired 1,050,000 shares at a price of 22 1/8 per share. The acquisition of the remaining 400,000 shares is anticipated by November 30, 1997.

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

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. The following summarizes the calculation of primary and fully diluted earnings per share for the quarter ended and year to date ended, September 30, 1997 (in thousands):

Primary Earnings Per Share (EPS) Calculation:	Third Quarter	Year to Date
Weighted average common shares outstanding including redeemable partnership units	25,424	19,956
	-----	-----
Net income for common stockholders	8,743	17,507
Minority interest of redeemable partnership units	173	1,776
	-----	-----
Net income for Primary EPS	8,916	19,283
	=====	=====
Primary EPS35	.97
	=====	=====
Fully Diluted Earnings Per Share Calculation:		
Primary common shares	25,424	19,956
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	1,020
The incremented shares issuable to SC-USREALTY calculated under the Treasury method related to the contingent shares issued to Branch	106	106
	-----	-----
Total fully diluted shares	26,550	21,082
	=====	=====
Required quarterly increase in income from real estate operations necessary to earn contingent shares, less applicable depreciation on increased purchase price	(154)	(416)
Net income for Primary EPS	8,916	19,283
	-----	-----
Net income for common stockholders for computation of fully diluted earnings per share	8,762	18,867
	=====	=====
Fully diluted EPS33	.89
	=====	=====

PART II

Item 1. Legal Proceedings

None

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's dated March 7, 1997 and June 6, 1997.

Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood shopping centers in targeted infill markets in the eastern United States. At September 30, 1997 the Company owned 87 properties or approximately 9.4 million square feet (SF or GLA); 53% and 27% of the GLA of the properties are located in Florida and Georgia, respectively, and 67 are grocery anchored. At September 30, 1996, the Company owned 43 properties or approximately 4.7 million SF. The Company's four largest grocery anchor tenants in order by number of leased store locations, including properties under development, are Publix Supermarkets (27), Winn-Dixie Stores (14), The Kroger Co. (6) and Harris Teeter (4).

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 included 26 shopping centers totaling approximately 2,496,921 SF (the "Branch Properties"). The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 70% to 97%) in four partnerships with outside investors that owned 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. Subsequent to the acquisition of Branch, the Company issued 198,626 Units to acquire the partnership interests of two outside investors that had partial interests in two properties. The Units are redeemable on a one-for-one basis in exchange for shares of Common Stock which was approved by the Company's shareholders at the Company's 1997 annual meeting on June 12, 1997. On June 13, 1997, 3,027,080 partnership units were converted to Common Stock. The Company and Branch agreed to the Units and shares to be issued based upon a purchase price of approximately \$78 million (initially 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 (initially 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 nine months of 1997, the Company also acquired ten shopping centers (the "1997 Acquisitions") unrelated to the Branch Properties for \$131 million (including certain budgeted capital improvements designed to improve the performance of the acquired properties) representing 1,451,789 SF. In addition to the acquisition of the Branch Properties and the 1997 Acquisitions, the Company also has six grocery anchored shopping centers under development and is redeveloping three existing shopping centers, all of which when completed in 1998, will represent a total investment of approximately \$66.2 million. During the first nine months of 1996, the Company had acquired six shopping centers totaling 706,862 square feet for \$51.6 million. Liquidity and Capital Resources

The Company's total indebtedness at September 30, 1997 and 1996 was approximately \$240 million and \$173 million, respectively, of which \$206.7 million and \$94.3 million had fixed interest rates averaging 7.4% and 7.5%, respectively. The weighted average interest rate on total debt at September 30, 1997 and 1996 was 7.4% and 7.6%, respectively. Based upon the Company's total market capitalization (total debt and the market value of equity) at September 30, 1997 of \$957 million (closing common stock price of \$26.75 per share and total common stock and equivalents outstanding of 26.8 million), the Company's debt to total market capitalization ratio was 25% vs. 41% at September 30, 1997 and 1996, respectively. Included in outstanding debt at September 30, 1997 is \$101 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 September 30, 1997, the balance of the Line was \$3.8 million after reducing the Line with the net proceeds from the sale of Common Stock in July, 1997, further discussed below, and had a variable rate of interest equal to the London Inter-bank Offered Rate ("Libor") plus 150 basis points, or approximately 7.15%.

During 1996, the Company entered into a Stock Purchase Agreement (the "Agreement") with SC-USREALTY. Under the Agreement, the Company agreed to sell 7,499,400 shares of common stock to SC-USREALTY at a price of \$17.625 per share (the fair market value of the Company's Common Stock on the date the terms of the Agreement were reached) representing total maximum proceeds of approximately \$132 million. During 1996, the Company sold 3,651,800 shares to SC-USREALTY 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. On June 26, 1997, the Company sold 2,372,422 shares to SC-USREALTY generating proceeds of approximately \$41.8 million which were used to pay down the Line, completing the issuance of common stock under the Agreement. 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.

On July 11, 1997, the Company sold 2,415,000 shares to the public at \$27.25 per share. In connection with that offering, SC-USREALTY purchased an additional 1,785,000 shares at \$27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at \$27.25 per share. Total net proceeds from the sale of common stock to the public and SC-USREALTY of approximately \$117 million were used to reduce the balance of the Line. The unused commitment currently available under the Line for future acquisition and development activity is approximately \$146.2 million.

The Company's principal demands for liquidity are dividends to stockholders, distributions to unit holders, the operation, maintenance and improvement of real estate, and scheduled interest and principal payments. The Company paid dividends and distributions of \$24.6 million and \$11.5 million to its stockholders and Unit holders during the nine months ended September 30, 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 and distributions expected to be paid by the Company during 1997 will increase substantially over 1996 due to the common stock dividend increase, the sale of common stock to US Realty, the shares and Units issued as part of the Branch acquisition, and the public offering.

As of September 30, 1997 and 1996, the Company's net cash used in investing activities was \$118 million and \$60 million, respectively, due primarily to the real estate acquisitions, developments and redevelopments previously discussed above. The Company anticipates that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements. At September 30, 1997, the Company had cash balances of \$14 million, a significant portion of which are escrows for the future payment of real estate taxes.

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 has already exceeded the 1996 level of real estate acquisitions of \$107 million and intends to continue to acquire shopping centers which meet its investment criteria. The Company expects 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 the Nine Months Ended September 30, 1997 to 1996

Revenues increased \$35.7 million or 106% to \$69.1 million in 1997. The increase is due primarily to the acquisition of the Branch Properties and the 1997 Acquisitions providing \$25.1 million in revenues in 1997, and the 1996 Acquisitions providing \$11.1 million in 1997 compared with only \$1.5 during 1996, the majority of which were owned less than three months during 1996. At September 30, 1997, the real estate portfolio contained approximately 9.4 million SF, was 93.9% leased and had average rents of \$9.26 per SF. Minimum rent increased \$25 million or 100%, and recoveries from tenants increased \$5.9 million or 108%. On a same property basis (excluding the 1997, 1996 and Branch Properties Acquisitions) revenues increased \$904 or 2.8%, primarily due to higher occupancy levels. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$6.3 million in 1997 compared to \$2.5 million in 1996, the increase due to the property management and leasing contracts acquired as part of the acquisition of Branch. At September 30, 1997, the Company managed properties for third party owners containing approximately 4.8 million SF vs. 1.2 million SF at September 30, 1996.

Operating expenses increased \$17.5 million or 98.3% to \$35.3 million in 1997. Combined operating and maintenance, and real estate taxes increased \$7.7 million or 92% during 1997 to \$16 million. The increases are due to the acquisition of the Branch Properties and the 1997 Acquisitions generating \$9.1 million in operating expenses in 1997 and the 1996 Acquisitions generating \$4.4 million in operating expenses in 1997 compared with \$491 in expenses during 1996, the majority of which were owned less than three months during 1996. General and administrative expense increased 99% during 1997 to \$7.8 million due to the hiring of new employees and related costs necessary to manage the properties recently acquired and expected to be acquired during 1997. Depreciation and amortization was 107% higher than 1996 due to the acquisition of the Branch Properties and the 1997 and 1996 Acquisitions.

Interest expense increased to \$14.7 million in 1997 from \$7.9 million in 1996 or 86% due primarily to increased average outstanding loan balances as previously discussed. Net income for common stockholders was \$17.5 million or \$.97 per share in 1997 vs. \$8.2 million or \$.81 per share in 1996.

Comparison of the Three Months Ended September 30, 1997 to 1996

Revenues increased \$14.8 million or 123% to \$26.8 million in 1997. The increase is due primarily to the acquisition of Branch Properties and the 1997 Acquisitions providing \$12.1 million in revenues in 1997, and the 1996 Acquisitions providing \$3.7 million in 1997 compared with only \$1.3 million in 1996, the majority of which were owned less than three months during 1996. Minimum rent increased \$10.5 million or 118%, and recoveries from tenants increased \$2.4 million or 122%. On a same property basis (excluding the 1997, 1996 and Branch Properties Acquisitions) revenues increased \$211 or 2%. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$2.6 million in 1997 compared to \$991 in 1996, the increase due to the property management and leasing contracts acquired as part of the acquisition of Branch.

Operating expenses increased \$7.2 million or 114% to \$13.4 million in 1997. Combined operating and maintenance expense and real estate taxes increased \$3.5 million or 117% during 1997 to \$6.5 million. The increase is due primarily to the acquisition of the Branch Properties and the 1997 Acquisitions generating \$4.6 million in operating expenses in 1997 and the 1996 Acquisitions producing \$1.5 million in operating expenses in 1997 compared with \$440 during 1996, the majority of which were owned less than three months during 1996. General and administrative expense increased 97% during 1997 to \$2.5 million for the same reasons discussed above. Depreciation and amortization was 121% higher than 1996 due to the acquisition of the Branch Properties and the 1997 and 1996 Acquisitions.

Interest expense increased to \$4.5 million in 1997 from \$2.9 million in 1996 or 54% due primarily to increased average outstanding loan balances as discussed above. Net income for common stockholders was \$8.7 million or \$.35 per share in 1997 vs. \$3.0 million or \$.28 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 income producing 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 for the nine months ended September 30 increased \$16.6 million or 121% from 1996 to 1997 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the periods ended September 30, 1997 and 1996 are summarized in the following table:

	1997	1996
	-----	-----
Net income for common stockholders	\$17,507	8,198
Add back:		
Real estate depreciation and amortization, net Minority interests in net income of redeemable operating partnership units	11,090	5,557
	1,776	0
	-----	-----
Funds from operations	\$30,373	13,755
	=====	=====
Cash flow provided by (used by):		
Operating activities	\$38,032	14,275
Investing activities	(117,932)	(60,133)
Financing activities	85,638	57,496
Weighted average shares outstanding	19,956	10,150
	=====	=====

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, 37% 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 38% 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. The Company had one tenant which leased four stores that filed bankruptcy. The total rents from this tenant represented less than 1% of the Company's total rent, and the Company had previously reserved for these amounts.

At September 30, 1997 approximately 9.7%, 4.8%, 3.1% and 2.6% of the Company's annualized total rent is received from Publix, Winn-Dixie, Kroger, and Harris Teeter, 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.

Item 6. Exhibits and Reports on Form 8-K

10. Material Contracts:

- (a) Purchase and Sale Agreement, dated May 12, 1997 between Quantum Realty Partners, L.P., a Delaware limited partnership, as Sellers, and RRC Acquisitions, Inc., a Florida corporation and wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Tamiami Trail Shopping Center.
- (b) Amendment to Purchase and Sale Agreement, dated July 11, 1997 between Quantum Realty Partners, L.P., a Delaware limited partnership, as Sellers, and RRC Acquisitions, Inc., a Florida corporation and wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Tamiami Trail Shopping Center.
- (c) Purchase and Sale Agreement, dated July 9, 1997 between Miami Garden Associates, a New Jersey general partnership, as Sellers, and RRC Acquisitions, Inc., a Florida corporation and wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Garden Square Shopping Center.
- (d) Purchase and Sale Agreement, dated September 19, 1997 between TBC Kingsdale, Inc. a Massachusetts corporation, as Sellers, and RRC Acquisitions, Inc., a Florida corporation and wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Kingsdale Shopping Center.
- (e) Amendment to Purchase and Sale Agreement, dated October 1, 1997 between TBC Kingsdale, Inc. a Massachusetts corporation, as Sellers, and RRC Acquisitions, Inc., a Florida corporation and wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Kingsdale Shopping Center.

B. Reports on Form 8-K:

None

27. Financial Data Schedule

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.

Date: November 13, 1997

REGENCY REALTY CORPORATION

By: /s/ J.Christian Leavitt
Vice President, Treasurer
and Secretary

PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT, dated as of May 12, 1997 (this "Agreement"), by and among Quantum Realty Partners, L.P., a Delaware limited partnership ("QRP" or the "Majority Seller") and the parties identified on Schedule I and Schedule II attached hereto (the "99 Sellers") (QRP and the 99 Sellers shall be referred to collectively as the "Sellers") and RRC ACQUISITIONS, INC. a Florida corporation or its assignee (the "Buyer").

PRELIMINARY STATEMENT

WHEREAS, as of the Closing Date, (i) QRP and the 99 Sellers shall own all of the capital stock in New Tamtrail Corp., a Delaware corporation, which is qualified as a real estate investment trust (the "REIT") and (ii) the REIT shall own the Tamiami Trail Shops shopping center located in Miami, Florida (the "Property" as more fully defined herein); and

WHEREAS, subject to the terms and conditions hereof, Buyer desires to purchase on the Closing Date, and QRP and the 99 Sellers desire to sell to Buyer on the Closing Date, all of the capital stock of the REIT;

NOW, THEREFORE, in consideration of the respective representations, warranties and covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE TRANSACTION

1.1 Purchase and Sale of Shares. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, and for the consideration specified in Section 1.2 below, QRP and the 99 Sellers shall sell, convey, assign, transfer and deliver ("Sell") to Buyer, and Buyer shall purchase, acquire and accept ("Purchase") from QRP and the 99 Sellers, all of the shares of capital stock of the REIT (collectively, the "Shares").

1.2 Purchase Price.

1.2.1 Payment of Purchase Price. Buyer agrees to pay to the Sellers on the Closing Date in consideration of its Purchase of the Shares the sum of Nine Million, Four Hundred Thousand Dollars (\$9,400,000.00) (the "Purchase Price"), subject to adjustment as provided in Section 1.3 hereof. The Purchase Price shall be allocated among the Sellers as set forth on Exhibit A attached hereto, subject to adjustment as provided in

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Section 1.3 hereof. Payment of the Purchase Price shall be in U.S. dollars, and shall be made by wire transfer of immediately available funds to an account or accounts of the Sellers at a bank or banks specified by the Sellers in writing on or prior to the Closing Date.

1.2.2 Deposit and Application of Deposit. (a) Immediately upon the execution and delivery of this Agreement by all of the parties hereto (the "Effective Date"), the Majority Seller shall deliver to TitleServ-NY, 9 West 57th Street, New York, New York 10019 (the "Escrow Agent") a copy of this Agreement. Within forty-eight (48) hours after the Effective Date, Buyer shall deposit with the Escrow Agent the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) by wire transfer of immediately available federal funds (the "Initial Deposit"). On or before the expiration of the Inspection Period (assuming that Buyer has not elected to terminate this Agreement in accordance with Section 9.1 hereof) Buyer shall deposit an additional sum (the "Additional Deposit") of One Hundred Thousand and No/100 Dollars (\$100,000.00), which sum shall augment and become a part of the Initial Deposit (the Initial Deposit and the Additional Deposit, as and when deposited, as and when released to the Majority Seller on behalf of the Sellers, herein called the "Deposit"). As used herein, the term "Deposit" shall mean the Deposit plus any interest accrued thereon while held by the Escrow Agent.

(b) The Escrow Agent shall deposit the Deposit into an interest-bearing money market account maintained at a national bank acceptable

to Buyer located in New York, New York. Such account shall have no penalty for early withdrawal, and Buyer accepts all risks with regard to the account, specifically including the risk of closure of such bank by state and/or federal regulators, and all losses occasioned thereby. If any portion of the Initial Deposit is not deposited with the Escrow Agent or if Buyer fails to deposit the Additional Deposit with the Escrow Agent, in each case, in a timely manner, Buyer shall be deemed to have terminated this Agreement under Section 9.1, and the provisions of Section 9.1 hereof shall apply.

(c) At the Closing, the Deposit shall be released to the Majority Seller on behalf of the Sellers, and the Deposit shall be credited against the Purchase Price. If the Closing does not occur, the Deposit shall be held and delivered by the Escrow Agent as set forth in Article IX. All interest earned shall be reported to the Internal Revenue Service as income of the party ultimately entitled to the Deposit. Seller and Buyer, as appropriate, shall promptly execute all forms reasonably requested by the Escrow Agent, including, without limitation, Form W-9 and any necessary investment direction letters.

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1.3 Purchase Price Adjustments. The Purchase Price shall be reduced by Buyer's reasonable transaction costs up to the amount of Twenty Thousand Dollars (\$20,000.00) and shall be further adjusted (a) in accordance with this Section 1.3, (b) taking into account Section 11.9, (c) by the results of the apportionments in Section 11.13 and (d) taking into account Section 11.14. The following shall be apportioned between the Sellers and Buyer as of Eleven Fifty-Nine o'clock P.M. (11:59 P.M.) on the day immediately preceding the Closing Date (the "Adjustment Date"):

1.3.1 Real estate taxes, sewer rents and taxes, water rates and charges other than those pursuant to clause 1.3.2 below, vault charges and taxes, and any other governmental taxes and charges levied or assessed against the Property (collectively, the "Property Taxes"), on the basis of the respective periods for which each is assessed or imposed, shall be apportioned in accordance with Section 1.3.7 hereof;

1.3.2 If there are water meters on the Property, the unfixed water rates and charges and sewer rents and taxes covered by meters, if any, shall be apportioned (i) on the basis of an actual reading done on or immediately prior to the Adjustment Date, or (ii) if such reading has not been made, on the basis of the last available reading. If the apportionment is not based on an actual current reading, then upon the taking of a subsequent actual reading, such apportionment shall be readjusted and the Majority Seller or Buyer, as the case may be, shall promptly deliver to the other the amount determined to be due upon such readjustment;

1.3.3 Charges for electricity, steam, gas and any other utilities (collectively, "Utilities") made by the utility companies servicing the Property shall be apportioned in accordance with Section 1.3.8 hereof, and transferable utility deposits, if any, shall be credited in favor of the Sellers and shall increase the Purchase Price accordingly. All amounts refundable under unassigned or unassignable utility agreements shall remain the property of the Sellers;

1.3.4 Fuel, if any, shall be apportioned as estimated by the supplier of fuel to the Partnership as of the Effective Date and the REIT's supplier as of the Closing Date, at current cost, together with any sales taxes payable in connection therewith, if any. A letter from the Partnership's (or the REIT's, as the case may be) fuel supplier shall be conclusive evidence as to the quantity of fuel on hand and the current cost therefor;

1.3.5 Service contracts shall be apportioned to the Adjustment Date;

1.3.6 All rents and other charges and concessions and license fees (collectively, "Rents") received under the Leases received for the month in which the Closing occurs shall be prorated between the Buyer and the Sellers and all other Rents shall be adjusted in accordance with the provisions of Section 11.13 hereof;

1.3.7 Property Taxes shall be apportioned on the basis of the fiscal period for which assessed. If the Closing Date shall occur either before an assessment is made or a tax rate is fixed for the tax period in which the Closing Date occurs, the apportionment of such Property Taxes based thereon shall be made at the Closing Date by applying the tax rate for the preceding year to the latest assessed valuation, but, after the assessment and/or tax rate for the current year are fixed, the apportionment thereof shall be recalculated and the Majority Seller or Buyer, as the case may be, shall make an appropriate payment to the other based on such recalculation and such payment shall be treated as a Purchase Price adjustment. Buyer shall provide to the Majority Seller written evidence of such assessment and/or tax rate for the current year within ten (10) days of Buyer's receipt of same. The apportionment thereof shall be recalculated and the Majority Seller or Buyer, as the case may be, shall promptly make an appropriate payment to the other based on such recalculation within said ten (10) day period, in no event, however, shall such recalculation and payment be made later than December 31, 1997;

1.3.8 Utilities shall be apportioned (i) on the basis of actual current readings, or (ii) if such readings have not been made, on the basis of the most recent bills that are available. If any apportionment is not based on an actual current reading, then Buyer shall within thirty (30) days from Closing have an actual reading done and deliver the written results of same to the Majority Seller. Upon the receipt of such subsequent actual reading by the Majority Seller, the apportionment shall be readjusted and the Majority Seller or Buyer, as the case may be, shall promptly deliver to the other the amount determined to be due upon such readjustment; and

1.3.9 Costs associated with Tax protests shall be apportioned over the applicable Tax period being challenged.

The provisions of this Section 1.3 shall survive the Closing Date, provided that notice of any claim for adjustment hereunder must be provided to the other party prior to the later to occur of (x) ninety (90) days after Buyer delivers to the Majority

Seller a detailed adjustment reconciliation (taking into account Rents, Tenant Receivables and all other apportioned items as provided in this Section 1.3 and Section 11.13) reasonably acceptable to the Majority Seller and (y) the six (6) month anniversary of the Closing Date. All amounts which are the subject of the reconciliation shall be offset against amounts owed to either the Sellers or Buyer to result in a net number to either the Majority Seller or Buyer.

1.4 Closing. (a) The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Stewart Title Insurance Company in Jacksonville, Florida, or at another place, mutually agreed upon by the parties hereto, at a time mutually agreed upon no later than thirty (30) days following the expiration of the Inspection Period (the "Closing Date").

(b) At the Closing, the following certificates, documents, instruments and agreements (the "Closing Documents") shall be executed and/or delivered, subject to the terms of this Agreement, by the parties as set forth below:

(i) Contribution Agreement. The "Contribution Agreement" by and between the REIT and QRP with regard to QRP's contribution of its 1 percent (1%) limited partnership interest in the Partnership in exchange for REIT Shares shall have been executed and delivered by the parties thereto.

(ii) Shares and Stock Powers. Each Seller shall effect the Sale of the Shares owned by such Seller by delivering to Buyer such documents of transfer as are reasonably necessary to effect the transfer of such Shares to the Buyer, including, duly executed stock powers, and, with regard to certificated Shares, the certificates evidencing the Shares.

(iii) Purchase Price. Buyer shall deliver the Purchase Price to the Sellers, subject to adjustment as set forth in Sections 1.3 and subject to the release of the Deposit as set forth in Section 1.2.2.

(iv) Consents. The consents of any Persons whose consent is required for the consummation of the transactions contemplated hereby shall be delivered by the Majority Seller or Buyer, as the case may be, in form and substance reasonably satisfactory to the other party, except as set forth herein.

(v) Certain Deliveries by the Majority Seller. The Majority Seller shall deliver to Buyer copies of the REIT's charter documents, currently certified by the Secretary of State of the State of Delaware and a certificate of the Secretary of the REIT, certifying that attached thereto is a true and correct copy of the REIT's bylaws. The Majority Seller shall also

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deliver to Buyer all files, documents, records, reports, plans and specifications, certificates of occupancy, title policies, surveys, warranties, and agreements which have not previously been delivered to Buyer that are at the time of the Closing in the possession of the Majority Seller relating to the REIT and/or the Property.

(vi) Deliveries QRP With Regard to Due Authorization. QRP shall deliver to Buyer a current certificate of the Secretary of such Seller or similar appropriate document certifying as to (x) the due and authorized execution, delivery and performance of this Agreement and each other document, instrument or agreement executed by QRP in connection with this Agreement and (y) the incumbency of those officers or other representatives of QRP executing any documents or instruments in connection with the transactions contemplated herein.

(vii) Conditions to Assignment of Purchase Agreement; Deliveries by Buyer With Regard to Due Authorization. Buyer shall deliver to the Majority Seller, on behalf of the other Sellers, an "Assignment of Purchase Agreement" executed and delivered by Buyer and Buyer's assignee ("Buyer's Assignee"), pursuant to which Buyer shall assign all of its rights and obligations under this Agreement and any documents or instruments in connection with the transactions contemplated herein, and Buyer's Assignee shall assume all such rights and responsibilities, which Assignment of Purchase Agreement shall be in form and substance satisfactory to the Majority Seller. By the end of the Inspection Period, Buyer shall either (A) provide the Majority Seller and Majority Seller's tax counsel with a certificate executed by the general partner of Buyer's Assignee substantially in the form attached hereto as Exhibit E which certificate shall be reasonably acceptable to the Majority Seller or (B) assist the Majority Seller's tax counsel in making its own determination regarding whether the acquisition by Buyer's Assignee of the Shares of the REIT will cause the REIT to be considered "closely held" for purposes of Section 856(a) (6) of the Code. The Majority Seller's tax counsel, in its sole discretion, shall determine whether Buyer has complied with clause (B) above. In the event that Buyer does not comply with clause (A) of this Section 1.4(vii) to the reasonable satisfaction of the Majority Sellers tax counsel, or clause (B) of this Section in the Majority Seller's tax counsel's sole discretion (acting on good faith) then either Buyer or the Majority Seller may elect to terminate this Agreement and the Deposit shall be returned to Buyer in accordance with Section 9.7. Buyer shall deliver to the Majority Seller a certificate of its Secretary certifying as to (x) the resolutions of its board of directors and the board of directors of the general partner of Buyer's Assignee authorizing the execution, delivery and performance of this Agreement, the Assignment of Purchase Agreement and each other document, instrument or agreement

executed by Buyer in connection with this Agreement and (y) the incumbency of those officers of Buyer and Buyer's Assignee executing any documents or instruments in connection with the transactions contemplated herein and (z) Buyer's Assignees's authority to take title to the shares. An assignment of Buyer's rights and obligations under this Agreement shall not be deemed valid and effective unless Buyer shall have performed all actions and delivered all documents required under this Section 1.4(vii).

(viii) Resignations of REIT directors and officers. The Majority Seller shall deliver to Buyer written resignations of all of the directors, officers, employees, agents and, to the extent possible, contractors, of the REIT.

(ix) Special Warranty Deed. The Majority Seller shall cause the REIT to cause the Partnership to deliver a Special Warranty Deed of the Property to the REIT simultaneous with the contribution of QRP's interest in the Partnership to the REIT.

(x) Other Documents and Instruments. Buyer and the Majority Seller shall each deliver such other certificates, documents, instruments and agreements as either Buyer or Majority Seller, as the case may be, shall deem reasonably necessary in order to effectuate the transactions contemplated herein in form and substance reasonably satisfactory to the party requesting the same.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF EACH OF THE SELLERS

Each Seller hereby represents and warrants to Buyer as of the Effective Date, and also as of the Closing Date as referenced herein, as follows:

2.1 Ownership of Shares; Title. Upon execution and delivery of the Contribution Agreement, such Seller will be the owner of record and beneficially of the Shares identified as owned by such Seller on Schedule 2.1 hereto. Except as set forth on Schedule 2.1, on the Effective Date and the Closing Date, there are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of the Shares to which such Seller is a party or bound. Except for this Agreement, on the Closing Date there will be no outstanding warrants, options, rights or agreements of any kind to acquire from such Seller any Shares owned by such Seller.

2.2 Authority. Such Seller has all requisite authority and power to execute and deliver this Agreement, to

Sell its Shares in accordance with the terms and subject to the conditions of this Agreement, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate or partnership action and no other proceedings on the part of such Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by such Seller or on behalf of such Seller by such Seller's authorized attorney-in-fact and, assuming this Agreement has been duly authorized, executed and delivered by the other parties hereto, constitutes a valid and binding agreement of such Seller, enforceable against such Seller in accordance with its terms.

2.3 Consents and Approvals; No Violations. No filing with, and no permit, authorization, consent or approval of, any Governmental Authority or any other party is required to be obtained by such Seller for the consummation of the transactions contemplated by this Agreement, except for the acknowledgement of Lender, the receipt of which by the Partnership and the REIT shall be a condition precedent to the Closing, as set forth in Article VII hereof, subject, however, to the Majority Seller's obligations under Section 5.8 hereof, and Buyer's reimbursement rights under Section 9.3 hereof. Assuming the receipt of such acknowledgement as aforesaid, except as set forth on Schedule 2.3, neither the execution and delivery of this Agreement by such Seller nor the consummation by such Seller of the transactions contemplated hereby nor compliance by such Seller with any of the provisions hereof will (i) conflict with or result in any breach of any provision of the organizational documents of such Seller; (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any indenture, license, contract, agreement or other instrument or obligation to which such Seller is a party or by which such Seller or any of its properties or assets may be bound; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to such Seller, or any of such Seller's properties or assets.

2.4 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE II AND ARTICLE III OF THIS AGREEMENT AND IN THE CLOSING DOCUMENTS, SUCH SELLER MAKES NO REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE MAJORITY SELLER

The Majority Seller represents and warrants to Buyer as of the Effective Date, and also as of the Closing Date as referenced herein, as follows:

3.1 Organization; Etc. (a) As of the Effective Date, the Partnership is a single-purpose limited partnership duly organized, validly existing and in good standing under the laws of the state of Delaware and has all requisite power and authority to carry on the business conducted by it as now conducted, and the REIT is a corporation, duly organized, validly existing and in good standing under the laws of the state of Delaware and has all requisite power and authority to carry on the business conducted by it as now conducted, and upon consummation of the transactions contemplated herein, the REIT will have all requisite power and authority to own, lease and operate the Property.

(b) As of the Effective Date, each of the Partnership and the REIT are duly qualified or licensed and in good standing to do business as a foreign limited partnership or foreign corporation in each jurisdiction in which such qualification is required, and as of the Closing Date the REIT will continue to be so duly qualified or licensed, and there are no other jurisdictions in which the Partnership's or the REIT's ownership of property or conduct of business requires such qualification.

(c) QRP is duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.2 Ownership of the Shares and the Partnership; the Property.

(a) As of the Closing Date, all of the Shares will comprise one hundred percent (100%) of the outstanding capital stock of the REIT and will be owned by the Sellers free and clear of any Lien, restriction or claim of every kind and nature whatsoever. The consummation of the Sale of the Shares will convey to Buyer good and marketable title to all Shares free and clear of all Liens. Except as set forth on Schedule 3.2, on the Effective Date, the REIT and QRP have good and marketable title to all of the partnership interests in the Partnership, free and clear of any Liens, restrictions and claims of every kind and nature whatsoever. There are no rights, options, convertible or exchangeable instruments or interests or commitments, agreements, arrangements or undertakings of any kind to which the Partnership is a party or by which the Partnership is bound obligating the Partnership to issue, deliver, sell or create, or cause to be issued, delivered, sold or created, additional equity interests in the Partnership or obligating the Partnership to issue, grant,

extend or enter into any such right, option, convertible or exchangeable instrument or interest or commitment, agreement, arrangement or undertaking. There are no outstanding contractual obligations of the Partnership to repurchase, redeem or otherwise acquire any equity interests in the Partnership.

(b) As of the Closing Date, the total authorized capital stock of the REIT is comprised of 4,000 shares of Class A Common Stock and 1,000 shares of Class B Common Stock of which there are 2020.20729 Class A Shares and 99 Class B shares issued and outstanding. There are no other authorized or outstanding classes of stock or debt which may be converted into the capital stock of the REIT.

(c) To the extent required by law, the Property has a valid certificate of occupancy for all Improvements therein.

(d) To the Best of Knowledge of the Majority Seller, none of the Sellers, the Partnership or the REIT has received written notice that there is any violation of a condition or agreement contained in any easement, restrictive covenant or any similar instrument or agreement affecting the Property or any portion thereof.

(e) The Sellers have not retained anyone to file notices of protest against, or to commence actions to review, real property tax assessments against the Property, and are not aware that any such action has been taken by or on behalf of any other party.

3.3 Affiliate Transactions. Any arrangements, contracts, understandings, agreements or transactions (whether written or oral) in existence between the Partnership or the REIT, on the one hand, and the Sellers or any of their respective Affiliates, on the other hand (each, an "Affiliate Transaction," and, together, the "Affiliate Transactions") shall terminate upon or prior to the Closing.

3.4 Title to Assets. (a) The assets of the Partnership, and, upon the consummation of the transactions contemplated hereby, the assets of the REIT will, consist solely of the Partnership's or the REIT's (as the case may be) respective right, title and interest in and to the following (collectively, the "Assets") and no other assets:

(A) the Property described in Exhibit B (and the rights appurtenant to the Property);

(B) other than tenant owned or leased (other than from Seller) fixtures and equipment, all Improvements and Fixtures;

(C) all personal property located on or used in connection with the Property;

(D) all Licenses;

(E) all Leases;

(F) all service contracts and agreements (including, without limitation, the Material Contracts).

Except for cash required to liquidate accounts payable which are not otherwise pro rated in accordance with Section 1.3 above, all cash in bank accounts or on hand owned by the Partnership or the REIT shall be distributed to the Sellers immediately prior to the Closing and shall not be deemed "Assets." In addition, all insurance refunds, utility deposits and all other prepaid items which are capable of being refunded on cancellation of a contract shall not be deemed "Assets" and shall be distributed to the Sellers immediately prior to the Closing.

(b) The Partnership and the REIT have not transferred or agreed to transfer any development, mineral excavation or air rights pertaining to the Property, nor do the Sellers have any knowledge of such transfer or agreement to transfer by any former owner of the Property.

3.5 Tax Matters. Except as set forth on Schedule 3.5:

(a) The Partnership and the REIT have each complied with all Laws relating to the payment and withholding of Taxes and have, within the time and the manner prescribed by law, withheld and paid over to the proper Governmental Authorities all amounts required to be so withheld and paid over under applicable Laws (including any recordation, transfer, stamp or other tax on the Transfer of the Property from the Partnership to the REIT). The Partnership and the REIT have filed all federal, state, local and other Tax Returns and reports with the appropriate Governmental Authorities required to be filed by them. There are no unpaid Taxes arising from the operation of the REIT's or the Partnership's business during any period prior to the Closing Date for which the REIT or the Partnership will become liable or which will become a lien against the Property following the Closing.

(b) As of the date hereof, the Partnership is classified as a partnership under United States federal income tax law. The REIT is, and as of the Closing Date will be, classified as a real estate investment trust under United States federal income tax law.

(c) The Tax Returns of the Partnership and the REIT have not been audited by the Internal Revenue Service, or by the

Tax authorities of any state, county, local or other jurisdiction. Neither the Partnership nor the REIT has received from the Internal Revenue Service or from the Tax authorities of any state, county, local or other jurisdiction (i) any notice of underpayment of Taxes or other deficiency which has not been paid, (ii) any objection to any Tax Return or report filed by the Partnership or the REIT, nor (iii) any notice of audit with respect to any Tax. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax Return or report filed by either the Partnership or the REIT.

(d) None of the Sellers are nonresident alien individuals or foreign corporations for purposes of Sections 897 or 1445 of the Code.

(e) The REIT has had, and as of the Closing Date will have, at least 100 beneficial owners (within the meaning of Section 856(a)(5) of the Code) during each day of its taxable year that began before the Closing Date.

(f) The REIT has not made any elections under Notice 88-19, 1988-1 C.B. 486.

(g) The REIT is not the result of a merger, consolidation or reorganization with any other entity.

(h) As of the Closing Date, the earnings and profits of the REIT will be an amount at least equal to the amount of the REIT's real estate investment trust taxable income (as defined in Section 857 (b)(2) of the Code), but neither the earnings and profits of the REIT, nor the REIT's real estate investment trust taxable income for the portion of the taxable year of the REIT that began before the Closing and ending as of the Closing, will exceed \$150,000.

(i) The REIT has qualified as a real estate investment trust in accordance with Sections 856 through 860 of the Code for all taxable years that the REIT has been in existence.

3.6 Material Contracts. (a) Schedule 3.6(a), which shall be updated to the Closing Date to the extent necessary, sets forth a list of all Material Contracts to which the Partnership or the REIT is a party as of the Effective Date, and as updated as of the Closing Date, in each case, as the case may be.

(b) The Majority Seller has made available to Buyer copies of all Material Contracts in existence as of the Effective Date and shall make available to Buyer any Material Contracts entered into after the Effective Date prior to the Closing Date. Except as set forth on Schedule 3.6(b), all of the Material

Contracts are valid, binding and enforceable obligations of the Partnership or the REIT, as applicable, and the Partnership and the REIT are not, and to the Best of Knowledge of the Majority Seller, the other party thereto is not, in breach of or default under any such Material Contract.

(c) Except as set forth on Schedule 3.6(c), all Material Contracts are terminable upon thirty (30) days' notice without payment of a material penalty.

3.7 Litigation. Except as set forth on Schedule 3.7, which shall be updated to the Closing Date to the extent necessary, to the Best of Majority Seller's Knowledge, there are no legal actions, suits, claims, administrative, arbitration or other proceedings or governmental investigations (collectively, "Actions") pending or threatened against any of the Partnership, the REIT or the Sellers with respect to the Property or its ownership of the REIT (or any officer, director or agent thereof in their capacity as such) or the Property, at law or in equity, or before any Governmental Authority.

3.8 Employee Benefit Plans; ERISA. (a) Neither the Partnership nor the REIT maintains, sponsors, participates in or contributes to any Plan (within the meaning given in ERISA ss. 3(3)). Neither the Partnership nor the REIT is a party to, and none of their employees are subject to, any collective bargaining agreements.

(b) Except as set forth in Schedule 3.8, which shall be updated to the Closing Date to the extent necessary, neither the Partnership nor the REIT has any employment or consulting agreements or understandings (whether written or oral) with any Person.

(c) Except as set forth in Schedule 3.8, there are no outstanding loans or advances to any employees or Affiliates of the Partnership or the REIT.

3.9 Labor Relations; Employees. (a) There is no labor strike, slowdown, lockout, work stoppage, arbitration, lawsuit or administrative proceeding relating to labor or employment matters, or other labor dispute pending, threatened against the Partnership, the REIT or the Property (collectively, "Labor Disputes"); (b) there is no unfair labor practice charge or other proceeding involving the Partnership or the REIT pending or threatened before the National Labor Relations Board or any similar state or foreign agency; (c) there are no current union organizing activities among employees of the Partnership or the REIT and no union claims to represent them; (d) there are no written personnel policies, rules or procedures applicable to employees of the Partnership or the REIT; and (e) the Partnership and the REIT are in compliance with all applicable Laws relating

to the employment of labor, including all such Laws relating to wages and hours, labor relations, civil rights, safety and health, workers' compensation. Except as set forth on Schedule 3.9, which shall be updated to the Closing Date to the extent necessary, there are no employees of the Partnership or the REIT.

3.10 Environmental Compliance. Except as set forth in Schedule 3.10, which shall be updated to the Closing Date to the extent necessary, there is no work currently being performed at the Property in order to bring the Property into compliance with Environmental Laws. To the best of the Majority Seller's Knowledge, the Property is in compliance with all Environmental Laws.

3.11 Insurance. (a) Schedule 3.11, which shall be updated to the Closing Date, to the extent necessary, sets forth a true and complete list of each insurance policy issued to or for the benefit of the Partnership or the REIT (the "Insurance Policies") that is maintained by the Partnership or the REIT as of the Effective Date or the Closing Date, as the case may be, or was maintained by the Partnership at any time during the last two years preceding the date of this Agreement.

(b) No party to any insurance policy has repudiated, or given written notice to the REIT or the Partnership, as applicable, of an intent to repudiate, any provision thereof.

3.12 Notice of Assessments, Reassessments. To the Best of the Majority Seller's Knowledge, as of the Effective Date and the Closing Date, neither the REIT nor the Partnership has or shall have received written notice of any special assessments or reassessments affecting the Property except for such notices that the Majority Seller shall have forwarded to Buyer.

3.13 Brokers and Finders. Except for the Broker, none of the Sellers, the REIT or the Partnership have employed or retained any broker or finder, nor incurred any liability for any investment banking fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement, and except as set forth on Schedule 3.13, no brokerage, leasing or other commissions or other compensation or other fees are payable (or may become payable) in connection with the Leases.

3.14 Organizational Documents. Schedule 3.14 identifies each document pursuant to which each of the Partnership and the REIT is organized and governed, including all certificates of limited partnership and agreements of limited partnership and all amendments thereto and all other agreements among any record or beneficial owners of interests in such entities (collectively, the "Organizational Documents"). As of the Effective Date, the Organizational Documents are in full

force and effect, and as of the Closing Date, the Organizational Documents of the REIT shall continue to be in full force and effect, and true and complete copies of all the Organizational Documents have been made available by the Majority Seller to the Buyer. As of the Effective Date, neither the Partnership nor the REIT, nor any partner of the Partnership is in default of any of its obligations under the Organizational Documents, and no event has occurred or is continuing, and no condition exists, which, with the passage of time or the giving of notice or both, would constitute a default by any such entity.

3.15 Licenses. All Licenses affecting the Property or the Partnership are listed in Schedule 3.15, which shall be updated to the Closing Date to the extent necessary. True and correct copies of all Licenses as of the Effective Date have been made available by the Majority Seller to the Buyer, and any Licenses affecting the Property that are issued after the Effective Date prior to the Closing Date shall be made available by the Majority Seller to Buyer. Such Licenses are in full force and effect, the Partnership has taken no action that would (or failed to take any action the omission of which would) result in the revocation of such Licenses and none of the Majority Seller, the Partnership or the REIT has received any written notice of violation from any Governmental Authority or notice of an intention by any such Governmental Authority to revoke any certificate of occupancy or other License issued by it in connection with the use and operation of any Property, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority.

3.16 Indebtedness. Schedule 3.16, which shall be updated to the Closing Date to the extent necessary, sets forth an accurate description of each line of credit, loan agreement or other financing arrangement of the Partnership and the REIT, whether with banks, financial institutions or other Persons. Except as set forth on Schedule 3.16, as of the Effective Date, neither the Partnership nor the REIT has (i) any Indebtedness outstanding or (ii) given any guaranty, indemnity, comfort letter or other assurance of payment or security of any nature for, or otherwise agreed to or may become directly or contingently liable for, any obligation of any other Person. As of the Closing Date, the REIT shall not have (i) any Indebtedness outstanding or (ii) given any guaranty, indemnity, comfort letter or other assurance of payment or security of any nature for, or otherwise agreed to or may become directly or contingently liable for, any obligation of any other Person, except as set forth on Schedule 3.16, with respect to which Indebtedness, the covenant set forth in Section 5.8 shall apply.

3.17 Absence of Inducement. In entering into this Agreement, the Sellers have not been induced by, or relied upon, any representations, warranties or statements by Buyer not set

forth in this Agreement or any Closing Document, whether or not such representations, warranties or statements have actually been made, in writing or orally, and the Sellers acknowledge that, in entering into this Agreement, Buyer has been induced by and relied upon the representations and warranties of the Sellers herein and therein set forth.

3.18 No Unpaid Bills. To the Best of the Majority Seller's Knowledge, there are no unpaid bills for labor, services or work performed or rendered upon the Property, or for materials or supplies furnished or delivered to the Property, which could result in the filing of mechanics or materialman or laborers liens upon the Property except for labor, services or work contracted, performed or rendered in the ordinary course of business.

3.19 No Notice of Condemnation. The Majority Seller has received no notice of any pending or threatened condemnation, taking or similar proceeding affecting the Property or any portion thereof, or any pending public improvements in or about any portion of the Property which could result in a special assessment or any reassessments against or affecting any of the Property.

3.20 Leases and Tenants. The copies of the Leases, the Property's tenants and dates of Leases and amendments thereto, delivered or made available to Buyer are true, accurate and complete in all material respects and there are no other agreements with the tenants which have not been delivered to Buyer.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Sellers as follows:

4.1 Organization; Etc. Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Florida.

4.2 Authority. Buyer has all requisite authority and power to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite partnership action on the part of Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered

by Buyer and, assuming this Agreement has been duly authorized, executed and delivered by the Sellers, constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms.

4.3 Consents and Approvals; No Violations. No filing with, and no permit, authorization, consent or approval of any public body or governmental authority is necessary for the consummation of the transactions contemplated by this Agreement. Neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (i) conflict with or result in any breach of any provision of the organizational documents of Buyer; (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any indenture, license, contract, agreement or other instrument or obligation to which Buyer is a party or by which Buyer or any of its properties or assets may be bound; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer, or any of Buyer's properties or assets.

4.4 Brokers and Finders. Buyer has not employed or retained any investment banker, broker or finder or incurred any liability for any investment banking fees, brokerage fees, commissions or finders, fees in connection with the transactions contemplated by this Agreement.

4.5 Investment Intent. Buyer acknowledges that the Shares have been offered and will be sold to Buyer pursuant to an exemption from registration under the Securities Act and all applicable state securities laws. Buyer is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act and is Purchasing the Shares for investment purposes and has no present intent to distribute, resell, pledge or otherwise dispose of any of such Shares, except as contemplated herein with respect to Buyer's Assignee. Buyer has had the opportunity to review such documents and to ask such questions of Majority Seller on behalf of itself and the other Sellers, as Buyer has deemed pertinent to its decision to invest in the Shares. Buyer is fully capable of assessing the risks associated with ownership of the Shares.

4.6 Litigation. There is no litigation, arbitration, claim, governmental or other proceeding or investigation pending or, to the actual knowledge Buyer, threatened, by or against or affecting or relating to Buyer, which, if adversely determined, would (a) restrain or enjoin the consummation of the transactions contemplated by this Agreement, (b) declare unlawful the

transactions or events contemplated by this Agreement, or (c) cause any of such transactions to be rescinded.

4.7 Absence of Inducement. In entering into this Agreement, Buyer has not been induced by, or relied upon, any representations, warranties or statements by the Sellers not set forth in this Agreement or any Closing Document, whether or not such representations, warranties or statements have actually been made, in writing or orally, and Buyer acknowledges that, in entering into this Agreement, the Sellers have been induced by and relied upon the representations and warranties of Buyer herein and therein set forth.

4.8 Buyer's Assignee. Buyer's Assignee is a duly organized, validly existing and in good standing under the laws of the State of Delaware and is an affiliate of Buyer. Buyer's Assignee has all requisite authority and power to be assigned of all of Buyer's rights and obligations under this Agreement and to perform all of Buyer's obligations hereunder. The assignment of this Agreement to Buyer's Assignee will be duly and validly authorized by all requisite action on the part of Buyer's Assignee, and no other proceedings on the part of Buyer's Assignee are necessary to authorize the assignment of this Agreement to Buyer's Assignee or for Buyer's Assignee to perform Buyer's obligations hereunder. The documents pursuant to which this Agreement will be assigned to Buyer's Assignee will be duly and validly executed and delivered by Buyer and Buyer's Assignee and will be valid, binding and enforceable against Buyer and Buyer's Assignee. Such assignment will not conflict with or result in any breach of any provision of any agreement, instrument, organizational document of, or order applicable to, Buyer's Assignee. Buyer's Assignee is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act and is acquiring the Shares for investment purposes and has no present intent to distribute, resell, pledge or otherwise dispose of any of such Shares. Buyer has afforded Buyer's Assignee access to all documents and information requested by such Assignee with respect to its decision to invest in the Shares.

ARTICLE V

COVENANTS OF THE MAJORITY SELLER ON BEHALF OF THE SELLERS

The Majority Seller on behalf of the Sellers covenants and agrees with Buyer as follows:

5.1 Reasonable Efforts. Subject to the terms and conditions of this Agreement, the Majority Seller on behalf of the Sellers shall use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to

be done, all things necessary, proper or advisable under applicable laws and regulations, to cause the conditions to Buyer's obligation to Close specified in Article VII to be satisfied and otherwise to consummate and make effective the transactions contemplated by this Agreement and will use commercially reasonable efforts not to cause the Sellers' representations and warranties contained herein to be untrue, in any material respects, at the Closing.

5.2 Conduct of Business Pending Closing. During the period from the Effective Date through and until the Closing (the "Interim Period"), except as otherwise contemplated by this Agreement or agreed to in writing by Buyer:

(a) The Property shall be owned by the Partnership and operated and maintained in the Ordinary Course of Business, subject to reasonable wear and tear, casualty and taking by eminent domain, including, without limitation, the performance of ongoing and routine maintenance of the Property and such other work deemed necessary by QRP to cure a misrepresentation by the Sellers under this Agreement (provided that the cost of any such cure shall be solely for the account of and at the expense of Majority Seller on behalf of the Sellers). In addition, the Majority Seller shall keep Buyer informed of Property operations, issues and performance and will consult with Buyer to the extent reasonably practical with regard to any material Property ownership and management issues. Notwithstanding anything contained herein to the contrary, the Majority Seller on behalf of the Sellers or the Partnership, reserves the right, but is not obligated, to institute summary proceedings against any tenant or terminate any Lease as a result of a material default by the tenant thereunder prior to the Closing Date. The Majority Seller on behalf of the Sellers makes no representations and assumes no responsibility with respect to the continued occupancy of the Property or any part thereof by any tenant. Further, Buyer agrees that it shall not be grounds for Buyer's refusal to Close the transactions contemplated by this Agreement that any tenant is a holdover tenant or in default under its Lease on the Closing Date and Buyer shall Close hereunder subject to such holding over or default without credit against, or reduction of, the Purchase Price. After the Additional Deposit has been deposited, except in the Ordinary Course of Business, no Lease shall be amended or modified, and no new Lease shall be entered into during the Interim Period without Buyer's consent, which consent shall not be unreasonably withheld, conditioned or delayed, it being understood that Buyer's failure to object to an amendment, modification or new Lease outside of the Ordinary Course of Business within three Business Days after the date of the Majority Seller's notification to the Buyer thereof shall be deemed Buyer's consent thereto.

(b) The Majority Seller shall not modify, extend, renew or cancel in writing or cause the Partnership or the REIT to modify, extend, renew or cancel in writing (in either case, except as a result of a default by the other party thereunder) any Material Contracts, or enter into any new Material Contract without Buyer's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed, and if withheld, Buyer shall promptly give the Majority Seller a notice stating the reasons therefor; provided, however, that Buyer's consent shall not be required to permit the aforestated actions if such Material Contract (a) may be terminated without cause at any time on not more than thirty (30) days' prior notice by the Partnership, the REIT or their respective successors, without the payment of a penalty in excess of one months' fee thereunder and (d) is for a per annum sum of Five Thousand Dollars (\$5,000.00) or less.

(c) The Majority Seller shall use reasonable efforts to keep the Licenses in force and effect and to obtain any other licenses, permits, certificates, authorizations or approvals necessary for the ownership and operation of the Property.

(d) The Majority Seller shall keep in force the Insurance Policies or policies providing similar coverage, and shall indemnify Buyer for any losses, claims, damages or expenses resulting from any cancellation of or other lapse in the effectiveness of such coverage caused by the Majority Seller.

(e) The Majority Seller on behalf of the Sellers shall not permit the imposition or creation of any Lien with respect to any interest in the REIT, the Partnership or the Property, except for such Lien as shall be satisfied or otherwise released at Closing and except as set forth on Schedule 5.2 ("Permitted Liens").

(f) Neither the REIT nor the Partnership shall make any loans to, or enter into any transaction with, any of its directors, officers, partners or employees, as the case may be, giving rise to any claim or right on its part against any such person or on the part of any such person against it.

(g) Neither the REIT nor the Partnership shall make any investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans and acquisitions).

(h) Other than in the Ordinary Course of Business, neither the REIT nor the Partnership shall cancel, compromise, waive or release any material right or claim against any other Person other than as required pursuant to existing agreements.

(i) Neither the REIT nor the Partnership shall enter into any employment contract or collective bargaining agreement, written or oral, or shall modify the terms of any such existing contract or agreement.

(j) Neither the REIT nor the Partnership shall create, incur or assume any Indebtedness, other than trade payables incurred in the Ordinary Course of Business, provided that the Majority Seller shall inform Buyer of any such Indebtedness incurred in excess of Five Thousand and 00/100 Dollars (\$5,000.00).

(k) All applicable Partnership, REIT and Property records and books of account shall be maintained in accordance with past practices and in a manner that fairly reflects the income, expenses, assets and liabilities of the REIT, the Partnership and the Property in accordance with GAAP.

(l) The REIT shall comply with the provisions set forth in Sections 856 of the Code in order to maintain its status as a real estate investment trust, including, without limitation, maintaining at least 100 beneficial owners.

5.3 Inspection Period. (a) The parties acknowledge and agree that subject to the provisions of this Section, the Majority Seller shall cause the Partnership to permit Buyer and its authorized agents and representatives the right to enter upon the Property at all reasonable times during normal business hours to inspect the Property and conduct reasonably necessary tests until 11:59 P.M. on the thirtieth (30th) day following the Effective Date (the period during which Buyer's entry upon the Property for the aforementioned purposes is permitted hereunder shall be referred to herein as the "Inspection Period"). Buyer has the responsibility to notify the Majority Seller, of its intention, or the intention of its agents or representatives, to enter the Property or interview tenants at least twenty-four (24) hours prior to such intended entry or interview. With respect to the conduct of any physical testing or sampling of the Property, Buyer has the responsibility to describe such testing and sampling in its notice and shall have obtained the prior written consent of the Majority Seller thereto, which the Majority Seller shall not have unreasonably withheld or delayed. Buyer shall bear the cost of all inspections and tests. At the option of the Majority Seller, the Sellers or a representative of the Partnership may have the opportunity to be present for any inspection or test.

(b) Commencing within three (3) days after the Effective Date, and otherwise during the Inspection Period, the Majority Seller shall make available to Buyer those documents and information regarding the Property that are identified on Exhibit C hereto and such other information as Buyer may reasonably

request, in each case, to the extent that such documents are in the Majority Seller's possession (the "Documents"); provided, however, that in no event shall Buyer be entitled to receive any documents or information, including appraisals, concerning the valuation of the Property, any internal budgets or projections with respect to the Property, any documents regarding the Partnership's acquisition of the Property or any correspondence with prospective purchasers of the Property. The Majority Seller shall provide Buyer with copies of all items listed on Exhibit C hereto other than item 10 with respect to payment history and correspondence related to the Property and item 18. Buyer shall, at its own cost and expense, have the right to make photocopies of all other Documents made available to Buyer.

(c) Upon the completion of the audit by KPMG Peat Marwick LLP of the Partnership and the REIT, the Majority Seller shall provide KPMG Peat Marwick LLP with a representation letter substantially in the form attached hereto as Exhibit E.

(d) Without limiting the generality of subsection (b) above, "Documents" shall include the rent roll with respect to the Property, which documents shall be delivered by the Majority Seller to Buyer promptly after the execution and delivery of this Agreement.

(e) Buyer acknowledges and agrees that its rights under this Section are conditioned on and subject to the performance by Buyer of its covenants set forth in Section 6.2 hereof.

5.4 Survey and Title Commitment. (a) Within five (5) days after the Effective Date, the Majority Seller shall provide to Buyer a full-size copy of the most recent survey of the Property in the Majority Seller's possession (the "Survey"). If Buyer desires to obtain an update, revision or recertification of the Survey, it may do so at its sole cost and expense, but in no event will a revised Survey be deemed to be or constitute a condition precedent to Buyer's performance hereunder. Buyer shall be under no obligation to rely upon or utilize the Survey and shall be free to secure another survey from a surveyor of its choice at its sole cost and expense.

(b) Within fifteen (15) days after the execution and delivery of this Agreement by all of the parties hereto, the Majority Seller shall cause TitleServ-NY, 9 West 57th Street, New York, New York 10019 (the "Title Company") to furnish to Buyer (a) a title commitment ("Commitment"), by the terms of which Stewart Title and Guaranty Co., Chicago Title Insurance Company or First American Title Insurance Company to issue to Buyer at Closing an owner's policy of title insurance ("Title Policy") in the amount of the Purchase Price on the ALTA Owner Policy of Title Insurance, insuring Buyer's fee simple title to the

Property to be good and marketable, subject to the terms of such policy and the exceptions described therein and (b) a photocopy of all documents ("Title Documents") describing all title exceptions shown on the Commitment.

(c) For a period of ten (10) days after receipt by Buyer of each of the Survey and the Commitment and Title Documents (the "Title Objection Period"), Buyer shall have the right to review each such delivered document. All matters shown on the Survey and exceptions listed in the Commitment which are not objected to by Buyer by delivery of written notice to the Majority Seller within the Title Objection Period shall be conclusively deemed to be acceptable to Buyer. In the event Buyer timely objects to any title exception or Survey matter ("Title Objection(s)"), the Majority Seller may, but shall not be obligated to, cure such Title Objection. In the event the Majority Seller notifies Buyer that the Sellers are unable or unwilling to cure any Title Objection, Buyer shall be deemed to have waived the Title Objections unless within five (5) days following such notice, Buyer delivers to Majority Seller written notice of its exercise of its right to terminate this Agreement. In the event that Buyer discovers any Lien on the Property or other matter relating to title to the Property that was not disclosed on the Commitment that renders title to the Property unmarketable or is otherwise unacceptable to Buyer, Buyer shall notify the Majority Seller promptly, and the Majority Seller may, but shall not be obligated to have the Lien released or other matters corrected to Buyer's reasonable satisfaction. In the event the Majority Seller notifies Buyer that the Sellers are unable or unwilling to effect such release or correction prior to the Closing, Buyer shall have the right, prior to the Closing, to terminate this Agreement in accordance with Section 9.6 hereof, after which Buyer will be deemed to have waived such right.

5.5 Brokerage Commissions. The Majority Seller on behalf of the Sellers agrees to pay to Blackrock Realty Advisors, Inc. and Goldman Sachs and Co. (collectively, the "Broker") all commissions, fees and reimbursements due to the Broker pursuant to a separate agreement among the Sellers and the Broker.

5.6 Condemnation. (a) If, prior to the Closing Date, a material part of the Property is taken by eminent domain, or the Sellers or the Partnership shall receive from any governmental authority having eminent domain power over the Property an official notice of intention to take by eminent domain proceeding a material portion of the Property, the Majority Seller shall promptly give Buyer written notice thereof and Buyer may elect to terminate this Agreement.

(b) If, prior to the Closing Date, an immaterial part of the Property is taken or in the event of an immaterial change of legal grade, or if the Sellers shall receive an official

notice from any governmental authority having eminent domain power over the Property of intention to take, by eminent domain proceeding, an immaterial part of the Property, neither party shall have any right to terminate this Agreement, and the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any abatement of the Purchase Price or any liability or obligation on the part of the Sellers by reason of such taking; provided, however, that the Majority Seller shall, on the Closing Date, (i) assign and remit, and Buyer shall be entitled to receive and keep, the net proceeds of any award or other proceeds of such taking which may have been collected by the Sellers as a result of such taking, or (ii) if no award or other proceeds shall have been collected, deliver to Buyer an assignment of the Sellers' right to any such award or other proceeds which may be payable to the Sellers as a result of such taking, less any reasonable expenses incurred by the Sellers in connection with or relating to such taking.

(c) In the event that this Agreement is terminated as in this Section 5.6 provided, the Majority Seller on behalf of the Sellers shall cause the Deposit to be returned to Buyer. Upon such return, this Agreement shall terminate and neither party hereto shall have any further rights or obligations hereunder.

(d) For purposes hereof, a "material part" shall be deemed to mean (i) any taking by eminent domain which would reasonably be expected to reduce the aggregate useable square footage, (ii) if any tenant would be entitled to terminate or amend (in a manner which would have a material adverse effect on the lessor under the Lease) its Lease, (iii) any taking by eminent domain would reduce the aggregate usable square footage of the Property by more than five percent (5%), (iv) any access to the Property is taken or materially diminished (i.e., such taking does not provide access to a publicly dedicated street or is an impediment to traffic flow from and to the Property), or (v) parking is no longer in compliance with applicable zoning laws or any Lease.

5.7 Casualty. If, prior to the Closing Date, all or any part of the Property is damaged by fire or other casualty, whether or not such damage affects a material part of the Property, neither party shall have the right to terminate this Agreement unless the Majority Seller's insurance adjuster determines that the damage is in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00), or one of the tenants in the Property has the right to terminate or amend (in a manner which would have a material adverse effect on the lessor under the Lease) its lease as a result of the damage, and the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any abatement of the Purchase Price or any liability or obligation on the part of the Sellers by reason of

said destruction or damage. In such event, the Majority Seller on behalf of the Sellers shall cause the Partnership or the REIT to assign over to Buyer at Closing the claim for any casualty insurance proceeds on account of said physical damage or destruction. Buyer shall have received copies of the insurance coverage and approved same and the Majority Seller covenants and agrees to cause the Partnership or the REIT to maintain such insurance through the Closing. In the event the insurance claim is approved and the Majority Seller is obligated pursuant to the terms of this Section 5.7 to make insurance monies available to Buyer, the Majority Seller shall pay to Buyer any deductible amount under the insurance policy covering the Property together with any such insurance monies. Notwithstanding anything contained herein to the contrary, in the event that the Majority Seller's insurance adjuster determines that the damage is in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00), or any of the tenants in the Property has the right to terminate or amend (in a manner which would have a material adverse effect on the lessor under the lease) its Lease as a result of the damage, in lieu of the foregoing, each of Buyer and the Majority Seller (on behalf of the Sellers) shall have the right to terminate this Agreement prior to the Closing upon written notice to the other.

5.8 Schedule 3.16 Indebtedness. Simultaneous with the Closing, the Majority Seller, on behalf of the Sellers, shall contribute to the REIT, as a capital contribution, that portion of the Purchase Price that is equal to all amounts for which the Partnership or the REIT, as applicable, is liable under the terms of the indenture with respect to the Indebtedness referred to on Schedule 3.16 hereto (the "Schedule 3.16 Indebtedness"), to cause such amounts to be deposited in the redemption sub-account in accordance with the terms of such indenture and to cause Lender to release the Liens on the Property.

ARTICLE VI

COVENANTS OF BUYER

Buyer covenants and agrees with the Sellers as follows:

6.1 Reasonable Efforts. Subject to the terms and conditions of this Agreement, each of the Persons comprising Buyer shall use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to cause the conditions to Seller's obligations to Close specified in Article VII to be satisfied and otherwise to consummate and make effective the transactions contemplated by this Agreement. Nothing contained herein will limit Buyer's

right to terminate this Agreement in accordance with Section 9.1 or Section 5.4(c) hereof.

6.2 Confidentiality of Documents and Buyer Information.

(a) Buyer acknowledges and agrees that any and all of the Documents may be proprietary and confidential in nature and will be delivered to Buyer solely to assist Buyer in determining the feasibility of purchasing the Shares. Buyer agrees not to disclose the contents of the Documents, or any of the provisions, terms or conditions thereto, to any party outside of Buyer's organization other than Buyer's Assignee and their respective attorneys, accountants, consultants, lenders or investors (collectively, the "Permitted Outside Parties"). Buyer further agrees that within its organization, or as to the Permitted Outside Parties, the Documents shall be disclosed and exhibited only to those persons within Buyer's organization or to those Permitted Outside Parties who are responsible for determining the feasibility of the Purchase and Sale transaction contemplated hereby. Buyer's obligations hereunder shall be subject to Buyer's right to make disclosures required by law or required by governmental authorities in connection with obtaining any additional permits or approvals for the use or occupancy of the Property by Buyer. In permitting the Permitted Outside Parties to review the Documents to assist Buyer, the Sellers have not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by the Sellers and any such claims are expressly rejected by the Sellers and waived by Buyer and the Permitted Outside Parties, for whom, by its execution of this Agreement, Buyer is acting as an agent with regard to such waiver.

(b) Buyer shall return all of the Buyer's Information to the Majority Seller on behalf of the Sellers on the first to occur of (i) such time as Buyer determines that it shall not Purchase the Shares, or (ii) such time as this Agreement is terminated for any reason.

6.3 Inspection Obligations.

(a) In conducting any inspections, investigations or tests of the Property and/or Documents, Buyer and its agents and representatives shall: (i) have the right to interview tenants, provided that Buyer shall not unduly disturb the tenants or interfere with their use of the Property pursuant to their respective Leases and the Majority Seller, on behalf of the Sellers, reserves the right to have the opportunity to be, and to be, present during any such interview, it being understood that Buyer shall provide the Majority Seller with reasonable prior written notice of any such interview and it shall be the

responsibility of the Majority Seller to make sufficient personnel and other resources available in order to accompany the Buyer and its agents on such tenant interviews; (ii) not interfere with the operation and maintenance of the Property; (iii) not damage any part of the Property or any personal property owned or held by tenant or any other person or entity; (iv) not injure or otherwise cause bodily harm to the Partnership, the REIT, the Sellers, or their respective agents, guests, invitees, contractors and employees or any tenant or any other person or entity; (v) maintain comprehensive general liability (occurrence) insurance in terms and amounts satisfactory to the Majority Seller, covering any accident arising in connection with the presence of Buyer, its agents and representatives on the Property (and shall deliver a certificate of insurance verifying such coverage to the Majority Seller prior to entry upon the Property); (vi) promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Property; (vii) not permit any Liens to attach to the Property by reason of the exercise of its rights hereunder; and (viii) fully restore the Property to the condition in which the same was found before any such inspection or tests were undertaken.

6.4 Waiver of Claims Against Sellers Other Than the Majority Seller. Buyer will not attempt to assert any liability against Sellers, the Partnership or the REIT or their respective officers, directors, employees, agents, controlling persons or Affiliates other than the Majority Seller ("Sellers' Parties") for furnishing any information to Buyer as contemplated by this Agreement.

6.5 REIT Classification. Buyer covenants that it will take all steps, or forbear from taking steps, necessary (including, without limitation, complying with Section 856(a)(6) of the Code) to ensure that the REIT will be classified as a real estate investment trust pursuant to Section 856 of the Code for the REIT's taxable year that begins before the Closing and ends after the Closing, which taxable year may be less than twelve (12) months.

6.6 No Inconsistent Treatment. Buyer covenants that it will treat the transaction contemplated by this Agreement for all income tax purposes as a purchase of shares of a corporation. Buyer covenants that it will not make an election pursuant to Section 338(g) of the Code with respect to the REIT.

6.7 REIT Taxable Income. Buyer covenants that it will take all steps necessary (including, for example, making distributions that qualify for the dividends paid deduction set forth in Section 857(b)(2)(B) of the Code) to ensure that the REIT's real estate investment trust taxable income (as defined in Section 857(b)(1) of the Code) will be reduced to zero (\$0) for

the taxable year of the REIT that begins before the Closing and ends after the Closing.

6.8 Assignment of Purchase Agreement. Buyer covenants that prior to the Closing, Buyer shall deliver to the Majority Seller a copy of the form of Assignment of Purchase Agreement for the Majority Seller's review and approval. In the event that the Majority Seller does not approve of such form, the Majority Seller shall notify Buyer promptly of the reason(s) for the such disapproval, and Buyer shall promptly revise such form to the Majority Seller's reasonable specifications.

ARTICLE VII

CONDITIONS TO CLOSING

7.1 Conditions to Each Party's Obligations to Close. The respective obligations of each party to Close the transactions contemplated hereby is subject to the satisfaction or waiver of the following conditions on or before the Closing Date:

(a) No statute, rule, regulation, executive order, decree, or injunction shall have been enacted, entered, promulgated, enforced or threatened by any court or Governmental Authority which prohibits or restricts the consummation of this Agreement or the transactions contemplated hereby;

(b) All authorizations, approvals, consents and waivers required to be obtained from and notices and filings required to be given to or made with any Governmental Authority or third party shall have been obtained, given or made; and

(c) All consents, approvals, orders and permits of, and registrations, declarations and filings with, any governmental authority that shall be required in order to enable either party to consummate this Agreement and the transactions contemplated hereby shall have been made or obtained.

7.2 Further Conditions to the Sellers' Obligations to Close. The obligations of the Sellers to Close the transactions contemplated hereby is further subject to satisfaction or waiver by the Majority Seller of the following conditions on or before the Closing Date:

(a) The representations and warranties of Buyer contained herein shall be true and correct in all material respects as of the date of Closing;

(b) Buyer shall have performed and complied in all material respects with all agreements, obligations and conditions

required by this Agreement to be performed or complied with by it on or prior to the Closing;

(c) All actions, proceedings and Closing Documents of the Buyer required to carry out the transactions contemplated by this Agreement or incidental thereto and all other related legal matters shall be reasonably satisfactory to counsel for each of the Sellers, and such counsel shall have been furnished with such certified copies of such corporate actions and proceedings and such other Closing Documents as it shall have reasonably requested; and

(d) The Partnership and the REIT shall have received an acknowledgement of Lender of the transactions contemplated by this Agreement in form and substance satisfactory to the Partnership, the REIT, the Majority Seller and Buyer.

7.3 Further Conditions to Buyer's Obligations. The obligation of Buyer to consummate this Agreement and the transactions contemplated hereby at the Closing is further subject to the satisfaction or waiver of the following conditions on or before the Closing Date:

(a) The representations and warranties of the Sellers contained herein shall be true and correct in all material respects as of the date of Closing;

(b) The Sellers shall have each performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by them on or prior to the Closing;

(c) All actions, proceedings and Closing Documents of the Sellers required to carry out the transactions contemplated by this Agreement or incidental thereto and all other related legal matters shall be reasonably satisfactory to counsel for Buyer, and such counsel shall have been furnished with such certified copies of such actions and proceedings and such other Closing Documents as it shall have reasonably requested;

(d) The Majority Seller, on behalf of the Sellers, shall have delivered a fully executed estoppel certificate in the form of Exhibit D hereto from each of the tenants identified on Schedule 7.3; and

(e) The Partnership and the REIT shall have received an acknowledgement of Lender of the transactions contemplated by this Agreement in form and substance satisfactory to the Partnership, the REIT, the Majority Seller and Buyer.

ARTICLE VIII
SURVIVAL, INDEMNIFICATION, LIMITATIONS ON LIABILITY

8.1 Survival. The representations and warranties of each of the parties hereto shall survive the execution and delivery hereof and the Closing, and thereafter for one year, other than the representations and warranties set forth in all Sections of Article II, Sections 3.1, 3.2(a), 3.2(b), 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.11, 3.13, 3.14, 3.15, 3.16 and 3.17 of Article III, all Sections of Article IV and Sections 6.5, 6.6 and 6.7 of Article VI (the "Specified Warranties," which shall also include the covenant in Section 5.8 hereof), which survive for the applicable statute of limitations. The agreements contained herein shall survive without limitation, unless specifically limited by the terms of any such agreement.

8.2 The Sellers' Indemnification Obligations. Subject to the other provisions of this Article VIII, from and after the Closing until the expiration of the stated survival period, the Majority Seller shall indemnify and hold harmless Buyer and the REIT (following the Closing) and their respective officers, directors, Affiliates, partners and agents (the "Buyer Indemnified Parties") on an After-Tax Basis from and against any costs or expenses (including without limitation reasonable attorneys' fees, and the reasonable out-of-pocket expenses of testifying and preparing for testimony and responding to document and other information requests, and in connection with the enforcement of any rights hereunder, whether or not a party to such litigation), judgments, liabilities, taxes, penalties, fines, amounts paid in settlement, losses, claims and damages (collectively, "Damages"), as incurred, to the extent they relate to, arise out of or are the result of:

- (i) the breach of or any inaccuracy in any of the representations and warranties of the Sellers contained in or made pursuant to this Agreement;
- (ii) the breach or nonperformance of any agreement of the Sellers contained in this Agreement; and
- (iii) third party claims against any Buyer Indemnified Party arising out of events that occur prior to the Closing.

Notwithstanding anything contained herein to the contrary, prior to, and as a precondition to Buyer's right to make a claim for indemnification under subsection (i) above, Buyer, its officers, directors and employees of a managerial level and above shall not have had, prior to or as of the Closing, actual knowledge of the inaccuracy of any of the representations or warranties which is the subject of a claim for indemnification by Buyer, and Buyer shall deliver a written statement to the Majority Seller to that effect prior to making a claim for indemnification. Any amounts paid to the Buyer Indemnified Parties by the Majority Seller in

respect of the indemnification obligations set forth in this Section 8.2 shall be treated as a reduction in Purchase Price paid to the Sellers, which reduction shall be allocated pro rata among the Sellers in accordance with Exhibit A.

8.3 The Buyer's Indemnification Obligations. Subject to the other provisions of this Article VIII, from and after the Closing until the expiration of the stated survival period, Buyer and Regency Realty Corporation, on a joint and several basis, shall indemnify and hold harmless the Sellers and their respective officers, directors, Affiliates, partners and agents, including, without limitation, with respect to a breach of Section 6.5, Quantum Realty Partners, L.P., Newsor II Corp. and Sorealt II Limited Partnership, and any constituent partners of Quantum Realty Partners, L.P, (the "Seller Indemnified Parties"), on an After-Tax Basis, from and against any Damages (for purposes of this Section 8.3 only, "Damages" shall include any Taxes owing by QRP's indirect partners as a result of Buyer's breach of Section 6.5 or Section 6.6), as incurred, to the extent they relate to, arise out of or are the result of:

(i) the breach of or any inaccuracy in any of the representations and warranties of Buyer contained in or made pursuant to this Agreement;

(ii) the breach or nonperformance of any covenant or agreement of Buyer contained in this Agreement;

(iii) Buyer's inspections or tests permitted hereunder;

(iv) claims against any of the Seller Indemnified Parties brought by any tenant of the Property as a result of Buyer's breach of its obligation to maintain the confidential nature of any Documents or other information relative to such tenant; and

(v) the breach by Buyer of its obligations under Section 11.14 hereof.

Notwithstanding anything contained herein to the contrary, prior to, and as a precondition to the right of the Seller Indemnified Parties to make a claim for indemnification under subsection (i) above, the Majority Seller, its officers, directors and employees of a managerial level and above shall not have had, prior to or as of the Closing, actual knowledge of the inaccuracy of any of the representations or warranties which is the subject of a claim for indemnification by the Seller Indemnified Parties, and the Seller Indemnified Parties shall deliver a written statement to Buyer to that effect prior to making a claim for indemnification.

8.4 Claims. (a) If a Seller Indemnified Party or a Buyer Indemnified Party (in each case, an "Indemnified Party")

intends to seek indemnification pursuant to this Article VIII, such Indemnified Party shall promptly notify the party(ies) obligated to indemnify such Indemnified Party (each such party shall be referred to as an "Indemnifying Party" in such capacity), in writing, of such claim describing such claim in reasonable detail, provided, that the failure to provide such notice shall not affect the obligations of the Indemnifying Party(ies) unless and only to the extent it is actually prejudiced thereby. In the event that such claim involves a claim by a third party against the Indemnified Party which seeks Damages in an amount in respect of which indemnification pursuant to this Article VIII would be available, the Indemnifying Party shall have thirty (30) days after receipt of such notice to decide whether it will undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense thereof, and if it so decides, the Indemnified Party shall cooperate with it in connection therewith, provided, that the Indemnified Party may participate in such settlement or defense through counsel chosen by it, and provided further, that the reasonable fees and expenses of such counsel shall be borne by the Indemnified Party. The Indemnifying Party(ies) shall have the right to settle or compromise any action which it determines to undertake, conduct and control as aforesaid, provided, that it (they) first obtain the consent of the Indemnified Party(ies). The Indemnified Party shall have the right to settle any claim or action without the consent of the Indemnifying Party; but shall not thereby waive any right to indemnity therefor pursuant to this Agreement; provided that as long as the Indemnifying Party(ies) is contesting any such claim in good faith, the Indemnified Party shall not pay or settle any such claim without the consent of the Indemnifying Party (which consent shall not be unreasonably withheld).

(b) The Indemnifying Party(ies) and the Indemnified Party shall cooperate fully in all aspects of any investigation, defense, pretrial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article VIII, including, but not limited to, by providing the other party with reasonable access to employees and officers (including as witnesses) and other information.

8.5 Limitations on Liability.

(a) IN NO EVENT WILL ANY SELLER OR ANY DIRECT OR INDIRECT PARTNER, SHAREHOLDER, OWNER OR AFFILIATE THEREOF, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY OF THE FOREGOING OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF BE LIABLE TO ANY BUYER INDEMNIFIED PARTY IN CONTRACT, TORT OR OTHERWISE WITH RESPECT TO ANY INDIRECT, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY CLOSING DOCUMENT. IN NO EVENT WILL BUYER OR ANY DIRECT OR INDIRECT PARTNER, SHAREHOLDER, OWNER OR AFFILIATE THEREOF, ANY OFFICER, DIRECTOR,

EMPLOYEE OR AGENT OF ANY OF THE FOREGOING OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF BE LIABLE TO ANY SELLER INDEMNIFIED PARTY IN CONTRACT, TORT OR OTHERWISE WITH RESPECT TO ANY INDIRECT, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY CLOSING DOCUMENT.

(b) IN ADDITION, IN NO EVENT WILL THE MAJORITY SELLER BE LIABLE TO ANY BUYER INDEMNIFIED PARTY (OTHER THAN FOR A BREACH OF THE SPECIFIED WARRANTIES) UNLESS AND UNTIL THE AGGREGATE AMOUNT OF DAMAGES FOR WHICH THE MAJORITY SELLER IS OBLIGATED TO INDEMNIFY THE BUYER INDEMNIFIED PARTIES UNDER SECTION 8.2 EXCEEDS THE SUM OF TEN THOUSAND DOLLARS (\$10,000.00), AND IN NO EVENT WILL THE MAJORITY SELLER BE LIABLE TO ANY BUYER INDEMNIFIED PARTY (OTHER THAN FOR A BREACH OF THE SPECIFIED WARRANTIES) TO THE EXTENT THAT THE AGGREGATE DAMAGES TO THE BUYER INDEMNIFIED PARTIES EXCEED THE SUM OF SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) AND IN ADDITION IN NO EVENT WILL THE MAJORITY SELLER BE LIABLE UNDER THIS AGREEMENT OR ANY CLOSING DOCUMENT IN EXCESS OF THE PURCHASE PRICE, AND IN NO EVENT WILL ANY SELLER OTHER THAN THE MAJORITY SELLER BE LIABLE UNDER THIS AGREEMENT OR ANY CLOSING DOCUMENT IN EXCESS OF THE PURCHASE PRICE TO BE RECEIVED BY SUCH SELLER PURSUANT TO SECTION 1.2.1 HEREOF. IN NO EVENT WILL THE 99 SELLERS HAVE ANY LIABILITY TO ANY BUYER INDEMNIFIED PARTY UNDER THIS ARTICLE 8, AND BUYER'S RECOURSE UNDER THIS ARTICLE 8 SHALL BE LIMITED TO THE MAJORITY SELLER.

ARTICLE IX

TERMINATION

9.1 Termination by Buyer During Inspection Period. If, during the Inspection Period, Buyer shall, for any reason, in Buyer's sole discretion, judgment and opinion, be dissatisfied with any aspect of the REIT, the Partnership or the Property or any item examined by Buyer pursuant to Section 5.3 above or otherwise, Buyer shall be entitled, as its sole and exclusive remedy, to terminate this Agreement by giving written notice to the Majority Seller on behalf of the Sellers on or before the expiration of the Inspection Period, whereupon this Agreement shall terminate, and upon such termination, neither the Sellers nor Buyer shall have any further obligation or liability to the other hereunder, except for the Termination Surviving Obligations. The Deposit shall be returned to Buyer in accordance with Section 9.7 below. If Buyer shall fail to timely notify the Majority Seller in writing of its option to terminate this Agreement on or before the expiration of the Inspection Period, the termination right described in this Section shall be null and void.

9.2 Termination as a Result of Condemnation or Casualty. If Buyer elects to terminate this Agreement under Section 5.6 or Section 5.7, or if the Majority Seller elects to terminate this Agreement under Section 5.7, this Agreement shall terminate and the Deposit shall be returned to Buyer in accordance with Section 9.7 below. Upon such termination, neither the Sellers nor Buyer shall have any further obligation or liability to the other hereunder, except for the Termination Surviving Obligations.

9.3 [Intentionally Omitted]

9.4 Termination by the Sellers for Buyer's Default. In the event Buyer fails to perform its obligations pursuant to this Agreement in any material respect for any reason except the failure by the Sellers to perform hereunder, the Sellers shall be entitled as their sole and exclusive remedy, to terminate this Agreement and recover the Deposit as liquidated damages and not as penalty, in full satisfaction of claims against Buyer hereunder (excluding any non-monetary claim for breach of a Termination Surviving Obligation). The Sellers and Buyer agree that Sellers' damages resulting from Buyer's default are difficult, if not impossible, to determine, and the Deposit is a fair estimate of those damages which has been agreed to in an effort to cause the amount of said damages to be certain. Upon any termination pursuant to this Section 9.4, neither the Sellers nor Buyer shall have any further obligation or liability to the other hereunder, except for the Termination Surviving Obligations.

9.5 Termination by Buyer for Sellers' Default.

(a) In the event the Sellers fail to perform their obligations pursuant to this Agreement in any material respect for any reason except the failure by Buyer to perform hereunder or any condition contained in Section 7.3 is not satisfied or waived by Buyer in writing, Buyer shall have the option to elect, as its sole and exclusive remedy either to: (i) terminate this Agreement by giving the Majority Seller on behalf of the Sellers timely written notice of such election prior to or at Closing, in which case Buyer shall be entitled to receive as liquidated damages and not as a penalty, the Deposit in accordance with Section 9.7 hereof plus the sum of Two Hundred Thousand Dollars (\$200,000) from the Majority Seller on behalf of the Sellers; provided, however, that such amounts shall be payable by the Majority Seller on behalf of the Sellers only if the remedy of specific performance is unavailable to Buyer; or (ii) enforce specific performance of this Agreement; provided, however, that Buyer shall be deemed to have waived its right to seek specific performance if Buyer shall fail to deliver to the Majority Seller on behalf of the Sellers written notice of its intent to file a claim or assert a cause of action for specific performance on or

before thirty (30) days following the scheduled Closing Date, or having given notice, fails to file a lawsuit asserting said claim of cause of action in a court of competent jurisdiction within ninety (90) days following the scheduled Closing Date, it being understood that Buyer's failure to succeed on a claim for specific performance of the terms of this Agreement, other than as a result of its failure to timely assert a cause of action therefor within the prescribed time period as aforesaid, shall not preclude Buyer's right to proceed under (i) above. Upon any termination pursuant to this Section 9.5, neither the Sellers nor Buyer shall have any further obligation or liability to the other hereunder, except for the Termination Surviving Obligations.

(b) PRIOR TO THE CLOSING DATE, IN NO EVENT SHALL THE SELLERS, THEIR DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY LIABILITY, BEYOND (i) IN THE CASE OF EACH OF THE 99 SELLERS, ITS INTEREST IN THE SHARES, AND (ii) IN THE CASE OF THE MAJORITY SELLER THE SUM OF TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

9.6 Termination For Failure of Conditions. This Agreement may be terminated by the Sellers if on the scheduled Closing Date, the conditions to the Sellers' obligation to Close have not been fulfilled, and the Sellers are not in breach or default under this Agreement. This Agreement may be terminated by Buyer if on the scheduled Closing Date, the conditions to Buyer's obligation to Close have not been fulfilled, and Buyer is not in breach or default under this Agreement. In either case, the party whose conditions have not been fulfilled shall have the right to receive the Deposit in accordance with Section 9.7 below. Upon any termination pursuant to this Section 9.6, neither the Sellers nor Buyer shall have any further obligation or liability to the other hereunder, except for the Termination Surviving Obligations.

9.7 Disposition of Deposit.

In the event of a termination of this Agreement by either party, the Escrow Agent is authorized to deliver the Deposit to the party entitled thereto on or before the fifth (5th) Business Day following receipt by the Escrow Agent and the non-terminating party of written notice of such termination from the terminating party. Notwithstanding the foregoing, in the event of a dispute with regard to the right of a party to receive the Deposit, the Escrow Agent shall interplead the Deposit into a court of competent jurisdiction in Dade County, Florida. All attorneys' fees and costs and Escrow Agent's costs and expenses

incurred in connection with such interpleader shall be assessed against the party that is not awarded the Deposit or if the Deposit is distributed in part to both parties, then in the inverse proportion of such distribution.

9.8 Return of Buyer's Information. Upon any termination of this Agreement, Buyer shall return the Buyer's information in accordance with Section 6.2(b) hereof.

ARTICLE X

DEFINITIONS AND TERMS

10.1 Specific Definitions. As used in this Agreement, the following terms shall have the meaning set forth below:

"Affiliate" means, when used with reference to a specified Person, (i) if such Person is an individual, any member of the immediate family of such Person or any trust for the benefit of any such member of the immediate family of such Person and (ii) any Person directly or indirectly controlled by, controlling or under common control with the Person in question. The term "control" shall mean, for purposes of this definition, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The term "member of the immediate family" means, with respect to any individual, the spouse, children and grandchildren of any such individual.

"After-Tax Basis" shall mean a basis such that any payment made or to be made pursuant to Article VIII shall be supplemented by a further payment so that the Indemnified Party receives the amount, after payment, withholding, or deduction of all federal, state and local taxes imposed on such payments, that the Indemnified Party would have received had no such taxes been paid, withheld or deducted.

"Best of Majority Seller's Knowledge" shall mean the actual knowledge of the officers, directors and employees of a managerial level and above, of the Majority Seller and of the Archon Group.

"Building" means any building upon any portion of the Land

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized to be closed in the State of New York.

"Buyer's Information" means the Documents and those plans, specifications, drawings, agreements, documents, reports and studies or test results, originals or copies, regarding any part of the Property furnished by the Sellers to Buyer, together with any and all studies, reports or test results regarding any part of the Property obtained by Buyer from third parties in connection with Buyer's inspection of the Property.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding federal tax statute enacted after the date of this Agreement. A reference to a specific section (ss.) of the Code refers not only to such specific section but also to any corresponding provision of any federal tax statute enacted after the date of this Agreement, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Agreement containing such reference.

"Environmental Law" means the following: (i) any federal, state or local law, statute, ordinance, rule, regulation, guideline, code, license, permit, authorization, approval, consent, legal doctrine, order, judgment, decree, injunction, requirement or agreement with any governmental entity, relating to (x) the protection, preservation or restoration of the environment (including, without limitation, air, water, vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety, or (y) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Materials. The term Environmental Law includes, without limitation, (i) the federal Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act, the federal Water Pollution Control Act of 1972, the federal Clean Air Act, the federal Clean Water Act, the federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the federal Solid Waste Disposal Act and the federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Atomic Energy Act, the Nuclear Waste Policy Act of 1982, the federal Occupational Safety and Health Act of 1970, each as amended and as now in effect, and (ii) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Fixtures" means all machinery, equipment and other improvements affixed to the Land or Improvements and used in connection with the operation, maintenance or occupancy of the Land or Improvements.

"GAAP" means generally accepted accounting principles and practices consistently applied for all periods so as to properly reflect the financial condition, results of operations and changes in cash flows of any entity.

"Governmental Authority" means any federal, state or local court, tribunal, governmental department, agency, board or commission, regulatory authority, or other governmental body, subdivision or instrumentality.

"Hazardous Materials" means any substance presently defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated under any Environmental Law, whether by type or by quantity, including any substance containing any such substance as a component. Hazardous Materials includes, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, industrial substance or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl, and any and all of the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the federal Solid Waste Disposal Act and the federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. ss.ss.1910.1200 et seq.; and industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.

"Improvements" means all structures, Buildings and improvements (and all Fixtures therein) located on or within the Land, including, without limitation, all parking facilities and other structures.

"Indebtedness" of any Person means, at any time and without duplication, (i) all obligations of such Person for borrowed money or for the deferred purchase price of property or services (including, without limitation, all obligations, contingent or otherwise, of such Person in connection with letter of credit facilities and acceptance facilities), (ii) all obligations of such Person evidenced by bonds, notes, debentures, debt securities or other similar instruments, (iii) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (iv) all capitalized lease obligations of such Person (exclusive of capitalized lease obligations relating to furniture, fixtures and equipment used in the operation of the Property), and (v) all obligations of another Person of a type referred to in the preceding clauses (i) through (iv) as to which such first-mentioned Person has agreed to act as surety, indemnitor, endorser, guarantor or other obligor.

"Land" means all land directly owned in whole or in part by the Partnership on the Effective Date, as more particularly described in Exhibit B.

"Laws" means any statutes, laws, governmental ordinances, rules, regulations, decrees, orders or requirements of any Governmental Authority.

"Leases" means all leases and tenancies with respect to the Property, together with all amendments, modifications and renewals thereof.

"Lender" means PW Real Estate Investments Inc. and Goldman Sachs Mortgage Company.

"Licenses" means all licenses, permits, certificates, approvals and authorizations issued with respect to the Property, the Partnership or the REIT.

"Lien" means any lien, mortgage, charge, option, contractual restriction on transfer, security interest, tax lien, pledge, encumbrance, conditional sale or title retention arrangement, or any other claim against the Property or the Shares, as the case may be, or any agreement to create or confer any of the foregoing, in each case whether arising by agreement or under any statute or Law or otherwise.

"Material Contracts" means all contracts, understandings or agreements, including the Leases, whether written or oral, to which any Partnership or the REIT is a party or by which the Partnership or the REIT or their respective

assets are bound (including, without limitation, employment agreements and service contracts) other than service contracts which provide for annual payments of less than Ten Thousand Dollars (\$10,000.00), and which are terminable upon thirty (30) days' notice, as more particularly set forth on Schedule 3.6(c).

"Ordinary Course of Business" means the ordinary and prudent course of business (i) consistent with past custom and practice (including with respect to quantity and frequency) and (ii) consistent with industry standards for the maintenance and operation of properties similar in size, quality, type and location to the Property. In addition to the foregoing, the following actions shall be deemed to be in the Ordinary Course of Business: (a) actions taken with the prior written consent of the Buyer and (b) actions taken in satisfaction of the Sellers' obligations hereunder.

"Partnership" means Tamtrail Limited Partnership, a limited partnership organized under the laws of the State of Delaware, in which the REIT owns, as of the Effective Date, a ninety-nine percent (99%) general partnership interest, and which owns, as of the Effective Date, the Property.

"Person" shall mean any natural person, corporation, limited partnership, limited liability company, limited liability partnership, general partnership, joint stock company, joint venture, real estate investment trust, association, company, trust, bank, trust company, land trust, vehicle trust, business trust or other organization irrespective of whether it is a legal entity, or any government or agency or political subdivision thereof.

"Property" shall mean collectively, the Land and the Improvements.

"Taxes" means all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, service, service use, ad valorem, transfer, franchise, profits, license, lease, withholding, social security, payroll, employment, excise, estimated, severance, stamp, recording, occupation, real and personal property, gift, windfall profits or other taxes, customs, duties, fees, assessments or charges of any kind whatsoever, whether computed on a separate consolidated, unitary, combined or other basis, together with any interest, fines, penalties, additions to tax or other additional amounts imposed thereon or with respect thereto imposed by any taxing authority (domestic or foreign).

"Tax Returns" means all federal, state, local and foreign income, franchise, sales and other tax returns for the REIT and/or the Partnership.

"Termination Surviving Obligations" means the obligations of each party set forth in Sections 6.2, 6.3 and Articles VIII, IX, X and XI.

"Treasury Regulations" means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

10.2 Other Definitions. In addition to the terms defined in Section 10.1 hereof, the following terms shall have the meanings defined for such terms in the Section set forth below:

"Actions" has the meaning set forth in Section 3.7.

"Additional Deposit" has the meaning set forth in Section 1.2.2.

"Adjustment Date" has the meaning set forth in Section 1.3.

"Affiliate Transaction" has the meaning set forth in Section 3.3.

"Assignment of purchase Agreement" has the meaning set forth in Section 1.4(b)(vii).

"Assets" has the meaning set forth in Section 3.4.

"Buyer" has the meaning set forth in the Preamble.

"Buyer Indemnified Parties" has the meaning set forth in Section 8.2.

"Buyer's Assignee" has the meaning set forth in Section 1.4(b)(vii).

"Closing" has the meaning set forth in Section 1.4.

"Closing Date" has the meaning set forth in Section 1.4.

"Closing Documents" has the meaning set forth in Section 1.4.

"Commitment" has the meaning set forth in Section 5.4(b).

"Contribution Agreement" has the meaning set forth in Section 1.4.

"Damages" has the meaning set forth in Section 8.2.

"Documents" has the meaning set forth in Section

5.3(b).

"Deposit" has the meaning set forth in Section 1.2.2.

"Effective Date" has the meaning set forth in Section

1.2.2.

"Escrow Agent" has the meaning set forth in Section

1.2.2.

"Indemnified Parties" has the meaning set forth in

Section 8.4.

"Indemnifying Party" has the meaning set forth in

Section 8.4.

"Initial Deposit" has the meaning set forth in Section

1.2.2.

"Inspection Period" has the meaning set forth in

Section 5.3(a).

"Insurance Policies" has the meaning set forth in

Section 3.11.

"Interim Period" has the meaning set forth in Section

5.2.

"Labor Disputes" has the meaning set forth in Section

3.9.

"Majority Seller" has the meaning set forth in the

Preamble.

"99 Sellers" has the meaning set forth in the Preamble.

"Organizational Documents" has the meaning set forth in

Section 3.14.

"Permitted Outside Parties" has the meaning set forth

in Section 6.2(a).

"Property Taxes" has the meaning set forth in Section

1.3.

"Purchase" has the meaning set forth in Section 1.1.

"Purchase Price" has the meaning set forth in Section

1.2.

"QRP" has the meaning set forth in the Preamble.

"REIT" has the meaning set forth in the First Recital.

"Rents" has the meaning set forth in Section 1.3.6.

"Schedule 3.16 Indebtedness" has the meaning set forth in Section 5.8.

"Sell" has the meaning set forth in Section 1.1.

"Sellers" has the meaning set forth in the Preamble.

"Sellers' Parties" has the meaning set forth in Section 6.4(a).

"Seller Indemnified Parties" has the meaning set forth in Section 8.3.

"Shares" has the meaning set forth in Section 1.1.

"Specified Warranties" has the meaning set forth in Section 8.1.

"Survey" has the meaning set forth in Section 5.4(b).

"Tenant Receivables" has the meaning set forth in Section 11.13.

"Title Company" has the meaning set forth in Section 5.4(b).

"Title Documents" has the meaning set forth in Section 5.4(b).

"Title Objection Period" has the meaning set forth in Section 5.4(c).

"Title Objections" has the meaning set forth in Section 5.4(c).

"Title Policy" has the meaning set forth in Section 5.4(b).

"Unbilled Tenant Receivables" has the meaning set forth in Section 11.13.

"Uncollected Tenant Receivables" has the meaning set forth in Section 11.13.

"Utilities" has the meaning set forth in Section 1.3.

10.3 Singular and Plural; Exhibits and Schedules; Etc.

(a) As used in this Agreement, the singular shall include the plural and the masculine gender shall include the feminine and neuter and vice versa, as the context requires.

(b) Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

(c) The Recitals, Schedules and Exhibits annexed hereto, and the capitalized terms defined therein, are hereby incorporated by reference into the body of this Agreement as if the same were fully set forth herein.

(d) Whenever used herein, the term "including" shall be construed to mean "including without limitation."

ARTICLE XI

MISCELLANEOUS TERMS AND ADDITIONAL AGREEMENTS

11.1 Amendment and Modification. This Agreement may only be amended or modified by the parties hereto, pursuant to an instrument in writing signed by Buyer and the Sellers.

11.2 Extension; Waiver. The party entitled to the benefit of any respective term or provision hereof may (a) waive any inaccuracies in the representations and warranties contained herein or in any document, certificate or writing delivered pursuant hereto or (b) waive compliance with any obligation, agreement or condition contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party entitled to the benefits of such extended or waived term or provision. The representations, warranties and agreements of any of the parties provided for in this Agreement, and the parties' obligations hereunder, shall continue in effect notwithstanding any investigation made by the other party hereto.

(11.3 Entire Agreement; Assignment. This Agreement (a) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter hereof and (b) shall not be assigned, by operation of law or otherwise by a party hereto, without the prior written consent of the other parties, except that the Buyer may assign this contract to Buyer's Assignee all of its rights (including, without limitation, indemnification rights under Section 8.2) and obligations (including, without limitation, indemnification

obligations under Section 8.3) and all limitations applicable to Buyer under this contract upon notice to the Majority Seller, on behalf of the Sellers, and the Sellers acknowledge and agree that such rights, obligations and limitations shall be applicable to, shall bind and shall run to the benefit of Buyer's Assignee, as applicable, provided that Buyer shall provide evidence satisfactory to the Majority Seller, on behalf of the Sellers, of Buyer's Assignee's ability to perform all of Buyer's obligations hereunder and to make all of Buyer's representations and warranties hereunder for itself, and to provide indemnification under Article VIII hereof, whereupon Buyer shall be released from all obligations and liability hereunder, except that upon any assignment of this Agreement by Buyer, any knowledge of Buyer shall be imputed to Buyer's Assignee.

11.4 Validity. The invalidity or unenforceability of any term or provision of this Agreement in any situation or jurisdiction shall not affect the validity or enforceability of the other terms or provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.5 Notices. Unless otherwise provided herein, all notices and other communications hereunder shall be in writing and shall be deemed given upon receipt by the other parties at the following addresses or telecopy numbers:

If to QRP:

The Archon Group
600 E. Las Colinas Blvd., Suite 1900
Irving, Texas 75039
Attention: Wes Huff
Tel: 214-831-2200
Fax: 214-830-7600
with a copy to:

Battle Fowler LLP
75 East 55th Street
New York, New York 10022
Attention: Robert J. Wertheimer, Esq.
Tel: 212-856-7000
Fax: 212-856-7808

If to the 99 Sellers, to:

Sean C. Warren, Esq.
General Counsel
Soros Fund Management
888 Seventh Avenue
New York, New York 10106
Tel: (212) 541-7751
Fax: (212) 262-6300

If to Buyer, to:

RCC Acquisitions, Inc.
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Mr. Robert L. Miller
Tel: 904-356-7000
Fax: 904-634-3428

with a copy to:

Rogers, Towers, Bailey, Jones & Gay
1301 Riverplace Boulevard, Suite 1500
Jacksonville, Florida 32207
Attention: William E. Scheu
Tel: 904-398-3911
Fax: 904-396-0663

11.6 Governing Law. This Agreement shall be governed by the laws of the State of Florida (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

11.7 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

11.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.9 Costs and Expenses. Whether or not this Agreement and the transactions contemplated hereby are consummated, and except as otherwise expressly set forth herein, all costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses; provided, that notwithstanding the foregoing:

(a) The Majority Seller, on behalf of the Sellers, shall be responsible for: (i) Sellers' legal fees, except as set forth in subsection (c) below, (ii) all amounts due to the Broker, (iii) fifty percent (50%) of any title company escrow fees, and (iv) the costs of obtaining the owner's title insurance policy with regard to the Property naming the Buyer's immediate successor to the REIT as the insured;

(b) Except as expressly set forth herein, Buyer shall be responsible for all other costs and expenses, including, without limitation, (i) Buyer's legal fees and due diligence costs, except as set forth in subsection (c) below and (ii) all costs associated with any update, revision or recertification, re-issuance or other modification to the Survey required by Buyer or any party other than Sellers and all costs associated with obtaining a new survey as set forth herein; and

(c) in the event either party hereto is required to employ an attorney because any litigation arises out of this Agreement between the parties hereto, the non-prevailing party shall pay the prevailing party all reasonable fees and expenses, including attorneys' fees and expenses, incurred in connection with such litigation.

11.10 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its affiliates and nothing in this Agreement, express or implied, is intended by or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

11.11 No Waivers. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between the parties, shall constitute a waiver of any such right, power or remedy

11.12 Further Assurances. If any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the parties to this Agreement shall take all such necessary action.

11.13 Past Due Rents. (a) Rents due from tenants under Leases which are past due on the Adjustment Date and operating expenses and/or taxes payable by tenants under the Leases (collectively, "Tenant Receivables") shall be apportioned on the basis of the period for which the same is payable and if, as and when collected, as follows:

(i) During the period after Closing, Buyer shall deliver to the Majority Seller on behalf of the Sellers any and all (x) Rents accrued but uncollected as of the Closing

Date and (y) Tenant Receivables to the extent subsequently collected by Buyer. Buyer shall apply undesignated rent and other income received after Closing as follows: (1) first, to payment of the current Rent and reimbursements then due for the month in which the Closing Date occurs, this amount to be apportioned between Buyer and the Sellers as set forth in Section 1.3.6 hereof; (2) second, to delinquent Rent and reimbursements arising after Closing, this amount to be delivered to Buyer; (3) third, to payment of Tenant Receivables which, on the Closing Date, have not been billed or have not been determined in accordance with the provisions of the Leases (collectively, "Unbilled Tenant Receivables"), the amount of Unbilled Tenant Receivables which have accrued as of the Closing Date shall to be apportioned as of the Closing Date; and (4) thereafter, to delinquent Rents and Tenant Receivables which have been billed but have not been collected by the Sellers (collectively, "Uncollected Tenant Receivables"), arising prior to Closing, the proportionate amount due to the Sellers to be delivered to the Majority Seller on behalf of the Sellers; however, the Sellers shall have the right to pursue the collection of delinquent Rents and Tenant Receivables which accrued prior to Closing at any time for a period of nine (9) months after Closing without prejudice to the Sellers' rights or Buyer's obligations hereunder. In the event that Buyer in its sole discretion pursues the collection of Uncollected Tenant Receivables, Buyer shall do so on behalf of the Buyer and the Sellers. Any sums received by Sellers or Buyer to which the other is entitled shall be held in trust, and the party receiving the sum due the other shall remit to the other any such sums received to which the other is entitled within ten (10) Business Days after receipt thereof. The Majority Seller on behalf of the Sellers expressly agrees that if the Sellers receive any amounts after the Closing Date which are attributable, in whole or in part, to any period after the Closing Date, the Majority Seller on behalf of the Sellers shall remit to Buyer that portion of the moneys so received by the Sellers to which Buyer is entitled within ten (10) Business Days after receipt thereof. With respect to Unbilled Tenant Receivables, Buyer covenants and agrees to (A) bill the same when billable, (B) cooperate with the Sellers to determine the correct amount of operating expenses and/or taxes due and (C) use reasonable efforts to achieve the collection of the same. Notwithstanding anything contained herein to the contrary, Buyer shall have no duty to file suit to collect any amounts on behalf of the Sellers.

(ii) If the final reconciliation or determination of operating expenses and/or taxes due under the Leases shows that a net amount is owed by the Sellers to Buyer, Buyer's pro rata portion shall be paid by the Sellers to Buyer

within ten (10) Business Days of such final determination under the Leases and receipt from the tenants. If the final determination of operating expenses and/or taxes due under the Leases show that a net amount is owed by Buyer to the Sellers, Buyer shall, within ten (10) Business Days of such final determination and receipt from the tenants, remit to the Majority Seller on behalf of the Sellers, Sellers' portion of operating expenses and/or taxes for the period up to and including the Closing Date, if, as and when received. The final reconciliation shall be calculated by Buyer prior to April 1, 1998.

(b) Any prepaid Rents shall be retained by the Sellers and the amount thereof shall be credited to Buyer at Closing.

11.14 Tax Matters. The following provisions shall govern the allocation of responsibility as between Buyer and the Sellers for certain tax matters following the Closing:

11.14.1 Reporting, Payments and Audits. (a) Buyer shall cause Deloitte & Touche (Dallas) to prepare, and Buyer shall be responsible for filing or causing to be filed any federal, state, local and other Tax Returns and reports which are required to be filed by, or with respect to, the REIT for the period beginning before the Closing and ending after the Closing, provided, however, Buyer shall not file or cause to be filed any such returns and reports without the prior written consent of the Majority Seller (in this regard, the Majority Seller must receive a copy of such returns and reports at least fifteen (15) days prior to filing). Furthermore, Buyer agrees that Buyer will not take any positions on such returns and reports that are inconsistent with the treatment of such items prior to Closing. Buyer shall be responsible for and shall pay all Taxes imposed on the REIT, if any, for the taxable year of the REIT ending after the Closing.

(b) (i) Buyer and the Majority Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation of the Tax Returns pursuant to this Section and in connection with any steps or procedures required to be undertaken in compliance with Sections 856 through 860 of the Code and the Treasury Regulations promulgated thereunder.

(ii) Buyer and the Majority Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with any audit, litigation or other proceeding with respect to Taxes, provided, however, that all aspects of any audit, litigation or other proceeding with respect to Taxes attributable to a period ending before the Closing shall be controlled by and be the responsibility (including all attorneys' fees, court costs and disbursements) of the Majority

Seller on behalf of the Sellers and all aspects of any audit, litigation or other proceeding with respect to Taxes attributable to a period ending after the Closing shall be controlled by and be the responsibility (including all attorneys' fees, court costs and disbursements) of Buyer; provided, further, Buyer shall not settle any such audit, litigation or other proceeding relating to the period beginning before the Closing and ending after the Closing without the prior written consent of the Majority Seller on behalf of the Sellers, which consent shall not be unreasonably withheld.

11.14.2 Certain Taxes. All real property transfer and other similar taxes and fees (including any penalties and interest) incurred in connection with the Sale of Shares of the REIT, if any, shall be paid by the Majority Seller, on behalf of the Sellers, when due, and the Majority Seller, on behalf of the Sellers, shall file all such necessary tax returns and other documentation with respect to all such transfer and similar taxes and fees, and, if required by applicable law, the Buyer will join in the execution of any such tax returns and other documentation at the Closing.

11.15 Jurisdiction. (a) Any legal action or proceeding with respect to this Agreement shall be brought in the United States federal courts sitting in the State of Florida (including the appellate courts thereof) and by execution and delivery of this Agreement, each party to this Agreement hereby accepts, generally and unconditionally, the jurisdiction of the aforesaid courts. Each party to this Agreement hereby expressly and irrevocably submits the person of such party to this Agreement to the in personam jurisdiction of the foregoing courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. To the extent permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Agreement or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of such party to this Agreement in any such court.

(b) To the fullest extent permitted under applicable law, each party to this Agreement irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court referred to in this any claim that any such suit, action or proceeding has been brought in an inconvenient forum, any claim that it is not personally subject to the jurisdiction of any such court or that this Agreement or the subject matter hereof may not be enforced in or by such court.

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly signed as of the date first above written.

QUANTUM REALTY PARTNERS, L.P.

By: G. Soros Realty, Inc., as general partner

By: _____
Name:
Title:

By: WHQR Real Estate Limited Partnership, as general partner

By: WHQR Gen-Par Inc., as general partner

By: _____
Name:
Title:

C/M: 11145.0007 465517.8

REGENCY REALTY CORPORATION, for purposes of Article VIII hereof

By _____
Name:
Title:

RRC ACQUISITIONS, INC.

By _____
Name:
Title:

C/M: 11145.0007 465517.8

EACH OF THE 99 SELLERS ON THE ATTACHED SCHEDULE I

By:

By _____
Name:
Title: Attorney-in-Fact

EACH OF THE 99 SELLERS ON THE ATTACHED SCHEDULE II

By: _____
Name:
Title:

C/M: 11145.0007 465517.8

SCHEDULE I

1. George Soros
2. Susan Weber Soros
3. Scott K.H. Bessent
4. Walter E. Burlock, Jr.
5. Leslie Walker
6. Stanley Druckenmiller
7. Fiona Druckenmiller
8. Arminio Fraga
9. Lucyna Fraga
10. Gary Gladstein
11. Robert K. Jermain
12. Patricia Jermain
13. David N. Kowitz
14. Sarah Kowitz
15. Elizabeth Larson
16. Alec McAree
17. Paul McNulty
18. Dan Euele
19. Gabe Nechamkin
20. Beth Nechamkin
21. Steve Okin
22. Carolyn Okin
23. Dale Precoda
24. Lief Rosenblatt
25. Melinda Rosenblatt
26. Mark Sonnino
27. Lyn Brillo
28. Sean Warren
29. Anna Eu
30. John Zwaanstra
31. Alexander Soros
32. Trust for Alexander G. Soros U/A/D 4/1/82
33. Andrea Soros
34. Trust for Andrea Soros U/A/D 4/1/82
35. Gregory Soros
36. Trust for Gregory Soros U/A/D/ 4/1/82
37. Jonathan Soros
38. Trust for Jonathan Soros U/A/D/ 4/1/82
39. Robert Soros
40. Trust for Robert Soros U/A/D 4/1/82
41. Bozsi Limited Partnership
42. G. Soros Realty Advisors L.P.

43. G. Soros Realty Investors, L.P.
44. G. Soros Realty, Inc.
45. G. Soros Realty, L.P.
46. George Soros 1982 Charitable Lead Trust
47. Geosor Corporation
48. Gladstein Family Trust
49. GS Co-Invest, L.P.
50. GSR Holdings, Inc.
51. GSR Hotel Associates I, L.P.
52. GSR Hotel Associates II, L.P.
53. GSR Hotel Associates III, L.P.
54. GSR Hotel Associates IV, L.P.
55. GSR Hotel Associates V, L.P.
56. GSR N-1 Associates, L.P.
57. GSR Wycliffe Associates, Inc.
58. GSR Wycliffe Associates, L.P.
59. GSR/SAP Holdings Associates, L.P.
60. GSR/SAP Originating Partners Associates, L.P.
61. GSR/SAP Originating Partners, Inc.
62. GSSG Associates, L.P.
63. GSSG, Inc.
64. Lupa Family Partners
65. Lupa Properties, Inc.
66. Pool 22 Associates, Inc.
67. QIH Management Investor, L.P.
68. QIH Management, Inc.
69. SFM Advisory Holdings, L.P.
70. SFM AH, Inc.
71. SFM Participation L.P.
72. Soros Family Partners, L.P.

SCHEDULE II

1. WCB One Limited Partnership
2. WCB Two Limited Partnership
3. WCB Three Limited Partnership
4. WCB Four Limited Partnership
5. WCB Five Limited Partnership
6. WCB Six Limited Partnership
7. WCB Seven Limited Partnership
8. WCB Eight Limited Partnership
9. WCB Nine Limited Partnership
10. WCB Ten Limited Partnership
11. WCB Twenty-Eight Limited Partnership
12. WCB Twelve Limited Partnership
13. WCB Thirteen Limited Partnership
14. WCB Fourteen Limited Partnership
15. WCB Fifteen Limited Partnership
16. WCB Sixteen Limited Partnership
17. WCB Seventeen Limited Partnership
18. WCB Eighteen Limited Partnership
19. WCB Nineteen Limited Partnership
20. WCB Twenty Limited Partnership
21. WCB Twenty-One Limited Partnership
22. WCB Twenty-Two Limited Partnership
23. WCB Twenty-Three Limited Partnership
24. WCB Twenty-Four Limited Partnership
25. WCB Twenty-Five Limited Partnership
26. WCB Twenty-Six Limited Partnership
27. WCB Twenty-Seven Limited Partnership

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Schedule 3.11

Insurance

1. General Liability and Excess Liability coverage with Aon Risk Services Inc. of CT
2. Property casualty coverage with Alexander and Alexander of Texas, Inc. Includes Business Interruption, Flood, and Earthquake coverage.
3. Boiler coverage with Tanenbaum Harber Co. Inc.
4. D&O -General Partners Liability coverage with Tanenbaum Harber Co. Inc.

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Schedule 7.3

A. The Majority Seller shall deliver to Buyer fully executed estoppel certificates from each of the following tenants:

Unit 1-01	Blockbuster Videos, Inc.
Unit 1-16	Payless Shoesource, Inc.
Unit 1-42	Eckerd of Florida, Inc.
Unit 1-43	Tandy Corporation
Unit 1-45	Publix Supermarkets, Inc.
Unit 1-46	Pet Superstore, Inc.
Unit 1-48	Baskin Robbins USA Corporation
Unit 1-50	Subway Restaurants, Inc.
Unit 1-19	Lady of America

B. The Majority Seller shall deliver to Buyer fully executed estoppel certificates from 60% of the tenants listed below based on the square footage occupied by such tenants, provided, however, that if the Majority Seller is unable to obtain estoppels from a portion of such tenants prior to the Closing Date, the Majority Seller will provide Buyer with estoppels from the Majority Seller and upon delivery of estoppels from any such tenants to Buyer, the relevant estoppel from the Majority Seller shall be deemed terminated.

Unit 1-06	The Magic Store, Inc.
Unit 1-08	Aldo's Surgical and Hospital Supplies, Inc.
Unit 1-10	Armando Marquez, M.D.
Unit 1-11	Yi Wong Corporation
Unit 1-12	Vacant
Unit 1-19	Berta Aedo
Unit 1-23	Soly's Inc.
Unit 1-24	Line Drive Colectors, Inc.
Unit 1-25	Maria Luisa Fernandez and Jaime Amaya
Unit 1-26	Miami Medical Services, Inc.
Unit 1-27	A. Helena Jimenez, D.D.S.
Unit 1-29	1-C Wholesale
Unit 1-31	Dad's MBE, Inc.
Unit 1-33	Raoul Besteiro and Mirella Besteiro, his wife
Unit 1-34	Supercuts, Inc.
Unit 1-35	Flamingo Florida Drycleaners, Inc.
Unit 1-36	Fritanga Nica, Inc.
Unit 1-37	Futon & More Corporation
Unit 1-38	Tamiami Liquor Store, Inc.
Unit 1-39	Antonio De La Luz and Zoila Guajardo
Unit 1-40	Electrolux Corporation
Unit 1-41	Coral Way Locksmith, Corporation

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Unit 1-44 EFNIPRAM, Inc.
Unit 1-47 Pizza Hut of Titusville, Inc.

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PURCHASE AND SALE AGREEMENT

between

QUANTUM REALTY PARTNERS, L.P.

and

99 OTHER SELLERS

and

RRC ACQUISITIONS, INC.

Dated as of: May 12, 1997

C/M: 11145.0007 465517.8

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Exhibit A

Purchase Price Allocation

QRP: 1%
99 Sellers: Aggregate of .02579%
QRP: 98.97421%

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Exhibit B

See attached description of the Land.

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Exhibit C

1. Charter documents for the REIT
2. Bylaws of the REIT
3. Most recent financial statements for the REIT
4. Most recent tax returns for the REIT
5. Partnership Agreement for the Partnership
6. Most recent financial statement for the Partnership
7. Most recent tax returns for the Partnership
8. Most recent financial statements for QRP II Limited Partnership
9. Current rent roll for the Property
10. All Leases, subleases, payment history and correspondence related to the Property
11. Operating statements for 1994, 1995 and 1996 year-to-date related to the Property
12. Current year's property tax statements
13. Property environmental studies
14. Service contracts affecting the Property
15. Property capital expenditures summary for the past 12 months
16. Current personal property inventory for the Property
17. Certificates of occupancy, licenses, permits and governmental approvals with respect to the Property
18. Property as-built plans and specifications, to the extent available
19. Utility bills for the last 12 months and schedule of amounts of any utility deposits
20. Schedule of security deposits and current rent billings by category
21. Current delinquency reports with explanations for amounts over \$1,000
22. Three year loss history
23. Year to date financials and detailed general ledger
24. 1996 expense recovery reconciliation
25. Copy of existing title insurance policy
26. Available inspection reports (environmental, building)
27. Summary of tenant contacts with both local and national addresses and phone numbers; store numbers
28. Tax plat map

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Exhibit D

See attached Form of Estoppel Certificate

C/M: 11145.0007 465517.8

AMENDMENT TO PURCHASE
AND SALE AGREEMENT

AMENDMENT TO PURCHASE AND SALE AGREEMENT, dated as of July 11, 1997 by and among Quantum Realty Partners, L.P., a Delaware limited partnership ("QRP" or the "Majority Seller") and the parties identified on Schedule I and II attached hereto (the "99 Sellers") (QRP and the 99 Sellers shall be referred to collectively as the "Sellers") and RRC Acquisitions, Inc., a Florida corporation or its assignee (the "Buyer").

PRELIMINARY STATEMENT

A. The Sellers and the Buyer executed a Purchase and Sale Agreement, dated as of May 12, 1997 (the "Agreement"). The parties hereto desire to amend the Agreement as set forth below.

Accordingly, the parties hereto agree as follows:

1. The first sentence of Section 1.2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"Buyer agrees to pay to the Sellers on the Closing Date in consideration of its Purchase of the Shares and the Rights the sum of Nine Million Three Hundred and One Thousand Three Hundred Dollars (\$9,301,300) (the "Purchase Price"), subject to adjustment as provided in Section 1.3 hereof."

2. Section 1.3.4 of the Agreement is hereby amended and restated in its entirety to read as follows:

"Fuel, if any, shall be apportioned as estimated by the supplier of fuel to the Partnership as of the Closing Date, at current cost, together with any sales taxes payable in connection therewith, if any. A letter from the Partnership's fuel supplier shall be conclusive evidence as to the quantity of fuel on hand and the current cost therefor:"

3. Sections 1.4(b)(i) and 1.4(b)(ix) of the Agreement are hereby deleted.

4. Section 3.1(b) of the Agreement is hereby amended and restated in its entirety to read as follows:

611159.3

-1-

"(b) As of the Effective Date, each of the Partnership and the REIT are duly qualified or licensed and in good standing to do business as a foreign limited partnership or foreign corporation in each jurisdiction in which such qualification is required, and as of the Closing Date the REIT and the Partnership will continue to be so duly qualified or licensed, and there are no other jurisdictions in which the Partnership's or the REIT's ownership of property or conduct of business requires such qualification."

5. The second sentence of Section 3.14 of the Agreement is hereby amended and restated in its entirety to read as follows:

"As of the Effective Date, the Organizational Documents are in full force and effect, and as of the Closing Date, the Organizational Documents shall continue to be in full force and effect, and true and complete copies of all the Organizational Documents have been made available by the Majority Seller to the Buyer."

6. The first sentence of Section 3.4(a) of the Agreement is hereby amended and restated in its entirety to read as follows:

"The assets of the Partnership consist solely of the Partnership's right, title and interest in and to the following (collectively the "Partnership Assets") and no other assets:

7. The following paragraph is hereby added to Section 3.4(a) of the Agreement:

"The assets of the REIT consist solely of the REIT's right, title and interest in and to the following (collectively the "REIT Assets" and together with the Partnership Assets, the "Assets") and no other assets:

(A) 99% of the general partnership interests in the Partnership; and

(B) the REIT's rights under the Contribution Agreement, dated as of July 11, 1997, by and among the REIT and QRP."

8. The first sentence of Section 3.5(a) of the Agreement is hereby amended and restated in its entirety to read as follows:

611159.3

"The Partnership and the REIT have each complied with all Laws relating to the payment and withholding of Taxes and have, within the time and the manner prescribed by law, withheld and paid over to the proper Governmental Authorities all amounts required to be so withheld and paid over under applicable Laws."

9. The Agreement, as amended hereby, constitutes the entire agreement of the parties with respect to the subject matter hereof.

10. The Agreement, as amended hereby, shall be governed by, and construed under, the laws of the State of Florida (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. 11. This amendment may be executed in any number of counterparts, each of which shall be deemed to be an original of this amendment.

IN WITNESS WHEREOF, each of the undersigned has caused this amendment to be duly signed as of the date first above written.

QUANTUM REALTY PARTNERS, L.P.

By: G. Soros Realty, Inc., as general partner

By:-----
Name:-----
Title:-----

By: WHQR Real Estate Limited Partnership, as general partner

By: WHQR Gen-Par Inc., as general partner

By:-----
Name:-----
Title:-----

EACH OF THE 99 SELLERS ON THE ATTACHED SCHEDULE I

By:

By:-----
Name:-----
Title: Attorney-in-Fact

EACH OF THE 99 SELLERS ON THE ATTACHED SCHEDULE II

By:-----
Name:-----
Title:-----

611159.3

RRC ACQUISITIONS, INC.

By:-----

Name:-----

Title:-----

611159.3

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 9th day of July, 1997, between MIAMI GARDENS ASSOCIATES, a New Jersey 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 Miami, County of Dade, State of Florida, owned by Seller, known as the Garden Square Shopping Center (the "Shopping Center");

Seller wishes to sell the Shopping Center to Buyer;

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

1. DEFINITIONS

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

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

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

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

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

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

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

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

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

1.9 Earnest Money Deposit means the deposit delivered by Buyer to Escrow Agent prior to the Closing under Section of this Agreement, together with the earnings thereon, if any, and together with the additional deposit of \$100,000, and the earnings thereon, if made, pursuant to Section of this Agreement.

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 ss.ss.651 et seq., Oil Pollution Act of 1990, 33 USC ss.ss.2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. ss.ss.11001 et seq., National Environmental Policy Act of 1969, 42 USC ss.ss.4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC ss.ss.300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.

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

1.13 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 thirtieth (30th) day after the date of execution by the last of Buyer or Seller to execute this Agreement and transmit a copy of the fully executed Agreement to the other. 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, including all addenda and amendments thereto.

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) Mortgage dated as of December 21, 1995, from Seller to Life Investors Insurance Company of America, recorded in Official Records Book 17039, Page 3446 of the public records of Dade County, Florida;

(c) Rights of tenants under Leases; and

(d) 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 (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 extension options), 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 for the Property prepared by Seller's managing agent (Stiles Property Management Co.), 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 said managing agent 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 Surviving Mortgage means the Mortgage described in Section of this Agreement.

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

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

1.35 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.

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

1.37 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 \$9,425,000. The Purchase Price shall be payable by taking title subject to the Surviving Mortgage, the principal balance of which will be subtracted from the Purchase Price payable at Closing, and the balance of 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 fully discounted payment);

(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 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 by tenants after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any expenses of the Property incurred on or prior to the Allocation Date but discovered by Buyer after Closing. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller have received no proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less any 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 postAllocation Date periods, and then to pre-Allocation Date periods.

(4) If there is no Blockbuster Video expansion/relocation proposal accepted by Buyer under Section below, the price shall also be adjusted by Buyer paying to Seller an additional \$25,000, provided Seller has leased under Approved Leases no less than 2100 square feet of presently vacant space by leasing at least two (2) of spaces B11 (1050 square feet), B12 (1050 square feet), B16 (1050 square feet), or A5 (1200 square feet), (the "Earnout Space"). To be entitled to additional consideration, there must be no Blockbuster expansion and relocation accepted by Buyer, and such Approved Lease must be produced by Seller prior to the end of the Inspection Period and executed by Seller as landlord and the prospective tenant on or prior to Closing. An Approved Lease is one which provides for base rent plus tenant reimbursements and has an initial term of no less than three (3) and no more than ten (10) years with a third party tenant who is a bonafide third party 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. In addition, an Approved Lease must be written on the Shopping Center's standard form lease, without material modification (or other form approved by Buyer), and must provide for rents, cost sharing and concessions which are "market" for the Miami area, provided that in no event shall the annual base rental payable under the proposed lease be less than \$16.00 per square foot of store area, exclusive of tenant reimbursements. The minimum level of business experience which will be acceptable to Buyer for any proposed tenant shall be that the proposed store operator shall have been the principal operator of the business proposed to be conducted or a substantially similar business in the South Florida region successfully for no less than three (3) years. The minimum expectation of creditworthiness of Landlord shall be that the prospective tenant has net worth and unrestricted liquid assets sufficient to perform its obligations under the lease without regard to the income derived from or the assets of the proposed store, for one (1) full year of the lease term. In the event Seller obtains a proposed tenant and proposed lease for one (1) or more spaces in the Earnout Space and submits said proposed tenant and proposed lease to Buyer for its approval, Buyer shall have a period of five (5) business days after the receipt of the proposed lease and any related materials within which to respond to Seller in writing. If the response is in the negative, said response must be supplied to Seller in writing within said five (5) business days, along with a detailed list which defines and sets forth in clear and understandable terms the reasons for turning down or negating said potential tenant or potential lease. In the event Buyer does not respond or take any action in regard to the written request or notice of a potential tenant or potential lease (when and if said lease and supporting financial and operating expense information are enclosed in the package) within said five (5) business day period, said potential tenant and potential lease shall be conclusively deemed to have been approved by Buyer as of the end of such five (5)

business day period, and shall become an Approved Lease which Buyer shall be obligated to execute and perform if the transaction closes. All costs to be incurred by the landlord in connection with the execution and delivery of the lease, concessions and buildout, including without limitation leasing commissions, tenant improvements and post-Closing free rent, if any, shall be paid by Seller prior to Closing or if not paid, credited against the cash portion of the Purchase Price due Seller. Notwithstanding any other provision hereof, the maximum aggregate additional consideration for the aggregate Earnout Space is \$25,000. The additional consideration contemplated hereby applies only to the Earnout Space and not to any other space in the Shopping Center and is not payable if Buyer approves the proposal for the Blockbuster expansion and relocation transaction as contemplated by Section below.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$100,000 shall be delivered to Escrow Agent within three (3) days after the date of execution by the last of Buyer or Seller to execute and transmit a copy of this Agreement to the other. This Agreement may be terminated by Seller if the Earnest Money Deposit is not received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be deposited by Escrow Agent in an interest bearing account at First Union National Bank of Florida, and shall be held and disbursed by Escrow Agent as specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 Closing Costs and Escrow.

(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, other than the Surviving Mortgage;

(4) Costs, if any, of curing title defects and recording any curative title documents;

(5) The costs and charges in excess of \$2,500 which are imposed by the holder of the Surviving Mortgage with respect to its consent and release, other than the one percent (1.0%) "transfer fee" (which shall be paid by Buyer);

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

(7) Brokerage commission to Newfort Realty Inc., in an amount equal to two percent (2.0%) of the Purchase Price.

(b) Buyer shall pay:

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

(2) Cost of title insurance;

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

(4) Cost of recording the deed;

(5) Mortgage transfer fee not to exceed one percent (1.0%) of the outstanding principal balance on the Surviving Mortgage together with the first \$2,500 of other costs and charges imposed by the holder of the Surviving Mortgage with respect to its consent and release;

(6) Brokerage commission to BlackRock Realty Advisors, Inc., if and when the transaction closes, in the amount of \$70,000; and

(7) Buyer's attorneys' fees.

(c) Seller has heretofore entered into an Option and Lease Agreement dated October 25, 1996, with Bellsouth Mobility, Inc. ("Bellsouth"), concerning the leasing of approximately 260 feet of building space and 150 square feet of exterior space adjacent to the building space (the "Bellsouth Option"). The option is exercisable by Bellsouth through October 10, 1997, and is subject to extension through April 10, 1998. In addition, as reflected by Section 17 of the Bellsouth Option, Bellsouth and Seller contemplate shared use of Bellsouth's antenna structure by Sprint Spectrum, Inc. ("Sprint"). At Closing, an additional \$180,000 will be deposited by Buyer with Escrow Agent in an interest bearing account. The escrowed sums and earnings thereon shall be disbursed to Buyer if Bellsouth does not exercise its option under the Bellsouth Option by April 10, 1998. If the option is timely exercised by Bellsouth, an amount equal to the "gross lease value" of (i) the Bellsouth lease (to which the option was converted in accordance with the Bellsouth Option) shall remain in escrow together with the "gross lease value" of the Sprint lease, if any, up to a maximum aggregate escrow of \$180,000 (plus the earnings thereon). Any balance of escrowed sums, including the earnings on the escrow, after the computation and setting aside of

the "gross lease values" for Bellsouth and Sprint, shall be disbursed to Buyer. The escrowed "gross lease value" attributable to the exercised Bellsouth Option/lease shall be disbursed to Seller upon the expiration of sixty (60) days after Bellsouth has commenced operating its communications facilities at the leased site, provided Bellsouth has not by that date indicated to Buyer that there is material interference at the site under Section 12 of the Bellsouth Option or cancelled under Section 35 of the Bellsouth Option. The escrowed "gross lease value" of the Sprint lease, if any, less the costs of any improvements incurred or to be incurred by Buyer with respect to the Sprint lease, if any, shall be disbursed to Seller on the later of (i) the date of disbursement of the "gross lease value" of the Bellsouth Option/lease or (ii) the date Sprint commences operating its communication facilities at the Shopping Center under the Sprint lease and any cancellation rights for reasons determinable by its initial operations (such as, by way of example, frequency compatibility) it may have thereunder shall have expired. Any remaining balance of escrowed funds after such disbursements to Bellsouth and Sprint shall be disbursed to Buyer. At Closing Seller shall remit to Buyer all deposits and money paid to Seller by Bellsouth under the Bellsouth Option, but Buyer shall return Seller's prorated share of such deposit(s) to Seller upon Bellsouth's exercise of the option. For purposes hereof the term "gross lease value" of a particular lease shall be the total of base or minimum guaranteed rent payable under the particular lease for the first five years of the term of such lease (or such proportionately lesser number if the term is shorter than five [5] years), but in no event shall the aggregate of additional amounts payable to Seller under this Section exceed \$180,000.

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, to review and approve the terms and conditions of the Surviving Mortgage, 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, which indemnity shall survive the Closing or earlier termination hereof. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to Closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer so elects to go forward, the Earnest Money Deposit shall be increased by an additional

deposit of \$100,000 (to be deposited with Escrow Agent no later than three (3) business days following the end of the Inspection Period), and shall not be refundable except upon the terms otherwise set forth herein.

(b) 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.

(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.

(d) Blockbuster Video is a current tenant in the Shopping Center and is considering an expansion of its current premises into spaces B18 and B17 (the "Blockbuster Expansion Space"). Such an expansion will require the current tenants in the Blockbuster Expansion Space to relocate to other space in the Shopping Center. Seller may present to the Buyer no less than five (5) business days prior to the end of the Inspection Period (the "Blockbuster Drop Dead Date") a written proposal for the expansion of Blockbuster Video into the Blockbuster Expansion Space, such proposal to be executed by Blockbuster Video and each of the tenants to be relocated. Such proposal shall contain all material terms and conditions, economic and otherwise, for such expansion and relocation. Buyer may accept or reject the proposal, but if it rejects the proposal and if Buyer determines by the end of the Inspection Period, to go forward to Closing, Buyer shall have no right to extend the Closing Date under Section below. If Buyer accepts the proposal for the Blockbuster expansion and relocation the proposal shall be binding upon Buyer should the Closing of its acquisition of the Shopping Center occur in accordance with the terms of the proposal to the extent, if any, the proposal is binding. Should Seller fail to deliver the aforesaid proposal, so executed, to Buyer by the end of the Blockbuster Drop Dead Date, Seller's right to submit such proposal shall lapse.

3.2 Hazardous Material. Prior to the end of the Inspection Period Buyer may order environmental assessments of the Property. A copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If an assessment report discloses the existence of any Hazardous Material or any other matters that pose an environmental threat to the Property or its environs, Buyer may, prior to Closing, notify Seller in writing, within ten (10) business days after receipt of the assessment report (but not after Closing), 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 tenth (10th) business day following the expiration of the Inspection Period, provided that Buyer may designate an earlier date for Closing. If there is no Blockbuster proposal, and if Seller by the end of the Inspection Period has not leased a minimum of 1050 square feet of the Earnout Space in accordance with the standards expressed in Section of this Agreement, the Closing may be extended by either Buyer (subject to the limitations of Section above) or Seller, until the earlier of thirty (30) days following the original Closing Date, or ten (10) days following Seller's delivery of an executed Approved Lease for at least 1050 square feet of the Earnout Space. If by the extended Closing Date Seller has still not delivered an executed Approved Lease for at least 1050 square feet of the Earnout Space, the Closing may be further postponed by either Buyer (subject to the limitations of Section above) or Seller, until ten (10) business days following the execution and delivery of such Approved Lease, provided that either party may thereafter cancel this Agreement at any time upon fifteen (15) days notice. If such an Approved Lease is nevertheless executed and delivered during such fifteen (15) day notice period, the cancellation shall be deemed withdrawn and the Closing shall occur ten (10) days following the delivery of such executed Approved Lease to Buyer. Notwithstanding the foregoing, Buyer may waive such leasing condition at any time, whereupon the Closing Date shall occur ten (10) business days following such waiver, but in any event no earlier than the originally scheduled Closing Date. The additional consideration payable under Section of this Agreement is not payable with respect to any Approved Lease entered into after the initially scheduled Closing Date despite the postponement of the Closing under this section.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

Seller warrants and represents as follows as of the date of this Agreement 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 matters set forth in a Loan Policy issued by Chicago Title Insurance Company, bearing number 10-1740-02-000091, having an effective date of December 26, 1995, the Leases, and matters of record subsequent thereto.

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 BlackRock Realty Advisors, Inc., whose commission shall be paid by Buyer, and Newfort Realty, Inc., whose commission shall be paid by Seller. Seller agrees to indemnify Buyer from any other 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, except an action by Hair Discovery involving an alleged exclusive. Seller shall indemnify and hold Buyer harmless from any loss or damage suffered or incurred by Buyer arising from such litigation, including without limitation attorneys fees and costs at all levels and, in the case of Hair Discovery, all lost rentals and other sums due under the Hair Discovery lease.

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 (not to be unreasonably withheld or delayed), except as otherwise permitted in this Agreement. To the best of Seller's knowledge no material defaults by tenants exist under the Leases, except as noted on the Rent Roll, in Section above and except for Gardens Square Italian Restaurant, Inc. ("Sal's Restaurant") under its lease executed June 13, 1996. Should this transaction close, Buyer will take the risk of the Sal's Restaurant default, and shall be entitled to the benefits of any guarantees and deposits made by Sal's Restaurant and/or Salvatore Stellino (the lease guarantor), in connection with the Sal's Restaurant lease. Buyer acknowledges that if Sal's Restaurant complies with the requirements of Section 4 of Rider 1 to the Sal's Restaurant lease that the tenant will be entitled to a construction contribution from the landlord of \$19,000, which contribution obligation Buyer agrees to honor without reimbursement by Seller or credit against the Purchase Price, subject to the terms and conditions of such lease. 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 or in the Leases. 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 by Seller's managing agent in accordance with the books and records of the Shopping Center, and presents fairly in all material respects the financial condition, results of operations and cash flows for the Shopping Center as of and for the periods to which they relate. Seller is unaware of any 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 the Shopping Center'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 cause its managing agent 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 the Surviving Mortgage, Leases and matters described in Section above, 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 a notice of termination. To Seller's

knowledge, 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 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 activity with respect to the operation thereof outside the ordinary course of business which would have a material effect on Buyer or the Property without Buyer's prior written consent. Seller shall be permitted to defend the civil action brought against it by Hair Discovery, Inc., and shall indemnify and hold Buyer harmless from any loss or cost arising therefrom, as provided above. 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 Rent Roll; Tenant Estoppel Letters. The Rent Roll is true and correct in all material respects. Seller agrees to use reasonable efforts to obtain current Tenant Estoppel Letters acceptable to Buyer from all Tenants under the Leases.

4.12 Condemnation. To 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.

4.13 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 or herein (eg. Section hereof). Except for those

matters enumerated in Exhibit hereof, 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 indemnify and hold Buyer harmless from any loss, damage or expense arising from the matters set forth in Exhibit, and sums may be escrowed at Closing to cover any such matters. 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.

4.14 Repairs. Seller has received no notice of any requirements by any lender, insurance companies, or governmental body or agencies requiring any repairs or work to be done on the Property which have not already been completed, except for those matters enumerated in Exhibit hereof.

4.15 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 Seller's 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) 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. Notwithstanding the foregoing Seller represents that the surviving Mortgage contains a due-on-sale clause and that a conveyance of the Property subject to the Surviving Mortgage will require the consent of the holder of the Surviving Mortgage.

4.16 Environmental Matters. Seller represents and warrants as of the date hereof and as of the Closing that Seller has not, and to the best of its knowledge no other person has caused any Release or disposal of any Hazardous Material at the Property in any material quantity.

4.17 Surviving Mortgage. To Seller's knowledge, the Surviving Mortgage is presently held by Life Investors Insurance Company of America and is in good standing with no defaults existing thereunder. The principal balance outstanding as of June 1, 1997, will be approximately \$6,670,539.77, and the monthly payment of principal and interest is \$52,213.51. Seller has deposits with the holder of the Surviving Mortgage totalling approximately \$111,841.97 for taxes and insurance. Such

deposits will be assigned at Closing, Buyer to reimburse Seller therefor. The transfer of the Property to Buyer will require the consent of the holder of the Surviving Mortgage. Prior to the end of the Inspection Period, Seller shall use reasonable efforts to cause the holder of the Surviving Mortgage to execute and deliver to Buyer an estoppel letter and consent consenting to this transaction and certifying as to the foregoing matters in form and substance satisfactory to Buyer. Seller will maintain the Surviving Mortgage in good standing, without default, until Closing. Seller shall continue to maintain the Surviving Mortgage in good standing and shall use reasonable efforts to obtain updated estoppel(s) as Buyer shall request covering any period that the Closing is postponed under Section of this Agreement or otherwise.

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.

4.19 Reaffirmation at Closing. Seller shall reaffirm the foregoing representations and warranties at Closing, effective as of Closing, noting however any material changes (the same to be acceptable to Buyer).

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 BlackRock Realty Advisors, Inc., whose commission shall be paid by Buyer and Newfort Realty, Inc., whose

commission shall be paid by Seller. 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 rights of tenants under the Leases and to the rights of Bellsouth under the Bellsouth Option.

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

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

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

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance and Survey. Buyer's counsel shall order the Title Insurance Commitment and Survey (Seller agreeing to furnish to Buyer copies of any existing surveys and title information in its possession) promptly after execution of this Agreement). Buyer shall use Chicago Title Insurance Company for the title insurance and Leiter & Associates, Inc., Land Development Consultants, the surveyor who prepared Seller's existing survey, for the survey. Buyer will have ten (10) days from receipt of the Title Commitment (including legible copies of all recorded exceptions noted therein) and Survey, but not later than the end of the Inspection Period, 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 recertified as true and correct as of the Closing Date (noting any changes as provided in Section above), and Seller shall not be in default hereunder.

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

(c) There shall have been no material adverse change in the Property, its operations or future prospects, the Leases or the financial condition of tenants leasing space in the Shopping Center.

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

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

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

(1) A 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) An Approved Lease(s) for not less than one (1) store in the Earnout Space;

(3) 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;

(4) A blanket assignment to Buyer of all Leases, including the Approved Lease(s) for stores in the Earnout Space, and the Contracts, permits and licenses (to the extent assignable) as they affect the Property, including reciprocal indemnities against breach of such instruments by Seller prior to the Closing Date and by Buyer after the Closing Date;

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

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

(7) A current rent roll for all Leases in effect showing no material changes from the Rent Roll attached to this Agreement other than those set forth in the Leases or approved as Approved Leases in writing by Buyer;

(8) All Tenant Estoppel Letters obtained by Seller, which must include Publix, Eckerd, Hair Cuttery, Dryclean USA, Lady of America, Subway, Blockbuster Video and Lakes Preschool, and eighty percent (80%) by number of the other tenants who have signed leases for any portion of the Property, without any material exceptions, covenants, or changes to the form approved by Buyer and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must be acceptable to Buyer in all respects (Seller agreeing to use reasonable efforts to obtain Tenant Estoppel Letters from all tenants, including specifically Allstate Insurance);

(9) An affidavit from Seller certifying to Seller's knowledge about the same information contained in the Buyer's form of Tenant Estoppel Letter for all tenants who do not execute and deliver a Tenant Estoppel Letter;

(10) The estoppel letter and consent from the holder of the Surviving Mortgage in form and substance and without conditions unless such are reasonably acceptable to Buyer and reflect that the transfer fee will be no greater than one percent (1.0%) of the outstanding principal balance of the Surviving Mortgage (it being acknowledged by Seller that Buyer shall not be required to undertake any personal obligation under the Surviving Mortgage or the loan documents thereby secured;

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

(12) 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;

(13) Copies of any current water, sewer and utility bills which are in Seller's custody or control;

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

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

(16) Materials; and

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

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) Seller shall have obtained the consent of the holder of the Surviving Mortgage to this Agreement and to the transfer of the Property to Buyer, and to a release in favor of Seller, its partners and their respective principals of post-Closing personal liability under the Surviving Mortgage and other loan documents, including without limitation the Recourse Obligations, as defined therein. It is acknowledged by Buyer that because of the substantial prepayment premium required under the Surviving Mortgage should it be prepaid, Seller shall not be required to satisfy the Surviving Mortgage at Closing or close this transaction should the holder of the Surviving Mortgage not consent to the transfer contemplated by this Agreement, subject to the Surviving Mortgage.

(d) 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.

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 as its sole remedy may, at Buyer's election either (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 expressly 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. Buyer shall have no remedy at law for damages arising from a pre-Closing breach by Seller.

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 for Buyer's indemnity in Section , which shall survive termination).

10. AS-IS PURCHASE; POST CLOSING INDEMNITIES AND COVENANTS

10.1 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.

10.2 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 with respect to any and all claims made by Buyer by written notice to Seller, within one (1) year after the date of Closing. If any such claim is made and, except in cases of emergency, before Buyer voluntarily expends substantial funds or voluntarily incurs any substantial liability, Buyer shall provide a reasonable opportunity to Seller (not to exceed thirty [30] days) within which to cure or if any such claim is not susceptible to cure within thirty (30) days, to commence curing (and diligently pursue thereafter) the matters raised by such claim(s), during which cure period the one (1) year survival period shall be correspondingly extended with respect to such claim(s).

10.3 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 with respect to any and all claims made by Seller by written notice to Buyer within one (1) year after the date of Closing. If any such claim is made, and, except in cases of emergency, before Seller voluntarily expends substantial funds or voluntarily incurs any substantial liability, Seller shall provide a reasonable opportunity to Buyer (not to exceed thirty [30] days) within which to cure or if any such claim is not susceptible to cure within thirty (30) days, to commence curing (and diligently pursue thereafter) the matters raised by such claim(s), during which cure period the one (1) year survival period shall be correspondingly extended with respect to such claim(s).

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:	Miami Gardens Associates c/o Bradley E. McNutt 711 South Rio Vista Boulevard Ft. Lauderdale, Florida 33316 Facsimile: (954) 462-8442
---------------	--

With a copy to: Honigman Miller Schwartz and Cohn
Attention: Neil W. Platock, P.A.
222 Lakeview Avenue, Suite 800
West Palm Beach, Florida 33401
Facsimile: (561) 832-3036

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

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

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

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

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

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

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

11.10 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Any assignment shall not relieve Buyer of its obligations hereunder. 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 Counterparts; Further Instruments, Etc. This Agreement may be executed in counterparts and when so executed shall be deemed executed as one agreement. Seller and Buyer shall execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

11.14 Section 1031 Exchange. Buyer acknowledges that Seller may effect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, Buyer agrees that it will cooperate with Seller to effect a tax-free exchange in accordance with the provisions of Section 1031 of the Code and the regulations promulgated with respect thereto. Seller shall be solely responsible for any additional fees, costs or expenses incurred in connection with the like-kind exchange contemplated by this paragraph. In no event shall Seller's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way relieve Seller from its obligations and liabilities under this Agreement. Seller hereby agrees to indemnify and hold harmless Buyer from any liability, losses or damages incurred by Buyer in connection with or arising out of the Section 1031 like-kind exchange, including but not limited to any tax liability.

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

11.16 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)

RRC ACQUISITIONS, INC.,
a Florida corporation

By:
Its:

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

Date: _____, 1997
Tax Identification No. 59-3210155

"BUYER"

MIAMI GARDENS ASSOCIATES, a New Jersey
general partnership

By: Garden Square Associates, L.P., a
Delaware limited partnership, doing
business in Florida as Garden Square
Associates of Delaware, Ltd., as the
authorized managing general partner of
Miami Gardens Associates

By: Englewood Gardens, Inc., a Florida
corporation, sole general partner

By: John F. Malhame, President

Date: _____, 1997

Tax Identification No:
"SELLER"

JOINDER OF ESCROW AGENT

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

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 or Escrow Agent is uncertain with respect to the escrow, the parties hereto expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by final appropriate legal proceedings or by the mutual agreement of the parties; 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. 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 notice by Buyer or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

4. Continuing Counsel. Seller acknowledges that Escrow Agent is counsel to Buyer herein and Seller agrees that in the event of a dispute hereunder or otherwise between Seller and Buyer, Escrow Agent may continue to represent Buyer

notwithstanding that it is acting and will continue to act as Escrow Agent hereunder, it being acknowledged by all parties that Escrow Agent's duties hereunder are ministerial in nature.

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

ROGERS, TOWERS, BAILEY, JONES & GAY

By:
Its Authorized Agent

Date: _____, 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

1. A portion of Tract "A" of "STILES HUNT PLAT", according to the Plat thereof as recorded in Plat Book 138, Page 85, of the Public Records of Dade County, Florida, being more particularly described as follows:

Commence at the Southwest corner of Section 3, Township 52 South, Range 40 East; thence North 89 degrees 38 minutes 39 seconds East, along the south line of said Section 3, 700.53 feet; thence North 02 degrees 35 minutes 29 seconds West, along a line 700 feet East of and parallel with the west line of said Section 3, 55.04 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; said point being the Southeast corner of said Tract "A" of the said Plat of "STILES HUNT PLAT"; thence South 89 degrees 38 minutes 39 seconds West, along a line 55 feet North of and parallel with said south line of said Section 3, said line being the north right-of-way line of Miami Gardens Drive (N.W. 186th Street) as shown on the said Plat of "STILES HUNT PLAT", 180.00 feet thence North 00 degrees 21 minutes 21 seconds West, 30.00 feet; thence South 89 degrees 38 minutes 39 seconds West, 30.00 feet; thence South 00 degrees 21 minutes 21 seconds East, 30.00 feet; thence South 89 degrees 38 minutes 39 seconds West, along a line 55 feet North of and parallel with said south line of said Section 3, said line being the north right-of-way line of Miami Gardens Drive (N.W. 186th Street) as shown on the said Plat of "STILES HUNT PLAT", 300.50 feet; thence North 02 degrees 35 minutes 29 seconds West, along a line 189.89 feet East of and parallel with the west line of said Section 3, 224.00 feet; thence South 89 degrees 38 minutes 39 seconds West, along a line 278.83 feet North of and parallel with the south line of said Section 3, 150.00 feet; thence North 02 degrees 35 minutes 29 seconds West, along a line 40 feet East of and parallel with the west line of said Section 3, and said line being the east right-of-way line of N.W. 87th Avenue as shown on the said Plat of "STILES HUNT PLAT", 436.30 feet; thence North 89 degrees 38 minutes 29 seconds East, along a line 55 feet North of and parallel with the south line of Tract 43 of "FLORIDA FRUIT LANDS COMPANY'S SUBDIVISION NO. 1", according to the Plat thereof as recorded in Plat Book 2, Page 17, of the Public Records of Dade County, Florida, said line also being the north line of Tract "A" of said Plat of "STILES HUNT PLAT", 660.50 feet; thence South 02 degrees 35 minutes 29 seconds East, along a line 700 feet East of and parallel with the west line of said Section 3, 660.33 feet to the POINT OF BEGINNING.

Said lands lying in Section 3, Township 52 South, Range 40 East, Dade County, Florida.

2. TOGETHER WITH a perpetual, non-exclusive easement for pedestrian and vehicular ingress and egress and parking over and upon the following described parcel as contained in the certain cross access easement filed May 17, 1990, in Official Records Book 14550, Page 2602:

The West 149.89 feet of the South 223.83 feet of Tract "A" of "STILES HUNT PLAT" according to the Plat thereof recorded in Plat Book 138, Page 85, of the Public Records of Dade County, Florida, being more particularly described as follows:

Commence at the Southeast corner of said Tract "A", thence run South 89 degrees 38 minutes 39 seconds West along the south line of said Tract "A", also being the north right-of-way line of Miami Gardens Drive, for a distance of 510.50 feet to the POINT OF BEGINNING, thence continue South 89 degrees 38 minutes 39 seconds West for a distance of 125.96 feet to a point of curvature of a circular curve concave to the Northeast; thence run Northwesterly along the arc of said circular curve, having a radius of 25.00 feet through a central angle of 87 degrees 45 minutes 52 seconds, for an arc distance of 38.29 feet to a point of tangency; thence run North 02 degrees 35 minutes 29 seconds West along the west line of said Tract "A", also being the east right-of-way line of N.W. 87th Avenue, a distance of 199.96 feet to a point; thence run North 89 degrees 38 minutes 39 seconds East along the north line of the South 223.83 feet of said Tract "A", a distance of 150.00 feet to a point; thence run South 02 degrees 35 minutes 29 seconds East along the east line of the West 149.89 feet of said Tract "A" for a distance of 224.00 feet to the POINT OF BEGINNING.

3. TOGETHER with a perpetual, non-exclusive easement for the purpose of automobile and pedestrian ingress and egress and automobile parking created at Paragraph 1 of the Reciprocal Shopping Center Easement Agreement by and between Miami Gardens Associates, a New Jersey partnership, and McDonald's Corporation, a Delaware corporation, dated October 3, 1994, recorded in Official Records Book 16560, Page 1778, of the Public Records of Dade County, Florida.

LESS THE FOLLOWING LANDS:

(Out-Parcel "B" Miami Gardens Shopping Center)

A portion of Tract "A" of "STILES HUNT PLAT", according to the Plat Book 138, Page 85, of the Public Records of Dade County, Florida being more particularly described as follows:

COMMENCE at the Southwest corner of Section 3, Township 52 South, Range 40 East; thence North 89 degrees 38 minutes 39 seconds East along the south line of said Section 3, 700.53; thence North 02 degree 35 minutes 29 seconds West, 55.04 feet to a point on the south line of said Tract "A", said point being the Southeast Corner of said Tract "A", thence South 89 degrees 38 minutes 39 seconds West along the south line of said Tract "A", 44.04 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence continue South 89 degrees 38 minutes 39 seconds West along said south line of said Tract "A", 135.96 feet; thence North 00 degrees 21 minutes 21 seconds West, 30.00 feet; thence South 89 degrees 38 minutes 39 seconds West, 26.01 feet; thence North 00 degrees 21 minutes 21 seconds West 120.00 feet; thence North 89 degrees 38 minutes 39 seconds East, 136.88 feet to a point of curvature of a circular curve to the right concave Southwesterly; thence Easterly, Southeasterly and Southerly along the arc of said curve, having a radius of 20.00 feet and a central angle of 87 degrees 45 minutes 52 seconds, for an arc distance of 30.64 feet to a point of tangency; thence South 02 degrees 35 minutes 29 seconds East, 130.88 feet to the POINT OF BEGINNING.

Said lands lying in Section 3, Township 52 South, Range 40 East, Dade County, Florida.

EXHIBIT

Rent Roll

EXHIBIT

Form of Estoppel Letter

_____, 199_

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

RE: _____ (Name of Shopping Center)

Ladies and Gentlemen:

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

1. The undersigned is the Tenant of _____, Landlord, in the above Shopping Center, and is currently in possession and paying rent on premises known as Store No. _____ [or Address: _____], and containing approximately _____ square feet, under the terms of the lease dated _____, which has (not) been amended by amendment dated _____ (the "Lease"). There are no other written or oral agreements between Tenant and Landlord. Tenant neither expects nor has been promised any inducement, concession or consideration for entering into the Lease, except as stated therein, and there are no side agreements or understandings between Landlord and Tenant.

2. The term of the Lease commenced on _____, expiring on _____, with options to extend of _____ (____) years each.

3. As of _____, monthly minimum rental is \$_____ a month.

4. Tenant is required to pay its pro rata share of Common Area Expenses and its pro rata share of the Center's real property taxes and insurance cost. Current additional monthly payments for expense reimbursement total \$_____ per month for common area maintenance, property insurance and real estate taxes.
5. Tenant has given [no security deposit] [a security deposit of \$-----].
6. No payments by Tenant under the Lease have been made for more than one (1) month in advance, and minimum rents and other charges under the Lease are current.
7. All matters of an inducement nature and all obligations of the Landlord under the Lease concerning the construction of the Tenant's premises and development of the Shopping Center, including without limitation, parking requirements, have been performed by Landlord.
8. The Lease contains no first right of refusal, option to expand, option to terminate, or exclusive business rights, except as follows:
9. Tenant knows of no default by either Landlord or Tenant under the Lease, and knows of no situations which, with notice or the passage of time, or both, would constitute a default. Tenant has no rights to off-set or defense against Landlord as of the date hereof.
10. The undersigned has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises except as follows:
11. Tenant has not generated, used, stored, spilled, disposed of, or released any hazardous substances at, on or in the Premises. "Hazardous Substances" means any flammable, explosive, toxic, carcinogenic, mutagenic, or corrosive substance or waste, including volatile petroleum products and derivatives and drycleaning solvents. To the best of Tenant's knowledge, no asbestos or polychlorinated biphenyl ("PCB") is located at, on or in the Premises. The term "Hazardous Substances" does not include those materials which are technically within the definition set forth above but which are contained in pre-packaged office supplies, cleaning materials or personal grooming items or other items which are sold for consumer or commercial use and typically used in other similar buildings or space.

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

Very truly yours,

_____(Tenant)

Mailing Address:

By: _____
Its: _____

EXHIBIT

Notices of Violations

Three minor Metropolitan Dade County code violations, two pertaining to signage and one pertaining to an entrance ramp.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made by and between TBC Kingsdale, Inc., a Massachusetts corporation ("Seller"), and RRC Acquisitions, Inc., a Florida corporation ("Purchaser"), as of September 19, 1997 (the "Effective Date").

In consideration of the mutual covenants and representations herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

SECTION 1. PURCHASE AND SALE

1.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of the Seller's assignable and transferable right, title and interest in and to the following described property (herein collectively called the "Property"):

(a) Land. That certain tract of land (the "Land") located in the City of Upper Arlington, Franklin County, Ohio, being more particularly described on Exhibit A attached hereto and made a part hereof.

(b) Easements. All easements, if any, benefiting the Land or the Improvements (as hereinafter defined).

(c) Rights and Appurtenances. All rights and appurtenances pertaining to the Land, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way.

(d) Improvements. All improvements and related amenities known as "Kingsdale Center" (the "Improvements") in and on the Land, and having an address of Northwest Boulevard, Upper Arlington, Ohio.

(e) Leases. All leases (the "Leases") of space in the Property and any amendments, modifications and addenda thereto and any guarantees thereof, concession leases, and all tenant security deposits held by Seller on the Closing Date (as defined in Section 6.1).

(f) Tangible Personal Property. All appliances, fixtures, equipment, machinery, furniture, carpet, drapes and other personal property, if any, owned by Seller, located on and used in connection with the Land and the Improvements (the "Tangible Personal Property").

(g) Contracts. To the extent assignable without the consent of third parties, all written contracts and agreements pertaining to the Property, and not cancelable on thirty (30) days notice without penalty or premium (collectively, the "Contracts"), including, but not limited to, management contracts, service contracts, equipment leases and maintenance contracts.

(h) Intangible Property. To the extent assignable without the consent of third parties, all intangible property (the "Intangible Property"), if any, owned by Seller and pertaining to the Land, the Improvements, or the Tangible Personal Property including, without limitation, transferable utility contracts, transferable telephone exchange numbers, plans and specifications, engineering plans and studies, floor plans and landscape plans.

SECTION 2. PURCHASE PRICE

2.1 Purchase Price. The purchase price (the "Purchase Price") for the Property shall be SEVENTEEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$17,650,000.00) subject to the prorations and adjustments set forth herein and shall be paid in cash by Purchaser to Seller at the Closing (as defined in Section 6.1) by wire transfer in accordance with wire transfer instructions to be provided by Seller.

SECTION 3. EARNEST MONEY

3.1 Earnest Money.

(a) Purchaser shall execute and deliver this Agreement, by fax, to Seller on or before 5:00 p.m. on September 19, 1997. Purchaser shall deliver to

the Title Company (as defined in Section 6.1) on or before 2:00 p.m. on the date the Seller executes and delivers to Purchaser, by fax, a copy of this Agreement already signed by Purchaser: (x) if the Seller has made such delivery on or before 2:00 p.m., on the date of such delivery, and (y) if the Seller has made such delivery after 2:00 p.m., on the immediately following business day, by wire transfer in accordance with wire transfer instructions provided by the Title Company, the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) (which amount and any additional funds delivered by Buyer to Title Company pursuant to this Section 3, together with all interest accrued thereon, if any, is herein called the "Earnest Money") to be invested by the Title Company in an interest-bearing account as Purchaser and Seller shall direct. Purchaser agrees to promptly deliver or cause the Title Company to deliver to Seller written acknowledgment by the Title Company that the executed copy of this Agreement and the required Earnest Money have been received by and are being held by the Title Company pursuant to the terms of this Agreement.

(b) Seller shall have the option of terminating this Agreement if the full amount of required Earnest Money is not timely and fully delivered to the Title Company at the time(s) and in the manner as prescribed in this Section 3.

(c) If the sale of the Property is consummated under this Agreement, the Earnest Money shall be paid to Seller and applied to the payment of the Purchase Price at Closing.

(d) If Seller terminates this Agreement in accordance with Section 8.2(a), the Earnest Money Deposit shall be immediately released by Title Company to Seller as liquidated damages as provided in Section 8.2(a), and no party hereto shall have any further obligation under this Agreement.

SECTION 4. DELIVERIES, INSPECTIONS AND REPRESENTATIONS

4.1 Seller's Delivery Obligations.

(a) Seller has delivered to Purchaser, prior to the date hereof, the following:

(1) Title Commitment. Commitment for Owner's Policy of Title Insurance (the "Title Commitment") with respect to the Property dated March 12, 1997, issued by the Title Company, and legible copies of any restrictive covenants, easements, and other items listed as title exceptions therein.

(2) Survey. The most recent and existing "as-built" survey of the Property (the "Survey") in Seller's possession.

(3) Contracts. A list of all Contracts, to the extent in the possession of Seller.

(4) Rent Roll. A rent roll identifying all Leases of space within the Improvements.

(5) Tenant Estoppel Certificates. The Purchaser has delivered copies of the Tenant estoppel certificates identified on Exhibit J annexed hereto. The Tenant estoppel certificates listed on Exhibit J are all of the tenant estoppel certificates required to be delivered by Purchaser.

4.2 Purchaser's Satisfaction. During the period commencing on the date hereof and ending on September 26, 1997 at 5:00 p.m. eastern standard time (the "Approval Period"), the following matters shall be conditions precedent to Purchaser's obligations under this Contract:

(a) Purchaser's being satisfied, in Purchaser's sole discretion, that the Property is suitable for Purchaser's intended uses; and

(b) Purchaser's being satisfied, in Purchaser's sole discretion, with the inspections pursuant to Section 4.4 below.

If Purchaser provides to Seller written notice ("Purchaser's Notice") that Purchaser, in its sole discretion, is not satisfied with any of its inspection results and therefore wishes to terminate this Agreement, then on or before the expiration of the Approval Period Purchaser may deliver the Purchaser's Notice whereupon this Agreement shall terminate. Upon such termination, Purchaser shall be entitled to the return of the Earnest Money, (subject to Purchaser's delivery of the Report(s)) and neither party shall have any further obligation hereunder except any obligations which expressly survive the termination of this Agreement. If Purchaser fails to give the Purchaser's Notice, Purchaser shall be deemed to be satisfied with such matters and the conditions precedent in this

Section 4.2 shall be deemed to be satisfied.

4.3 INTENTIONALLY DELETED

4.4 Inspection.

(a) Following the Purchaser's delivering, in good funds, the Earnest Money to the Title Company and during the Approval Period, Purchaser may inspect, test, investigate and survey: (i) the Property, (ii) all of Seller's financial records pertaining to the operation of the Property, and (iii) photocopies of all Leases and Contracts in the possession of Seller. The foregoing may be done at any reasonable time during ordinary business hours upon twenty-four (24) hours prior written notice to Seller, at Purchaser's sole cost and in a manner not disruptive to tenants or the operation of the Property. Notwithstanding the foregoing, Purchaser must obtain Seller's written approval of the scope and method of any inspection, testing or investigation of the Property (including a Phase I environmental inspection) including, but without limitation, any inspection which would involve taking subsurface borings or related investigations and any inspection which would materially alter the physical condition of the Property prior to Purchaser's commencement of such inspections, testing or investigation. Seller and its representatives, agents, and/or contractors shall have the right to be present during any testing, investigation, or inspection of the Property. In no event shall the Purchaser or any of its agents, representatives or independent contractors contact any tenant at the Property directly without Seller's prior written approval.

(b) Seller shall have no obligation to take any steps or bring any action or proceeding or otherwise to incur any effort or expense whatsoever to eliminate or cure any of the Purchaser's objections to any condition at the Property.

(c) All information provided by Seller to Purchaser or obtained by Purchaser relating to the Property in the course of Purchaser's review, including, without limitation, any environmental assessment or audit (collectively, the "Reports") shall be treated as confidential information by Purchaser and Purchaser shall instruct all of its employees, agents, representatives and contractors as to the confidentiality of all such information. In the event that this transaction is not closed for any reason, then Purchaser shall maintain the confidentiality of such information, and shall require its agents, representatives and accountants not to disclose any such information to any other party. Furthermore, if the proposed transaction does not close, Purchaser shall, and as a condition precedent to the return of any Earnest Money, return the Reports, the Survey and the Title Commitment to Seller.

(d) Purchaser shall restore the Property to its condition existing immediately prior to Purchaser's inspection, testing, investigation and survey thereof, and Purchaser shall be liable for all damage or injury to any person or property resulting from, relating to or arising out of any such inspection, testing, investigation or survey, whether occasioned by the acts of Purchaser or any of its employees, agents, representatives or contractors, and Purchaser shall indemnify, defend and hold harmless Seller and its agents, employees, officers, directors, affiliates, advisors and asset managers from any liability resulting therefrom. This indemnification by Purchaser shall survive the Closing or the termination of this Agreement, as applicable.

4.5 INTENTIONALLY DELETED

4.6 Purchaser's Representations and Warranties.

Purchaser represents and warrants to Seller that:

(a) Purchaser is a Florida corporation, is qualified to do business in the State of Ohio and has the power to enter into this Agreement and to execute and deliver this Agreement and to perform all duties and obligations imposed upon it hereunder, and Purchaser has obtained all necessary corporate, partnership or other organizational authorizations required in connection with the execution, delivery and performance of this Agreement and the transaction contemplated herein and has obtained the consent of all entities and parties (whether private or governmental) necessary to bind Purchaser to this Agreement;

(b) neither the execution nor the delivery of this Agreement, nor the consummation of the purchase and sale transaction contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflict with or will result in the breach of any of the terms, conditions or provisions of any agreement or instrument to which Purchaser, or any shareholder, partner or related entity or affiliate of Purchaser, is a party or by which Purchaser, any shareholder, partner or related entity or affiliate of Purchaser, or any of Purchaser's assets is bound;

(c) Purchaser has the financial resources to timely consummate the purchase and sale transaction contemplated by this Agreement;

(d) INTENTIONALLY DELETED

(e) Purchaser is not an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA and (b) the assets of Purchaser do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

(f) INTENTIONALLY DELETED

(g) INTENTIONALLY DELETED

(h) With respect to Seller and with respect to any shareholder, partner, related entity or affiliate of Seller, Purchaser is neither (i) a party in interest as defined in Section 3(14) of ERISA, nor (ii) a disqualified person as defined in Section 4975(e)(2) of the Internal Revenue Code of 1986, as amended (the "Code").

(i) that prior to the end of the Approval Period, Purchaser will have examined and investigated to Purchaser's full satisfaction the physical, economic and legal condition of the Property and made all other inquiries the Purchaser deemed necessary in connection with the transaction herein contemplated; and

(j) except to the limited extent, if any, specifically and expressly set forth in this Agreement, Purchaser shall accept the Property "AS IS" and "WHERE IS" at Closing, and Purchaser has not relied upon and will not rely upon, and Seller is not liable for or bound by any, express or implied, warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto made or furnished by Seller or any of its advisors, or any of their agents, representatives, contractors, employees, attorneys or brokers, to whomever made or given, directly or indirectly, verbally or in writing, unless specifically and expressly set forth herein.

The Purchaser's representations and warranties set forth in this Section 4.6 shall survive the Closing or termination of this Agreement. As a condition precedent to Seller's obligation to close the purchase and sale transaction contemplated in this Agreement, Purchaser's representations and warranties contained herein must remain and be true and correct as of the Closing Date. Prior to the Closing Date, Purchaser shall notify Seller in writing of any facts, conditions or circumstances which render any of the representations and warranties set forth in this Section 4.6 in any way inaccurate, incomplete, incorrect or misleading.

4.7 Seller's Representations and Warranties.

Seller represents and warrants to Purchaser that:

(a) Seller is a corporation, duly organized and in good standing under the laws of the State of Massachusetts, is qualified to do business in the State of Ohio and Seller has the full right, power, and authority, without the joinder of any other person or entity, to enter into, execute and deliver this Agreement, and to perform all duties and obligations imposed on Seller under this Agreement, except to the limited extent, if any, specifically and expressly set forth in this Agreement and has the power to enter into this Agreement and has obtained all necessary corporate authorizations required in connection with the execution, delivery and performance of this Agreement; and

(b) neither the execution nor the delivery of this Agreement, nor the consummation of the purchase and sale contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflict with or will result in the breach of any of the terms, conditions, or provisions of any agreement or instrument to which Seller is a party or by which Seller or any of Seller's assets is bound.

(c) Seller is not a "governmental plan" within the meaning of Section 3(32) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code.

(d) with respect to the plan for which Purchaser is nominee, Seller is not a disqualified person as defined in Section 4975(e)(2) of the Code.

(e) to Seller's knowledge (as hereinafter defined), Seller has not been served with process in any litigation with respect to the Property which (i) materially adversely affects the Property or (ii) would adversely affect the Seller's ability to perform its obligations under this agreement.

(f) to Seller's knowledge (as hereinafter defined), Exhibit I contains a complete list of all leases affecting the Property and all amendments and

modifications thereto.

(g) to Seller's knowledge (as hereinafter defined), Seller has not received any written notice of any material violation of any municipal, state or federal law from any governmental authority which (i) materially, adversely affects the Property or (ii) would adversely affect Seller's ability to perform its obligations under this Agreement.

(h) no execution proceedings, assignments for the benefit of creditors, bankruptcy or reorganization proceedings, are pending against Seller.

As used herein, the term "to Seller's knowledge" shall mean only the "current, actual knowledge without inquiry" (as defined below) from the following designee of the Seller's representative: Lisa A. Mitchelson.

As used herein, the term "current actual knowledge without inquiry" shall mean only the actual, current, conscious and not constructive, imputed or implied knowledge of such designee. Anything herein to the contrary, notwithstanding, such designee shall not have any personal liability or obligation whatsoever with respect to any of the matters set forth in this Agreement for any of the Seller's representation herein being or becoming untrue, inaccurate or incomplete in any respect. The Seller hereby represents and warrants that Lisa A. Mitchelson is the employee of GE Capital Investment Advisors, Inc. ("Advisor") in charge of the primary responsibility for the Property, and as such is the employee of Advisor most likely to have knowledge about the Property. The Seller's representations and warranties made herein in this Section 4.7 shall survive the Closing and shall not merge into the Deed on recordation thereof, provided, however, the representations and warranties contained in Section 4.7 shall survive the Closing Date for only one (1) year. Any claims for breach of any representations and warranties which survive only for one (1) year shall be made in writing to Seller within such one year period or it shall be deemed a waiver of the right to assert any such claim.

4.8 INTENTIONALLY DELETED

4.9 Defective Condition. In the event that subsequent to the execution of this Agreement Seller obtains knowledge of, or Purchaser's inspection of the Property reveals, either (i) the presence of any Hazardous Materials (as defined below in this Section 4.9) or the violation or potential violation of any Environmental Requirements (as defined below in this Section 4.9) or (ii) any structural or other defect in the Improvements, whether or not in violation of any applicable law, ordinance, code, regulation or decree of any governmental authority having jurisdiction over the Property (collectively, a "Defective Condition"), which Seller, in its sole judgment, determines could constitute a potential liability to Seller after the Closing or should be remedied prior to the sale of the Property, Seller shall have the right upon written notice to Purchaser on or before the scheduled Closing Date either (i) to extend the Closing Date for the period of time, not to exceed sixty (60) consecutive days necessary to complete such remediation at Seller's sole cost and expense, or (ii) to terminate this Agreement upon written notice to Purchaser and neither party shall have any further right or obligation hereunder. At the end of such sixty (60) day period if Seller has not cured the Defective Condition to Purchaser's reasonable sole satisfaction, the Purchaser may (as its sole and exclusive remedy) terminate this Agreement by delivering written notice of such termination to the Seller. The terms of this Section 4.9 are solely for the benefit of Seller and Purchaser shall have no additional right or remedy hereunder as a result of the exercise by Seller of its rights under this Section 4.9.

As used herein, the term "Hazardous Materials" shall mean any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amend (42 U.S.C. 9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) ("RCRA") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (C) which, if it emanated or migrated from the Property, could constitute a trespass.

As used herein, the term "Environmental Requirements" shall mean all

laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil). Purchaser acknowledges that Seller has delivered to its representatives a copy of a report entitled "Limited Subsurface Investigation at the Kingsdale Center, Upper Arlington, Ohio prepared by Clayton Environmental Consultants, Clayton Project No. 70-98003.02 dated August 19, 1997 prepared for Landels, Ripley & Diamond, San Francisco, California" by cover letter (the "August Cover Letter") dated August 22, 1997. The Cover Letter described the terms and conditions regarding the delivery of such report and the Cover Letter is incorporated herein by reference. In addition, Purchaser hereby indemnifies and holds Seller, its agents, affiliates, GE Capital Investment Advisors, Inc. and their officers, directors and employees harmless and shall defend Seller, its agents, affiliates, GE Capital Investment Advisors, Inc. and their officers, directors and employees with counsel selected by Seller, from and against all claims, causes of action, damages, liabilities, expenses, costs and charges arising out of or in connection with any release or threatened release of any Hazardous Materials which release or threatened release occurred prior to or after the date hereof. The foregoing indemnification, hold harmless and defense obligations shall survive the Closing and the recording of the Deed.

4.10 INTENTIONALLY DELETED

SECTION 5.
NO REPRESENTATIONS OR WARRANTIES BY SELLER
ACCEPTANCE OF PROPERTY

5.1 Disclaimer. PURCHASER ACKNOWLEDGES AND AGREES SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE WARRANTY OF TITLE CONTAINED IN THE DEED, AS DEFINED IN SECTION 6.5 BELOW AND IN SECTION 4.7 HEREOF), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

- (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY;
- (B) THE INCOME TO BE DERIVED FROM THE PROPERTY;
- (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER OR ANY TENANT MAY CONDUCT THEREON;
- (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY;
- (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;
- (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY;
- (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;
- (H) COMPLIANCE WITH ANY ENVIRONMENTAL REQUIREMENTS;
- (I) THE PRESENCE OR SUSPECTED PRESENCE IN, ON, UNDER OR ABOUT THE PROPERTY OR THE SOIL OR GROUND WATER THEREOF OF ANY HAZARDOUS MATERIALS;
- (J) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY.

ADDITIONALLY, NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, PURCHASER ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE, IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER UNLESS EXPRESSLY SET FORTH HEREIN.

PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN A FULL AND ADEQUATE OPPORTUNITY TO INSPECT, TEST AND INVESTIGATE THE PROPERTY, AND EXCEPT FOR ANY REPRESENTATION OR WARRANTY CONTAINED IN SECTION 4.7 HEREOF, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION, TESTING AND INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, AND PURCHASER AGREES TO ACCEPT THE PROPERTY IN ITS THEN EXISTING "AS-IS" CONDITION AND BASIS WITH ALL FAULTS AT THE CLOSING AND WAIVES ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY OR ITS PHYSICAL, ENVIRONMENTAL, ECONOMIC OR LEGAL CONDITION (INCLUDING, WITHOUT LIMITATION, THE ACTUAL OR SUSPECTED EXISTENCE OF ANY HAZARDOUS MATERIALS IN, ON UNDER OR ABOUT THE PROPERTY OR THE SOIL OR GROUND WATER THEREOF).

PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY BY OR ON BEHALF OF SELLER WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION AND THAT SELLER IS NOT, AND SHALL NOT BE, LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION OR CONDITION THEREOF, FURNISHED BY ANY ADVISOR, ATTORNEY, REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING.

5.2 Waiver and Release. Except with respect to any claims arising out of any breach of express and specific covenants, representations or warranties of Seller set forth in this Agreement, Purchaser, for itself and its agents, affiliates, successors and assigns, effective as of the Closing Date hereby releases and forever discharges Seller, its agents, partners, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown as of the Closing Date, which Purchaser has or may thereafter have in the future, arising out of the physical, environmental, economic or legal condition of the Property. Purchaser hereby specifically acknowledges that Purchaser has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement.

SECTION 6. CLOSING

6.1 Closing. The closing of the purchase and sale transaction contemplated herein (the "Closing") shall be held at or conducted through the offices of Lawyers Title Insurance Corporation (the "Title Company") c/o TransOhio Title Agency, Inc., Attn: William Spencer, Escrow No. 23025, at a date designated by Seller and Purchaser on or before September 30, 1997 (the "Closing Date"), unless the parties mutually agree in writing upon another place, time or date. On the Closing Date, all documents to be recorded shall be appropriately recorded and all other closing documents and funds shall be deemed to be simultaneously delivered.

6.2 Possession. Possession of the Property shall be delivered to Purchaser at the Closing, subject to the "Permitted Encumbrances" shown on Schedule B, Section 2 (attached) of the Title Commitment ("Permitted Encumbrances").

6.3 Proration. All rents, other amounts payable by the tenants under the Leases, income, utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs, and real estate and personal property taxes and other assessments with respect to the Property for the period in which the Closing occurs, shall be prorated to the date Seller receives the Purchase Price in immediately available funds with Purchaser receiving the benefits and burdens of ownership on the Closing Date. (The Closing shall not be deemed to have occurred unless good funds have been received by Seller in San Francisco, California by 3:00 p.m. San Francisco time.)

(a) If the Closing shall occur before rents and all other amounts payable by the tenants under the Leases and all other income from the Property have actually been paid for the month in which the Closing occurs, the apportionment of such rents and other amounts and other income shall be upon the basis of such rents, other amounts and other income actually received by Seller. Subsequent to the Closing, if any such rents, other amounts and other income are actually received by Purchaser, all such amounts shall first be applied to post-closing rents due to Purchaser which are past due and the balance shall be immediately paid by Purchaser to Seller. Purchaser shall make a good faith effort and attempt to collect any such rents and other amounts and other income not apportioned at the Closing for the benefit of Seller, however, Purchaser

shall not be required to expend any funds or institute any litigation in its collection efforts. At Closing, prepaid rents and refundable security deposits in the possession or control of Seller (together with any interest accrued thereon only if interest is specifically required to be paid thereon under applicable law or under the terms of a specific Lease) at Seller's sole option shall either be (i) transferred to Purchaser at Closing and not subject to adjustment, or (ii) adjusted by way of a credit in favor of Purchaser.

(b) In the event the Property tax assessment increases as a result of the transfer and sale of the Property to the Purchaser, Purchaser and Seller agree to reproporate based upon the actual tax bills for any such tax increase during the tax year in which the Closing occurs.

(c) If the Closing shall occur before the actual amount of utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs are determined, the apportionment of such utilities and other operating expenses shall be upon the basis of a reasonable estimate by Seller of such utilities and other operating expenses for such month. Subsequent to the Closing, when the actual amount of such utilities and other operating expenses with respect to the Property for the month in which the Closing occurs are determined, the parties agree to adjust the proration of such utilities and other operating expenses and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment.

(d) Any tenant-improvement and/or leasing-commission costs (including, without limitation, referral or locator fees) and all other out-of-pocket fees and costs (including, without limitation, legal fees and costs) (collectively, "New Tenant Costs") paid or incurred by Seller and approved by Purchaser after the Effective Date with respect to new Leases or modifications to existing Leases executed on or after the Effective Date in accordance with Section 9 below shall be credited in favor of Seller at Closing. Seller shall supply invoices and statements for all New Tenant Costs to Purchaser on or prior to the Closing Date. Purchaser shall be solely responsible for the payment of all New Tenant Costs in connection with any options, renewals, or extensions exercisable under the Leases after the Closing Date and Purchaser shall indemnify, protect, defend, save and hold harmless seller from and against any and all debts, duties, obligations, liabilities, suits, claims, demands, causes of action, damages, losses, fees and expenses (including, without limitation, attorneys' fees and expenses and court costs) in any way relating to, or in connection with or arising out of New Tenant Costs.

(e) If Leases contain obligations ("Lease Obligations") on the part of the Tenants for: (i) CPI or similar adjustments, (ii) percentage rents, (iii) escalation payments for taxes, labor or operations, or (iv) other expenses including, without limitation, common area maintenance or any other operating cost pass-throughs or retroactive charges payable by Tenants which have accrued as of the Closing Date but are not then due and payable, the amount of such Lease Obligations shall be prorated as of the Closing Date upon the basis of an estimate by Seller of such Lease Obligations through the Closing Date. Subsequent to the Closing, when the actual amount of such Lease Obligations with respect to the Property through the Closing Date is determined, the parties agree to adjust the proration of such Lease Obligations and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment.

The agreements of Seller and Purchaser set forth in this Section 6.3 shall survive the Closing.

6.4 Closing Costs. Seller shall pay, on the Closing Date, one-half (1/2) of any escrow fees and other customary fees, costs and charges of the closing and consummation of the purchase and sale transaction contemplated in this Agreement as customarily charged to and payable by the seller in such transactions in the location in which the Land is situate. Purchaser shall pay, on the Closing Date, the costs of any endorsements to the Owner's Policy requested by Purchaser, all recording costs, one-half (1/2) of any escrow fees and other customary fees, costs and charges of the closing and consummation of the purchase and sale transaction contemplated in this Agreement as customarily charged to and payable by the purchaser in such transactions in the location in which the Land is situate. The Purchaser and the Seller shall each pay 1/2 of the costs to obtain the Survey and any updates thereto and for the title insurance premium for the Owner's Policy (as defined in Section 6.5(a) below). Notwithstanding the foregoing, each party shall pay its own attorneys' fees incurred in connection with the transaction contemplated in this Agreement.

6.5 Seller's Obligations at the Closing. At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following:

(a) Title Policy. An Owner's Policy of Title Insurance (form ALTA 1970B) (the "Owner's Policy"), issued by Title Company naming Purchaser as insured, in the amount of the Purchase Price, insuring that Purchaser owns good and indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances. Purchaser, at Purchaser's sole expense, may elect to cause the

Title Company to provide extended coverage or issue certain endorsements. Notwithstanding the foregoing, Seller shall have no obligation or liability to Purchaser in the event that Title Company is unwilling or unable to issue the Owner's Policy and the provision at Purchaser's request of extended coverage or endorsements shall not be a condition to closing.

(b) Evidence of Authority. Such organizational and authorizing documents of Seller as shall be reasonably required by the Title Company and Purchaser, to evidence Seller's authority to consummate the transactions contemplated by this Agreement.

(c) Deed. A duly executed and acknowledged Ohio Limited Warranty Deed to the Land and Improvements in the form attached to this Agreement as Exhibit C (the "Deed").

(d) Assignment. A duly executed and acknowledged counterpart Assignment and Assumption of Personal Property, Service Contracts, Warranties and Leases in the form attached to this Agreement as Exhibit D (the "Assignment").

(e) FIRPTA Affidavit. A duly executed affidavit of Seller in form attached hereto as Exhibit E certifying that Seller is not a "foreign person," as defined in Section 1445 of the Code, and in any applicable state laws for the state in which the Property is located.

(f) Tenant Notices. Duly executed notices to all tenants or lessees under the Leases in form attached hereto as Exhibit F together with an updated list of tenants dated a date close to the Closing Date.

(g) Original Documents. The original of all Leases and Contracts in Seller's possession.

6.6 Purchaser's Obligations at the Closing. At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following:

(a) Purchase Price. The Purchase Price by wire transfer of immediately available funds.

(b) Evidence of Authority. Such organizational and authorizing documents of Purchaser as shall be reasonably required by Seller and/or the Title Company authorizing Purchaser's acquisition of the Property pursuant to this Agreement and the execution of this Agreement and any documents to be executed by Purchaser at the Closing.

(c) Assignment. A duly executed and acknowledged counterpart Assignment.

(d) Taxpayer Certification. A duly executed Taxpayer I.D. Certification in the form attached to this Agreement as Exhibit G.

(e) ERISA Certificate. A duly executed ERISA Certificate in the form attached to this Agreement as Exhibit H.

6.7 Insurance. Seller's existing liability and property insurance pertaining to the Property shall be canceled as of the Closing Date, and Seller shall receive any premium refund due thereon.

6.8 Filing of Reports. Title Company shall be solely responsible for the timely filing of any reports or returns required pursuant to the provisions of Section 6045(e) of the Code (and any similar reports or returns required under any state or local laws) in connection with the closing of the transaction contemplated in this Agreement.

SECTION 7. RISK OF LOSS

7.1 Condemnation. If, prior to the Closing, action is initiated to take any of the Property by eminent domain proceedings or by deed in lieu thereof, Purchaser may either at or prior to Closing (a) terminate this Agreement, or (b) consummate the Closing, in which latter event all of Seller's assignable right, title and interest in and to the award of the condemning authority shall be assigned to Purchaser at the Closing and there shall be no reduction in the Purchase Price.

7.2 Casualty. Except as otherwise provided in this Agreement, Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Property, or any part thereof, suffers any damage in excess of \$250,000.00 prior to the Closing from fire or other casualty which Seller, at its sole option, does not elect to repair, Purchaser may either at or prior to Closing (a) terminate this Agreement, or (b) consummate the Closing, in which latter event all of Seller's right, title and interest in and

to the proceeds of any insurance covering such damage (less an amount equal to any expenses and costs incurred by Seller to collect or adjust such insurance or to repair or restore the Property and any portion of such proceeds paid or to be paid on account of the loss of rents or other income from the Property for the period prior to and including the Closing Date, all of which shall be payable to Seller), to the extent the amount of such insurance does not exceed the Purchase Price, shall be assigned to Purchaser at the Closing. If the Property, or any part thereof, suffers any damage less than \$250,000.00 prior to the Closing, Purchaser agrees that it will consummate the Closing and accept the assignment of the proceeds of any insurance covering such damage plus an amount equal to Seller's deductible under its insurance policy and there shall be no reduction in the Purchase Price.

SECTION 8.
DEFAULT

8.1 Breach by Seller.

(a) Pre-Closing. In the event that Seller shall breach or default in the performance of any of its obligations to be performed prior to Closing and/or fail to consummate the transaction contemplated by this Agreement for any reason (except Purchaser's breach or default under this Agreement or a termination of this Agreement by Purchaser or Seller pursuant to a right to do so under the provision hereof), Purchaser, as Purchaser's sole and exclusive remedy, may either (i) terminate this Agreement and recover money damages for Buyer's actual damages from Seller up to \$250,000 as a result of any breach or default by Seller under the terms of Section 6 or a material misrepresentation under Section 4.7 of this Agreement, or (ii) pursue the remedy of specific performance of Seller's obligations under this Agreement provided that (a) any such suit for specific performance must be filed within sixty (60) days after Purchaser first becomes aware of the breach or default by Seller; (b) Purchaser is not in breach or default in the performance of its obligations under this Agreement and (c) Purchaser has tendered the Purchase Price, less Purchaser's good faith reasonable estimate of proration credits that would be credited against the Purchase Price, to the Title Company in immediately available funds and the Title Company has acknowledged receipt of same, in writing, to Seller. In the event that Purchaser seeks specific performance under this Agreement, Seller shall not be obligated to expend nor shall any adjustment be made to the Purchase Price to cure any defaults under this Agreement and Purchaser agrees to accept the Property in the "AS IS" "WHERE IS" condition as provided for in this Agreement.

(b) Damages. Notwithstanding anything to the contrary contained in this Agreement, in no event whatsoever shall Purchaser have the right to seek or recover money damages from Seller as a result of any breach or default by Seller under any of the terms of this Agreement, except for actual money damages up to \$250,000 as a result of any breach or default by Seller under the terms of Section 6 or a material misrepresentation under Section 4.7 of this Agreement. Purchaser specifically and without limitation hereby waives and relinquishes any right to seek or recover from Seller, and specifically acknowledges and agrees that in no event shall Seller be liable to Purchaser for, any damages whether as punitive, speculative or consequential damages, as a result of any breach or default by Seller under the terms of Section 6 of this Agreement or a material misrepresentation under Section 4.7 of this Agreement.

Purchaser hereby agrees that prior to its exercise of any right or remedy as a result of any breach or default by Seller, Purchaser will first deliver written notice of said breach or default to Seller and give Seller ten (10) days thereafter in which to cure said breach or default, if Seller so elects.

8.2 Breach by Purchaser.

(a) Liquidated Damages. In the event that Purchaser is in breach of its obligations under Section 6 and thus fails to consummate the transaction contemplated by this Agreement or has made a material misrepresentation under Section 4.6 of this Agreement and thus fails to consummate the transaction contemplated by this Agreement, Seller may terminate this Agreement and thereupon Seller shall be entitled to retain the Earnest Money as liquidated damages (and not as a penalty or forfeiture) and as Seller's sole remedy and relief hereunder.

SELLER AND PURCHASER ACKNOWLEDGE THAT THE ACTUAL DAMAGES TO SELLER WHICH WOULD RESULT FROM SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO CALCULATE OR ESTABLISH ON THE DATE HEREOF. IN ADDITION, PURCHASER DESIRES TO HAVE A LIMITATION PUT UPON ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT OF SUCH FAILURE BY PURCHASER. BY PLACING THEIR INITIALS IN SPACES HEREINAFTER PROVIDED, SELLER AND PURCHASER SPECIFICALLY ACKNOWLEDGE AND AGREE, AFTER NEGOTIATION BETWEEN SELLER AND PURCHASER, THAT TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) CONSTITUTES REASONABLE COMPENSATION TO SELLER FOR SUCH FAILURE BY PURCHASER AND SHALL BE DISBURSED TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES IN

THE EVENT OF SUCH FAILURE BY PURCHASER.

PURCHASER (____) SELLER (____)

(b) In the event that Purchaser commits a material misrepresentation under Section 4.6, but consummates this transaction, then Seller shall be entitled to recover money damages from Purchaser up to \$250,000.

None of the provisions of this Section 8.2 shall limit, impair or affect any of Purchaser's indemnities of Seller or other Surviving Obligations as provided in elsewhere in this Agreement.

SECTION 9.
FUTURE OPERATIONS

9.1 Maintenance and Contracts. From the Effective Date of this Agreement until the Closing or earlier termination of this Agreement:

(a) Seller will keep and maintain the Property in substantially its condition as of the date of this Agreement ordinary wear and tear and casualties excepted.

(b) Seller will perform all Seller's material obligations under the Contracts. Seller will not, without the prior written consent of Purchaser (which consent will not be unreasonably withheld or delayed), modify, enter into, or renew any Contract which cannot be canceled upon thirty (30) days prior written notice.

(c) Seller will keep in full force and effect and/or renew all licenses and permits with respect to the Property.

(d) Seller will pay in full, on or prior to the Closing Date, all bills and invoices for labor, goods, materials, and services of any kind relating to the operation of the Property consistent with its customary and ordinary operation of the Property on the Effective Date.

9.2 Leasing. From the Effective Date until the Closing or earlier termination of this Agreement, Seller will not, without the prior written consent of Purchaser (which consent will not be unreasonably withheld or delayed), modify, enter into, or renew any Leases except in the customary and ordinary operation of the Property by Seller consistent with Seller's current practices in effect as of the Effective Date.

SECTION 10.
MISCELLANEOUS

10.1 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either: (a) on the date personally delivered to the address below, as evidenced by written receipt therefor, whether or not actually received by the person to whom addressed; (b) on the third (3rd) business day after being sent, by certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at the address specified below; or (c) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation, Emery or Purolator, addressed to such party at the address specified below. For purposes of this Section 10.1, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

If to Seller: GE Capital Investment Advisors, Inc.
444 Market Street, Suite 2100
San Francisco, CA 94111
Attn: Joyce S. Jaber
Senior Vice President and General Counsel
Telephone: (415) 433-7770
Facsimile: (415) 398-1237

with a copy to: GE Capital Investment Advisors, Inc.
One Boston Place
Suite 1820
Boston, Massachusetts 02108
Attn: Jill S. Hatton
Telephone: (617) 742-5566

If to Purchaser: c/o Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attn: Robert Gillander

with a copy to:

William E. Scheu, Esq.
Rogers, Towers, Bailey, Jones & Gay
1301 Riverplace Boulevard, Suite 1500
Jacksonville, FL 32207
Telephone: (904) 346-5560
Facsimile: (904) 396-0663

If to Title
Company:

Lawyers Title Insurance Corp.
c/o Trans Ohio Title Agency, Inc.
222 East Town Street
Columbus, Ohio 43215
Attn: William Spencer
Escrow No. 23025
Telephone: 614-221-4523
Facsimile: 614-228-8006

10.2 Real Estate Commissions. Seller shall pay to CB Commercial Real Estate Group, Inc. (hereinafter called "Agent" whether one or more) upon the Closing of the transaction contemplated hereby, and not otherwise, a cash commission in the amount agreed on in a separate listing agreement between Seller and Agent. Said commission shall in no event be payable unless and until the transaction contemplated hereby is closed in accordance with the terms of this Agreement; if such transaction is not closed for any reason, including, without limitation, failure of title or default by Seller or Purchaser or termination of this Agreement pursuant to the terms hereof, then such commission will be deemed not to have been earned and shall not be due or payable. Except as set forth above with respect to Agent, neither Seller nor Purchaser has authorized any broker or finder to act on Purchaser's or Seller's behalf in connection with the sale and purchase hereunder and neither Seller nor Purchaser has dealt with any broker or finder purporting to act on behalf of any other party. Purchaser agrees to indemnify, defend, protect and hold harmless Seller from and against any and all claims, losses, damages, liabilities, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Purchaser or on Purchaser's behalf with any broker or finder in connection with this Agreement or the transaction contemplated hereby. Seller agrees to indemnify, defend, protect and hold harmless Purchaser from and against any and all claims, losses, damages, liabilities, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Seller or on Seller's behalf with any broker or finder in connection with this Agreement or the transaction contemplated hereby. Notwithstanding anything to the contrary contained herein, this Section 10.2 shall survive the Closing or any earlier termination of this Agreement.

10.3 Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

10.4 Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

10.5 Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

10.6 Time of Essence. Time is of the essence of this Agreement; however, if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the United States or the State in which the Property is located, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

10.7 Governing Law. This Agreement shall be governed by the laws of the State in which the Property is located and the laws of the United States pertaining to transactions in such State.

10.8 Successors and Assigns; Assignment. This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Purchaser may assign this Agreement at Closing to Regency Centers, Inc., a Florida corporation, provided that Regency Centers, Inc. shall provide the ERISA Certificate to Seller at closing and shall assume Purchaser's obligations under this Agreement and otherwise shall not assign Purchaser's rights under this Agreement without the prior written consent of Seller, which consent may be withheld in its sole and absolute discretion. Except for the assignment permitted herein, no assignment of Purchaser's rights hereunder shall relieve Purchaser of its liabilities under this Agreement. Purchaser shall be relieved of all obligations and liabilities under this Agreement if, only and

when the Purchase Price is paid to Seller and the Deed is recorded. This Agreement is solely for the benefit of Seller and Purchaser; there are no third party beneficiaries hereof. Any assignment of this Agreement in violation of the foregoing provisions shall be null and void.

10.9 Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

10.10 Attorneys' Fees. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees incurred in such suit.

10.11 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart with each party's signature.

10.12 INTENTIONALLY DELETED

10.13 INTENTIONALLY DELETED

10.14 Exhibits. The exhibits attached to this Agreement and referred to herein are hereby incorporated into this Agreement by this reference and made a part hereof for all purposes.

10.15 Construction. Seller and Purchaser acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

10.16 No Recordation. Seller and Purchaser hereby acknowledge that neither this Agreement nor any memorandum or affidavit thereof shall be recorded of public record in the county in which the Property is located or any other county. Should Purchaser ever record or attempt to record this Agreement, or a memorandum or affidavit thereof, or any other similar document, then, notwithstanding anything herein to the contrary, said recordation or attempt at recordation shall constitute a default by Purchaser hereunder, and, in addition to the other remedies provided for herein, Seller shall have the express right to terminate this Agreement by filing a notice of said termination in the county in which the Land is located.

10.17 Merger Provision. Except as otherwise expressly provided herein, any and all rights of action of Purchaser for any breach by Seller of any representation, warranty or covenant contained in this Agreement shall merge with the Deed and other instruments executed at Closing, shall terminate at Closing and shall not survive Closing.

10.18 Jury Waiver. PURCHASER AND SELLER DO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THEIR RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, OR UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE DOCUMENTS DELIVERED BY PURCHASER AT CLOSING OR SELLER AT CLOSING, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ANY ACTIONS OF EITHER PARTY ARISING OUT OF OR RELATED IN ANY MANNER WITH THIS AGREEMENT OR THE PROPERTY (INCLUDING WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT AND ANY CLAIMS OR DEFENSES ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR SELLER AND PURCHASER TO ENTER INTO AND ACCEPT THIS AGREEMENT AND THE DOCUMENTS DELIVERED BY PURCHASER AT CLOSING AND SHALL SURVIVE THE CLOSING AND TERMINATION OF THIS AGREEMENT.

10.19 No Personal Liability of Officers, Directors, Etc. of Seller. Purchaser acknowledges that this Agreement is entered into by a corporation as Seller and Purchaser agrees that no individual officer or director or other representative of Seller or Advisor shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement. Further, Purchaser acknowledges that Advisor is not a party to this Agreement and that neither such Advisor nor the individual officers, directors or representatives of Advisor shall have any personal liability under this Agreement or any document executed in connection with the transaction contemplated by this Agreement. For the purposes of this Agreement, Advisor in its capacity as Seller's authorized investment advisor, is acting as

Seller's representative; the burdens and liabilities of this Agreement shall extend only to Seller and Advisor shall have no liability hereunder. In addition, all approvals to be given by Seller hereunder may be given or withheld by Advisor as Seller's representative, and all requests or requirements that Seller is entitled to make hereunder may be by Advisor on behalf of Seller.

10.20 Public Announcement. Neither party shall make a public announcement of this transaction unless both parties consent, in their absolute discretion, to such an announcement. If the parties agree to make a public announcement, they shall cooperate and mutually agree upon the language of that public announcement. No public announcement shall be released or published without the written approval of both Seller and Purchaser.

10.21 INTENTIONALLY DELETED

[SIGNATURE ON NEXT PAGE]

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

PURCHASER:

By: _____
Its: _____

Date of Execution
by Purchaser:

SELLER:

TBC Kingsdale, Inc.,
a Massachusetts corporation

By: _____
Its: _____

Date of Execution
by Seller:

By: _____
Its: _____

_____, 199_

EXHIBIT A
LEGAL DESCRIPTION OF LAND

EXHIBIT B

INTENTIONALLY DELETED

EXHIBIT C

DEED

EXHIBIT D
FORM OF ASSIGNMENT

Recording Requested By and
When Recorded Mail To:

=====
-
Attn: _____
-

ASSIGNMENT AND ASSUMPTION OF PERSONAL PROPERTY,
SERVICE CONTRACTS, WARRANTIES AND LEASES

_____, a _____ ("Assignor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has Granted, Sold, Assigned, Transferred, Conveyed, and Delivered and does by these presents Grant, Sell, Assign, Transfer, Convey and Deliver unto _____, a _____ ("Grantee"), all of Assignor's rights, titles, and interests in and to the following described properties located in, affixed to, and/or arising or used in connection with the improved property with parking and other amenities (the "Project") situated on the land in the County of _____, State of _____, more particularly described on Exhibit A attached hereto and made a part hereof for all purposes (the "Land," which together with the Project is sometimes hereinafter called the "Property"):

(a) All fixtures, equipment, machinery, building materials, furniture, furnishings, and other personal property owned by Assignor, including the name "_____" (the "Personal Property"), and located on, attached to, or used in connection with the operation and maintenance of the Property;

(b) Any leases for space in the Project (the "Leases"), together with refundable security and other deposits owned or held by Assignor pursuant to the Leases, which Leases and security deposits are described on Exhibit B attached hereto;

(c) The assignable service, maintenance, or management contracts relating to the ownership and operation of the Property (the "Service Contracts") attached hereto as Exhibit C; and

(d) Any assignable warranties and guaranties relating to the Property or any portion thereof (collectively, the "Warranties").

Assignor and Assignee hereby covenant and agree as follows:

(i) Assignee accepts the aforesaid assignment and Assignee assumes and agrees to be bound by and timely perform, observe, discharge, and otherwise comply with each and every one of the agreements, duties, obligations, covenants and undertakings upon the lessor's part to be kept and performed under the Leases and any obligations of Assignor under the Service Contracts.

(ii) Neither this Agreement nor any term, provision, or condition hereof may be changed, amended or modified, and no obligation, duty or liability of any party hereby may be released, discharged or waived, except in a writing signed by all parties hereto.

GRANTEE SPECIFICALLY ACKNOWLEDGES AND AGREES THAT EXCEPT TO THE LIMITED EXTENT, IF ANY, SPECIFICALLY AND EXPRESSLY SET FORTH IN SECTION 5.1 OF THAT CERTAIN PURCHASE AND SALE AGREEMENT DATED AS OF APRIL 23, 1997 BETWEEN ASSIGNOR, AS SELLER, AND ASSIGNEE, AS PURCHASER, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE LAND, PROPERTY, PROJECT, PERSONAL PROPERTY, LEASES, SERVICE CONTRACTS OR WARRANTIES.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment of Personal Property, Service Contracts, Warranties and Leases effective as of the ____ day of _____, 199_.

Assignor:

- -----,
a _____

By: _____
Its: _____

Assignee

- -----,
a _____

By: _____
Its: _____

[AFFIX ACKNOWLEDGMENTS]

EXHIBIT E

FORM OF FIRPTA AFFIDAVIT

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

To inform _____, a _____ ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (collectively, the "Code"), will not be required upon transfer of certain real property to Transferee by _____, a _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. Transferor's U.S. taxpayer identification number is as follows:
_____.

3. Transferor's office address is as follows:

c/o GE Capital Investment Advisors, Inc.
444 Market Street, Suite 2100
San Francisco, CA 94111
Attn: Joyce S. Jaber
General Counsel

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor understands that Transferee is relying on this Certification in determining whether withholding is required upon said transfer.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Date: _____, 199_

TRANSFEROR:

- -----,
a _____

By: _____
Its: _____

EXHIBIT F
FORM OF TENANT NOTICE

_____, 19__

This is to notify you that _____,
a _____ ("Seller"), has sold its fee interest in the
property described above and in connection therewith has assigned its interest
as landlord under your lease to _____, a
_____("Buyer"). You are further notified that any security deposits
or any prepaid rents under your lease have been transferred to Buyer.

The project will be managed by:

=====

Telephone No. _____

Commencing as of _____, all rental payments under your
lease shall be paid to Buyer. Please make your rent checks payable to Buyer at
the above address.

Any written notices you desire or are required to make to the landlord under
your lease should hereafter be sent to Buyer at the above address.

Very truly yours,

SELLER:

-----,
a _____

By: _____
Its: _____

EXHIBIT G

FORM OF TAXPAYER I.D. CERTIFICATE

TAXPAYER IDENTIFICATION CERTIFICATE

In connection with certain Internal Revenue Service reporting requirements imposed upon Seller, Purchaser hereby certifies that listed below is Purchaser's address and taxpayer identification number, true and correct as of the Closing Date.

Address: _____
=====

Taxpayer I.D. Number: _____

Purchaser hereby consents to Seller's release of the above information in connection with any reporting requirements imposed upon Seller by any governmental authority.

- -----,
a _____

By: _____
Its: _____

EXHIBIT H

FORM OF ERISA CERTIFICATE

ERISA CERTIFICATE

THIS ERISA CERTIFICATE is made as of , 199_, by _____, a _____, whose address is _____ ("Purchaser") in favor of _____, whose address is c/o GE Capital Investment Advisors, Inc., 444 Market Street, Suite 2100, San Francisco, CA 94111, Attn: Joyce S. Jaber, General Counsel ("Seller").

WITNESSETH

WHEREAS, by Purchase and Sale Agreement, dated as of , 199_ (the "Sale Agreement"), Seller agreed to sell to Purchaser, and Purchaser agreed to purchase from Seller certain real property, together with the building and other improvements thereon, known as and located at _____, _____ (the "Property"), as more fully described in the Sale Agreement; and

WHEREAS, the Sale Agreement requires that Purchaser deliver this Certificate as a condition of the Closing (as defined in the Sale Agreement).

NOW, THEREFORE, in consideration of Seller's conveyance of the Property and the mutual covenants contained in the Sale Agreement, Purchaser hereby certifies, represents, warrants and covenants to Seller that as of the date hereof:

1. Purchaser is not an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA and (b) the assets of Purchaser do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

2. With respect to Seller, and with respect to any shareholder, partner, related entity or affiliate of Seller, Purchaser is neither (i) a party in interest as defined in Section 3(14) of ERISA, nor (ii) a disqualified person as defined in Section 4975(e)(2) of the Internal Revenue Code of 1986, as amended.

3. The certifications, representations, and warranties contained herein shall survive the Closing.

- -----,
a _____

By: _____
Its: _____

EXHIBIT I

RENT ROLL

EXHIBIT J

TENANT ESTOPPEL CERTIFICATES

KINGSDALE CENTER

Received

Big Bear	35,175 s.f.
Express	5,503 s.f.
Famous Footwear	6,013 s.f.
The Limited	7,268 s.f.
S&K Menswear	5,349 s.f.
Stein Mart	35,602 s.f.

Received s.f.

Added Dimensions	3,727
Alfred's Barber Shop	800
Argo & Lehne Jewelers	3,000
Baggerie, The	2,946
Big Sky Bread Company	2,488
Boston Market	3,240
Cheryl's Cookies	514
Designs On You	1,700
Framing Center, The	2,017
Jeffrey Thomas	2,621
Jenny Craig Weight Loss	3,066
Key Bank	3,500
Lair's Hallmark	4,641
Lenscrafters	1,000
MCL Cafeteria	9,500
Oxley's Clothier	3,000
Parcel Plus	1,212
Paul Harris, inc.	4,923
Ruby's	774
Sally Beauty Supply	1,800
Sherwin Williams	2,550
Stride rite	2,135
Swan Cleaners	2,122

Total	63,276
	75%

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

The First Amendment to Purchase and Sale Agreement (this or the "First Amendment") is made as of this 1st day of October, 1997 by and between TBC Kingsdale, Inc., a Massachusetts corporation ("Seller") and RRC Acquisitions, Inc., a Florida corporation ("Purchaser").

Background

Reference is made to a certain purchase and sale agreement ("Original Purchase and Sale Agreement") with an Effective Date of September 19, 1997 and entered into between Seller and Purchaser. The Original Purchase and Sale Agreement was terminated by Purchaser pursuant to a letter dated September 30, 1997 (the "Termination Letter").

The Original Purchase and Sale Agreement as modified by this First Amendment as may be further amended or modified from time to time as referred to herein as the "Purchase and Sale Agreement." Capitalized terms not otherwise defined herein shall have the meaning given such term in the Original Purchase and Sale Agreement.

Purchaser and Seller have agreed to reinstate the Purchase and Sale Agreement and decrease the Purchase Price thereunder. In addition, as Purchaser has not completed its environmental testing which is part of the Purchaser's due diligence regarding the Property, Purchaser and Seller have agreed to extend the Approval Period for the limited purposes set forth in this First Amendment, subject to Seller's receipt of an additional Two Hundred Fifty Thousand Dollars (\$250,000.00) deposit in good funds.

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Reinstatement

Notwithstanding the Termination Letter, the Original Purchase and Sale Agreement, as amended by this First Amendment, is hereby reinstated.

Amendment

1. In Section 2.1, the words and numbers "SEVENTEEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$17,650,000.00)" are deleted and the words and numbers "SEVENTEEN MILLION FIVE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$17,575,000.00)" are inserted in lieu thereof.

2. In Section 3.1, the following subsection (e) is hereby inserted:

"(e) On or before 10:00 a.m. on October 2, 1997, the Purchaser shall (a) initiate a wire transfer to the Title Company, in accordance with wire transfer instructions provided by the Title Company, of an additional TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), which amount shall be added to the Earnest Money previously delivered to the Title Company by the Purchaser pursuant to this Section 3; and (2) deliver evidence that such wire transfer has been initiated to Seller. Seller shall have the option of terminating this Agreement if (a) the wire transfer is not initiated or if evidence thereof is not received by the Seller at the time and in the manner as prescribed in this Section 3.1(e); or (b) if the full amount of the required additional Earnest Money is not timely and fully delivered to the Title Company on or before 2:00 p.m. on October 2, 1997."

3. In Section 4.2, the date "September 30, 1997" is hereby deleted and the date "October 6, 1997" is hereby inserted in lieu thereof.

4. Notwithstanding the foregoing, the Purchaser has waived the right to terminate the Purchase and Sale Agreement under Section 4.2 for any reason other than the environmental testing of the Property. Buyer hereby waives its right to terminate the Purchase and Sale Agreement pursuant to Section 4.2 for any reason other than if (a) the results of the additional environmental testing of the Property, to be performed on or before Friday, October 3, 1997, are unacceptable to Purchaser, in its sole discretion, or (b) if the Purchaser's additional environmental testing of the Property, to be performed on or before Friday, October 3, 1997, results in the Purchaser being unable to bind an environmental insurance policy acceptable to Purchaser, in its sole discretion, from Zurich American Insurance, as applied for on September __, 1997.

5. The Closing Date, as defined in Section 6.1, shall be October 9, 1997. Notwithstanding the foregoing, all closing documents shall be delivered in escrow to the Title Company on or before October 8, 1997 so that the only remaining closing item is the funding of the Purchase Price.

Ratification

In all other respects the Purchase and Sale Agreement is ratified and confirmed and in full force and effect and is otherwise unaltered and unamended.

TBC KINGSDALE, INC.

By: _____

RRC ACQUISITIONS, INC.

By: _____

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
 REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 9/30/97

1

	9-MOS	
	DEC-31-1997	
	SEP-30-1997	
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		0
		6,633,926
		1,420,662
		0
		0
		789,712,022
		37,129,650
		778,649,771
		0
		0
		0
		232,507
		497,823,728
778,649,771		0
		0
		69,149,070
		0
		16,016,253
		11,501,974
		0
		14,748,996
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		0
17,507,047		0
		0
		0
		0
		17,507,047
		0.97
		0.89