Table of Contents

United States
SECURITIES AND EXCHANGE COMMISSION
Washington DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2005

-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 CENTERS CORPORATION
(Exact name of registrant as specified in its charter)

Florida	**59-3191743**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

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

(904) 598-7000
(Registrant's telephone number, including area code)

Unchanged
(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 ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

(Applicable only to Corporate Registrants)

As of August 8, 2005, there were 63,490,008 shares outstanding of the Registrant's common stock.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

REGENCY CENTERS CORPORATION
Consolidated Balance Sheets
June 30, 2005 and December 31, 2004
(in thousands, except share data)

	2005 (unaudited)	2004
Assets		
Real estate investments at cost:		
Land	$ 817,591	806,207
Buildings and improvements	1,927,265	1,915,655
	2,744,856	2,721,862
Less: accumulated depreciation	364,362	338,609
	2,380,494	2,383,253
Properties in development	378,701	426,216
Operating properties held for sale	24,473	4,916
Investments in real estate partnerships	567,666	179,677
Net real estate investments	3,351,334	2,994,062
Cash and cash equivalents	26,252	95,320
Notes receivable	22,715	25,646
Tenant receivables, net of allowance for uncollectible accounts of $3,694 and $3,393 at June 30, 2005 and December 31, 2004, respectively	57,640	60,911
Deferred costs, less accumulated amortization of $29,046 and $25,735 at June 30, 2005 and December 31, 2004, respectively	39,783	41,002
Acquired lease intangible assets, net	12,164	14,172
Other assets	15,956	12,711
	$3,525,844	3,243,824
Liabilities and Stockholders' Equity		
Liabilities:		
Notes payable	$1,223,352	1,293,090
Unsecured line of credit	265,000	200,000
Bridge loan	275,000	—
Accounts payable and other liabilities	112,164	102,443
Acquired lease intangible liabilities, net	4,684	5,161
Tenants' security and escrow deposits	10,027	10,049
Total liabilities	1,890,227	1,610,743
Preferred units	101,762	101,762
Exchangeable operating partnership units	27,855	30,775
Limited partners' interest in consolidated partnerships	2,028	1,827
Total minority interest	131,645	134,364
Stockholders' equity:		
Preferred stock, $.01 par value per share, 30,000,000 shares authorized; 800,000 shares issued and outstanding at June 30, 2005 and December 31, 2004, liquidation preference $250 per share	200,000	200,000
Common stock $.01 par value per share, 150,000,000 shares authorized; 68,563,514 and 67,970,538 shares issued at June 30, 2005 and December 31, 2004, respectively	686	680
Treasury stock at cost, 5,283,715 and 5,161,559 shares held at June 30, 2005 and December 31, 2004, respectively	(111,414)	(111,414)
Additional paid in capital	1,505,278	1,494,312
Accumulated other comprehensive (loss) income	(16,521)	(5,291)
Distributions in excess of net income	(74,057)	(79,570)
Total stockholders' equity	1,503,972	1,498,717
Commitments and contingencies		
	$3,525,844	3,243,824

See accompanying notes to consolidated financial statements.

Table of Contents

REGENCY CENTERS CORPORATION
Consolidated Statements of Operations
For the three months ended June 30, 2005 and 2004
(in thousands, except per share data)
(unaudited)

	2005	2004
Revenues:		
Minimum rent	$ 72,704	68,497
Percentage rent	270	337
Recoveries from tenants	20,716	19,019
Management, acquisition and other fees	16,848	1,766
Equity in income of investments in real estate partnerships	946	1,944
Total revenues	111,484	91,563
Operating expenses:		
Depreciation and amortization	21,166	19,394
Operating and maintenance	13,240	12,376
General and administrative	9,402	7,221
Real estate taxes	10,148	9,498
Other expenses	534	663
Total operating expenses	54,490	49,152
Other expense (income)		
Interest expense, net of interest income of $543 and $880 in 2005 and 2004, respectively	22,317	18,606
Gain on sale of operating properties and properties in development	(3,598)	(3,667)
Total other expense (income)	18,719	14,939
Income before minority interests	38,275	27,472
Minority interest of preferred units	(2,113)	(5,081)
Minority interest of exchangeable operating partnership units	(751)	(366)
Minority interest of limited partners	(82)	(91)
Income from continuing operations	35,329	21,934
Discontinued operations, net:		
Operating income from discontinued operations	973	2,080
Gain on sale of operating properties and properties in development	7,578	2,442
Income from discontinued operations	8,551	4,522
Net income	43,880	26,456
Preferred stock dividends	(3,663)	(1,397)
Net income for common stockholders	$ 40,217	25,059
Income per common share - basic:		
Continuing operations	$ 0.50	0.34
Discontinued operations	0.14	0.07
Net income for common stockholders per share	$ 0.64	0.41
Income per common share - diluted:		
Continuing operations	$ 0.49	0.34
Discontinued operations	0.14	0.07
Net income for common stockholders per share	$ 0.63	0.41

See accompanying notes to consolidated financial statements.

Table of Contents

REGENCY CENTERS CORPORATION
Consolidated Statements of Operations
For the six months ended June 30, 2005 and 2004
(in thousands, except per share data)
(unaudited)

	2005	2004
Revenues:		
Minimum rent	$144,406	135,956
Percentage rent	819	788
Recoveries from tenants	42,041	38,291
Management, acquisition and other fees	20,167	3,377
Equity in income of investments in real estate partnerships	3,337	4,689
Total revenues	210,770	183,101
Operating expenses:		
Depreciation and amortization	41,501	38,771
Operating and maintenance	26,460	24,986
General and administrative	18,054	13,104
Real estate taxes	20,432	19,473
Other expenses	1,963	1,150
Total operating expenses	108,410	97,484
Other expense (income)		
Interest expense, net of interest income of $1,044 and $1,717 in 2005 and 2004, respectively	42,593	39,657
Gain on sale of operating properties and properties in development	(10,140)	(7,650)
Total other expense (income)	32,453	32,007
Income before minority interests	69,907	53,610
Minority interest of preferred units	(4,225)	(10,163)
Minority interest of exchangeable operating partnership units	(1,399)	(714)
Minority interest of limited partners	(158)	(169)
Income from continuing operations	64,125	42,564
Discontinued operations, net:		
Operating income from discontinued operations	1,729	4,256
Gain on sale of operating properties and properties in development	16,374	2,454
Income from discontinued operations	18,103	6,710
Net income	82,228	49,274
Preferred stock dividends	(7,325)	(2,794)
Net income for common stockholders	$ 74,903	46,480
Income per common share - basic:		
Continuing operations	$ 0.90	0.65
Discontinued operations	0.29	0.12
Net income for common stockholders per share	$ 1.19	0.77
Income per common share - diluted:		
Continuing operations	$ 0.89	0.65
Discontinued operations	0.29	0.12
Net income for common stockholders per share	$ 1.18	0.77

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION
Consolidated Statement of Stockholders' Equity and Comprehensive Income (Loss)
For the six months ended June 30, 2005
(in thousands, except per share data)
(unaudited)

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income	Total Stockholders' Equity
Balance at December 31, 2004	$ 200,000	680	(111,414)	1,494,312	(5,291)	(79,570)	1,498,717
Comprehensive Income:							
Net income	—	—	—	—		82,228	82,228
Change in fair value of derivative instruments	—	—	—	—	(11,516)	—	(11,516)
Amortization of loss on derivative instruments	—	—	—	—	286	—	286
Total comprehensive income	—	—	—	—	—	—	70,998
Common stock issued as compensation and stock options exercised, net	—	5	—	7,751	—	—	7,756
Common stock issued for partnership units exchanged	—	1	—	3,638	—	—	3,639
Reallocation of minority interest	—	—	—	(423)	—	—	(423)
Cash dividends declared:							
Preferred stock	—	—	—	—	—	(7,325)	(7,325)
Common stock ($1.10 per share)	—	—	—	—	—	(69,390)	(69,390)
Balance at June 30, 2005	$ 200,000	686	(111,414)	1,505,278	(16,521)	(74,057)	1,503,972

See accompanying notes to consolidated financial statements.

Table of Contents

REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the six months ended June 30, 2005 and 2004
(in thousands)
(unaudited)

	2005	2004
Cash flows from operating activities:		
Net income	$ 82,228	49,274
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,417	40,266
Deferred loan cost and debt premium amortization	1,144	1,209
Stock based compensation	9,513	7,075
Minority interest of preferred units	4,225	10,163
Minority interest of exchangeable operating partnership units	1,795	826
Minority interest of limited partners	158	169
Equity in income of investments in real estate partnerships	(3,337)	(4,689)
Net gain on sale of properties	(29,637)	(11,129)
Distributions from operations of investments in real estate partnerships	7,766	7,266
Hedge settlement	—	(5,720)
Changes in assets and liabilities:		
Tenant receivables	3,271	12,304
Deferred leasing costs	(5,720)	(3,665)
Other assets	(4,393)	2,607
Accounts payable and other liabilities	(11,194)	5,714
Tenants' security and escrow deposits	(22)	237
Net cash provided by operating activities	98,214	111,907
Cash flows from investing activities:		
Acquisition of real estate	—	(23,419)
Development of real estate	(116,692)	(182,160)
Proceeds from sale of real estate investments	92,983	62,909
Repayment of notes receivable, net	2,932	11,146
Investments in real estate partnerships	(403,363)	(1,218)
Distributions received from investments in real estate partnerships	13,900	18,108
Net cash used in investing activities	(410,240)	(114,634)
Cash flows from financing activities:		
Net proceeds from common stock issuance	3,554	11,501
Redemption of exchangeable operating partnership units	—	(10,831)
Contributions from limited partners in consolidated partnerships	25	72
Distributions to exchangeable operating partnership unit holders	(1,498)	(1,151)
Distributions to preferred unit holders	(4,225)	(10,163)
Dividends paid to common stockholders	(69,390)	(63,987)
Dividends paid to preferred stockholders	(7,325)	(2,794)
Repayment of fixed rate unsecured notes	—	(200,000)
Proceeds from issuance of fixed rate unsecured notes, net	—	148,646
Proceeds from unsecured line of credit, net	340,000	110,000
Proceeds from notes payable	—	5,852
Repayment of notes payable, net	(14,913)	(2,350)
Scheduled principal payments	(3,153)	(2,770)
Deferred loan costs	(117)	(3,787)
Net cash provided by (used in) financing activities	242,958	(21,762)
Net decrease in cash and cash equivalents	(69,068)	(24,489)
Cash and cash equivalents at beginning of the period	95,320	29,869
Cash and cash equivalents at end of the period	$ 26,252	5,380

REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the six months ended June 30, 2005 and 2004
(in thousands)
(unaudited)

Supplemental disclosure of cash flow information - cash paid for interest (net of capitalized interest of $5,535 and $6,504 in 2005 and 2004, respectively)	$ 43,086	42,521
Supplemental disclosure of non-cash transactions:		
Mortgage debt assumed by purchaser on sale of real estate	$ —	5,586
Common stock issued for partnership units exchanged	$ 3,639	4,341
Mortgage loans assumed for the acquisition of real estate	$ —	4,148
Real estate contributed as investments in real estate partnerships	$ 2,956	2,757
Exchangeable operating partnership units issued for the acquisition of real estate	$ —	13,400
Notes receivable taken in connection with sales of operating properties, properties in development and outparcels	$ —	6,893
Change in fair value of derivative instrument	$ 11,516	—

See accompanying notes to consolidated financial statements.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Regency Centers Corporation and partnerships in which it has a majority ownership or controlling interest (the "Company" or "Regency"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

The Company owns approximately 98% of the outstanding common units ("Units") of Regency Centers, L.P. ("RCLP"). Regency invests in real estate through its partnership interest in RCLP. Generally all of the acquisition, development, operating and financing activities of Regency, including the issuance of Units and preferred units, are executed by RCLP. The equity interests of third parties held in RCLP or its majority owned partnerships are included in the consolidated financial statements as preferred units, exchangeable operating partnership units or limited partners' interest in consolidated partnerships. The Company is a qualified real estate investment trust ("REIT"), which began operations in 1993.

The consolidated financial statements reflect all adjustments that are of a normal recurring nature, and in the opinion of management, are necessary to properly state the Company's results of operations and financial position. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted although management believes that the disclosures are adequate to make the information presented not misleading. The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's December 31, 2004 Form 10-K filed with the Securities and Exchange Commission and updated under Form 8-K on June 13, 2005.

The Company is currently evaluating the recent EITF consensus on Issue No. 04-5 "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" (Note 1(m)).

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(b) Revenues

The Company leases space to tenants under agreements with varying terms. Leases are accounted for as operating leases with minimum rent recognized on a straight-line basis over the term of the lease regardless of when payments are due. Tenant allowances are recorded as tenant improvements. Lease revenue recognition commences when the lessee is given possession of the leased space upon completion of tenant improvements. Accrued rents are included in tenant receivables.

Substantially all of the lease agreements contain provisions that grant additional rents based on tenants' sales volume (contingent or percentage rent) and reimbursement of the tenants' share of real estate taxes, insurance and common area maintenance ("CAM") costs. Percentage rents are recognized when the tenants achieve the specified targets as defined in their lease agreements. Recovery of real estate taxes, insurance and CAM costs are recognized as the respective costs are incurred in accordance with the lease agreements.

The Company accounts for profit recognition on sales of real estate in accordance with Statement of Financial Accounting Standards ("SFAS") Statement No. 66, "Accounting for Sales of Real Estate." In summary, profits from sales will not be recognized by the Company unless a sale has been consummated; the buyer's initial and continuing investment is adequate to demonstrate a commitment to pay for the property; the Company has transferred to the buyer the usual risks and rewards of ownership; and the Company does not have substantial continuing involvement with the property.

The Company has been engaged by joint ventures to provide asset and property management services for such ventures' shopping centers. The fees are market based and generally calculated as a percentage of either revenues earned or the estimated values of the properties and are recognized as services are provided.

(c) Real Estate Investments

Land, buildings and improvements are recorded at cost. All specifically identifiable costs related to development activities are capitalized into properties in development on the consolidated balance sheet. The capitalized costs include pre-development costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, and direct employee costs incurred during the period of development.

The Company incurs costs prior to land acquisition including acquisition contract deposits, as well as legal, engineering and other external professional fees related to evaluating the feasibility of developing a shopping center. These pre-development costs are included in properties in development. If the Company determines that the development of a particular shopping center is no longer probable, any related pre-development costs previously incurred are immediately expensed. At June 30, 2005 and December 31, 2004, the Company had capitalized pre-development costs of $11.8 million and $10.5 million, respectively.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(c) Real Estate Investments (continued)

The Company's method of capitalizing interest is based upon applying its weighted average borrowing rate to that portion of the actual development costs expended. The Company ceases cost capitalization when the property is available for occupancy upon substantial completion of tenant improvements. In no event would the Company capitalize interest on the project beyond 12 months after substantial completion of the building shell.

Maintenance and repairs that do not improve or extend the useful lives of the respective assets are reflected in operating and maintenance expense.

Depreciation is computed using the straight-line method over estimated useful lives of up to 40 years for buildings and improvements, term of lease for tenant improvements, and three to seven years for furniture and equipment.

The Company allocates the purchase price of assets acquired (net tangible and identifiable intangible assets) and liabilities assumed based on their relative fair values at the date of acquisition pursuant to the provisions of SFAS No. 141, "Business Combinations" ("Statement 141"). Statement 141 provides guidance on allocating a portion of the purchase price of a property to intangible assets. The Company's methodology for this allocation includes estimating an "as-if vacant" fair value of the physical property, which is allocated to land, building and improvements. The difference between the purchase price and the "as-if vacant" fair value is allocated to intangible assets. There are three categories of intangible assets to be considered: (i) value of in-place leases, (ii) above and below-market value of in-place leases and (iii) customer relationship value.

The value of in-place leases is estimated based on the value associated with the costs avoided in originating leases comparable to the acquired in-place leases as well as the value associated with lost rental and recovery revenue during the assumed lease-up period. The value of in-place leases is amortized to expense over the estimated weighted-average remaining lease lives.

Above-market and below-market in-place lease values for acquired properties are recorded based on the present value of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimates of fair market lease rates for the comparable in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. The value of above-market leases is amortized as a reduction of base rental revenue over the remaining terms of the respective leases. The value of below-market leases is accreted as an increase to base rental revenue over the remaining terms of the respective leases, including renewal options.

The Company allocates no value to customer relationship intangibles if it has pre-existing business relationships with the major retailers in the acquired property because the customer relationships associated with the acquired property provide no incremental value over the Company's existing relationships.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(c) Real Estate Investments (continued)

The Company follows the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("Statement 144"). In accordance with Statement 144, the Company classifies an operating property as held for sale when it determines that the property is available for immediate sale in its present condition and management is reasonably certain that a sale will be consummated. Operating properties held for sale are carried at the lower of cost or fair value less costs to sell. Depreciation and amortization are suspended during the held-for-sale period. The operations of properties held for sale are reclassified into discontinued operations for all periods presented.

In accordance with Statement 144, when the Company sells a property and will not have continuing involvement after disposition, its operations and gain on sale are reported in discontinued operations when the operations and cash flows are clearly distinguished. Once classified as discontinued operations, these properties are eliminated from ongoing operations. Prior periods are also restated to reflect the operations of these properties as discontinued operations. When the Company sells operating properties to its joint ventures or to third parties, and it will have continuing involvement, the operations and gains on sales are included in income from continuing operations.

The Company reviews its real estate portfolio for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable based upon expected undiscounted cash flows from the property. The Company determines impairment by comparing the property's carrying value to an estimate of fair value based upon varying methods such as i) estimating future cash flows, ii) determining resale values by market, or iii) applying a capitalization rate to net operating income using prevailing rates in a given market. These methods of determining fair value can fluctuate significantly as a result of a number of factors, including changes in the general economy of those markets in which the Company operates, tenant credit quality and demand for new retail stores. In the event that the carrying amount of a property is not recoverable and exceeds its fair value, the Company will write down the asset to fair value for "held-and-used" assets and to fair value less costs to sell for "held-for-sale" assets.

(d) Deferred Costs

Deferred costs include deferred leasing costs and deferred loan costs, net of accumulated amortization. Such costs are amortized over the periods through lease expiration or loan maturity. Deferred leasing costs consist of internal and external commissions associated with leasing the Company's shopping centers. Net deferred leasing costs were $30.6 million and $30.8 million at June 30, 2005 and December 31, 2004, respectively. Deferred loan costs consist of initial direct and incremental costs associated with financing activities. Net deferred loan costs were $9.2 million and $10.2 million at June 30, 2005 and December 31, 2004, respectively.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(e) Earnings per Share and Treasury Stock

Basic net income per share of common stock is computed based upon the weighted average number of common shares outstanding during the period. Diluted net income per share also includes common share equivalents for stock options, restricted stock and exchangeable operating partnership units, if dilutive. See note 8 for the calculation of earnings per share ("EPS").

Repurchases of the Company's common stock are recorded at cost and are reflected as Treasury stock in the consolidated statement of stockholders' equity. Outstanding shares do not include treasury shares.

(f) Cash and Cash Equivalents

Any instruments which have an original maturity of 90 days or less when purchased are considered cash equivalents. Cash distributions of normal operating earnings from investments in real estate partnerships are included in cash flows from operations in the consolidated statements of cash flows.

(g) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Stock-Based Compensation

Prior to January 1, 2005, the Company followed the provisions of SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("Statement 148"). Statement 148 provided alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, Statement 148 amended the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation" ("Statement 123"), to require more prominent and frequent disclosures in financial statements about the effects of stock-based compensation. As permitted under Statement 123 and Statement 148, the Company previously followed the accounting guidelines pursuant to Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("Opinion 25"), for stock-based compensation and furnished the pro-forma disclosures as required under Statement 148.

On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("Statement 123(R)"), which is a revision of Statement 123. Statement 123(R) supersedes Opinion 25. Generally, the approach in Statement 123(R) is similar to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations based on their fair values. Pro-forma disclosure is no longer an alternative under Statement 123(R).

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

Statement 123(R) is effective for fiscal years beginning after December 31, 2005. The Company elected the early adoption of Statement 123(R) effective January 1, 2005. As permitted by Statement 123(R), the Company has applied the “modified prospective” method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date.

The Company recorded stock-based compensation expense for the periods ended June 30, 2005 and 2004 as follows, the components of which are further described below (in thousands):

	For the three months Ended		For the six months Ended	
	2005	2004	2005	2004
Stock Options	$ 274	—	549	—
Dividend Equivalents	465	793	870	1,587
Restricted Stock	4,431	2,734	8,094	5,488
Total	$ 5,170	3,527	9,513	7,075

The recorded amounts of stock-based compensation expense in 2005 represent amortization of deferred compensation related to share based payments in accordance with Statement 123(R). Compensation expense that is specifically identifiable to development activities is capitalized to the associated development project and is included above. Deferred compensation is recorded as a reduction to additional paid in capital in the statement of stockholders’ equity.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

During 2004, as permitted by Statement 123, the Company accounted for share-based payments to employees using Opinion 25's intrinsic value method and recognized no compensation cost for employee stock options in prior years. Had the Company adopted Statement 123(R) in 2004, the impact of that standard would have approximated the impact of Statement 123 in the disclosure of pro-forma net income and earnings per share described as follows (in thousands except per share data):

	For the three months ended June 30, 2004	For the six months ended June 30, 2004
Net income for common stockholders as reported:	$ 25,059	46,480
Add: stock-based employee compensation expense included in reported net income	3,527	7,075
Deduct: total stock-based employee compensation expense determined under fair value based methods for all awards	4,346	9,076
Pro-forma net income	$ 24,240	44,479
Earnings per share:		
Basic – as reported	$ 0.41	0.77
Basic – pro-forma	$ 0.40	0.74
Diluted – as reported	$ 0.41	0.77
Diluted – pro-forma	$ 0.40	0.73

The Company has a Long-Term Omnibus Plan (the "Plan") under which the Board of Directors may grant stock options and other stock-based awards to officers, directors and other key employees. The Plan allows the Company to issue up to 5.0 million shares in the form of common stock or stock options, but limits the issuance of common stock excluding stock options to no more than 2.75 million shares. At June 30, 2005, there were approximately 3.3 million shares available for grant under the Plan either through options or restricted stock of which 1.8 million shares are limited to common stock awards other than stock options. The Plan also limits outstanding awards to no more than 12% of outstanding common stock.

Stock options are granted under the Plan with an exercise price equal to the stock's fair market value at the date of grant. All stock options granted have ten-year lives, contain vesting terms of one to five years from the date of grant and some have dividend equivalent rights. Stock options granted prior to 2005 also contained "reload" rights, which allowed for an option holder to receive new options each time existing options were exercised if the existing options were exercised under specific criteria provided for in the Plan. In January 2005, the Company offered to acquire the "reload" rights of existing stock options from the option holders by issuing them additional stock options or restricted stock that will vest 25%

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

per year and be expensed over a four-year period beginning in 2005 in accordance with Statement 123(R). As a result of the offer, on January 18, 2005, the Company granted 771,645 options to 37 employees with an exercise price of $51.36, the fair value on the date of grant, and granted 7,906 restricted shares to 11 employees representing value of $363,664, substantially canceling all of the "reload" rights on existing stock options. One employee chose to retain their reload rights. The stock option reload right buy-out program was not offered to the non-employee directors. Options granted under the reload buy-out plan do not earn dividend equivalents.

The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton closed-form ("Black Scholes") option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on historical volatility of the Company's stock. The Company uses historical data to estimate option exercises and employee terminations within the valuation model. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The Company believes that the use of the Black-Scholes model meets the fair value measurement objectives of Statement 123(R) and reflects all substantive characteristics of the instruments being valued. The following table represents the assumptions used for the Black-Scholes option-pricing model to determine the per share weighted average fair value of $5.90 and $6.17 for options granted during the three months ended March 31, 2005 and June 30, 2005, respectively:

	For the three months ended	
	March 31, 2005	**June 30, 2005**
Expected dividend yield	4.3%	3.9%
Risk-free interest rate	3.7%	3.5%
Expected volatility	18.0%	20.0%
Expected life in years	4.4	2.5

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

The following table reports stock option activity during the six month period ended June 30, 2005:

	Number of Options	Weighted Average Exercise Price	Remaining Contractual Term	Intrinsic Value (in thousands)
Outstanding at January 1, 2005	1,675,163	$ 44.32		
Granted	771,645	51.36		
Exercised	(90,557)	34.54		$ 1,430
Outstanding at March 31, 2005	2,356,251	47.00	5.94	
Granted	7,680	56.07		
Exercised	(196,083)	43.82		$ 4,281
Forfeited	(1,894)	47.04		
Outstanding at June 30, 2005	2,165,954	$ 47.32	5.99	$ 21,403
Exercisable at June 30, 2005	1,351,457	$ 45.70	4.00	$ 15,539

The following table presents information regarding unvested option activity during the six month period ended June 30, 2005:

	Non-vested Number of Options	Weighted Average Grant-Date Fair Value
Non-vested at January 1, 2005	59,102	$ 2.22
Granted	771,645	$ 5.90
Less: 2005 Vesting	(16,250)	$ 2.22
Non-vested at June 30, 2005	814,497	$ 5.71

As of June 30, 2005, there was $3.8 million of total unrecognized compensation cost related to non-vested stock options granted under the Plan. That cost is expected to be recognized over a remaining weighted-average period of 3.5 years.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

The Company grants restricted stock under the Plan to its employees as a form of long- term compensation and retention. The terms of each grant vary depending upon the participant's responsibilities and position within the Company. The Company's stock grants to date can be categorized into three types: (a) 4-year vesting, (b) performance-based vesting, and (c) 8-year cliff vesting. Four-year vesting grants vest 25% per year beginning in the year of grant. These grants are not subject to future performance measures, and are granted based upon past employee performance. Performance grants are subject to future performance measurements, primarily annual growth and compounded three-year growth in earnings. Performance grants must be earned, based upon the achievement of the performance criteria, before the actual number of shares to be vested are known. Once earned, performance grants vest over a term such that the period used to determine the number of shares earned combined with the vesting term equals 5 years. Eight-year cliff vesting grants fully vest at the end of the eighth year from the date of grant; however, as a result of the achievement of future performance, primarily growth in earnings, the vesting of these grants may be accelerated over a shorter term. Performance grants and 8-year cliff vesting grants are currently only granted to the eight top executives in the Company. The Company considers the likelihood of meeting the performance criteria based upon management's estimates and analysis of future earnings growth from which it determines the amounts recognized as expense on a periodic basis. Compensation expense is measured at the grant date and recognized ratably over the vesting period. Restricted stock grants also have certain dividend rights under the Plan, which are expensed in a manner similar to the underlying stock.

The following table reports restricted stock activity during the six month period ended June 30, 2005:

	Number of Shares	Intrinsic Value (in thousands)
Unvested Shares at January 1, 2005	827,024	
Shares Granted	440,746	
Shares Vested and Distributed	(335,993)	$ 16,501
Shares Forfeited	(4,940)	
Unvested Shares at June 30, 2005	926,837	$ 53,015

As of June 30, 2005, there was $31.9 million of total unrecognized compensation cost related to non-vested restricted stock granted under the Plan and is recorded as an offset to additional paid in capital. This unrecognized compensation cost is expected to be recognized through 2009.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(h) Stock-Based Compensation (continued)

The following table represents restricted stock granted in January 2005 and 2004 for individual and company level performance during 2004 and 2003, respectively. Shares granted in 2005 include 7,906 shares related to the stock option reload buy-out program discussed above.

	2005	2004
Weighted average fair value of stock at date of grant	$ 51.38	39.97
4-year vesting grant	271,158	219,787
Performance-based grant	169,588	—
8-year vesting grant	—	64,649
Total stock grants	440,746	284,436

(i) Consolidation of Variable Interest Entities

In December 2003, the FASB issued Interpretation No. 46 (“FIN 46”) (revised December 2003 (“FIN 46R”)), “Consolidation of Variable Interest Entities”, which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaced FIN 46, which was issued in January 2003. FIN 46R was applicable immediately to a variable interest entity created after January 31, 2003 and as of the first interim period ending after March 15, 2004 to those variable interest entities created before February 1, 2003 and not already consolidated under FIN 46 in previously issued financial statements. The Company did not create any variable interest entities after January 31, 2003. The Company has adopted FIN 46R, analyzed the applicability of this interpretation to its structures and determined that they are not party to any significant variable interest entities.

(j) Segment Reporting

The Company’s business is investing in retail shopping centers through direct ownership or through joint ventures. The Company actively manages its portfolio of retail shopping centers and may from time to time make decisions to sell lower performing properties, or developments not meeting its long-term investment objectives. The proceeds of sales are reinvested into higher quality retail shopping centers through acquisitions or new developments, which management believes will meet its planned rate of return. It is management’s intent that all retail shopping centers will be owned or developed for investment purposes. The Company’s revenue and net income are generated from the operation of its investment portfolio. The Company also earns fees from third parties for services provided to manage and lease retail shopping centers owned through joint ventures.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(j) Segment Reporting (continued)

The Company's portfolio is located throughout the United States; however, management does not distinguish or group its operations on a geographical basis for purposes of allocating resources or measuring performance. The Company reviews operating and financial data for each property on an individual basis, therefore, the Company defines an operating segment as its individual properties. No individual property constitutes more than 10% of the Company's combined revenue, net income or assets, and thus the individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the centers, tenants and operational processes, as well as long-term average financial performance. In addition, no single tenant accounts for 10% or more of revenue and none of the shopping centers are located outside the United States.

(k) Derivative Financial Instruments

The Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" as amended by SFAS No. 149 ("Statement 133"). Statement 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Gains or losses resulting from changes in the values of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The Company's use of derivative financial instruments is normally to mitigate its interest rate risk on a related financial instrument or forecasted transaction through the use of interest rate swaps.

Statement 133 requires that changes in fair value of derivatives that qualify as cash flow hedges be recognized in other comprehensive income ("OCI") while the ineffective portion of the derivative's change in fair value be recognized immediately in earnings. Upon the settlement of a hedge, gains and losses associated with the transaction are recorded in OCI and amortized over the underlying term of the hedge transaction. Historically all of the Company's derivative instruments have qualified for hedge accounting.

To determine the fair value of derivative instruments, the Company uses standard market conventions and techniques such as discounted cash flow analysis, option pricing models and termination costs at each balance sheet date. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(l) Financial Instruments with Characteristics of Both Liabilities and Equity

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity” (“Statement 150”). Statement 150 affects the accounting for certain financial instruments, which requires companies having consolidated entities with specified termination dates to treat minority owners’ interests in such entities as liabilities in an amount based on the fair value of the entities. Although Statement 150 was originally effective July 1, 2003, the FASB has indefinitely deferred certain provisions related to classification and measurement requirements for mandatorily redeemable financial instruments that become subject to Statement 150 solely as a result of consolidation, including minority interests of entities with specified termination dates. As a result, Statement 150 has no impact on the Company’s consolidated statements of operations for the period ended June 30, 2005.

At June 30, 2005, the Company held a majority interest in two consolidated entities with specified termination dates of 2017 and 2049. The minority owners’ interests in these entities are to be settled upon termination by distribution or transfer of either cash or specific assets of the underlying entities. The estimated fair value of minority interests in entities with specified termination dates was approximately $5.4 million at June 30, 2005 as compared to their carrying value of $1.0 million. The Company has no other financial instruments that are affected by Statement 150.

(m) Recent Accounting Pronouncements

In June 2005, the FASB ratified the EITF’s consensus on Issue No. 04-5 “Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights.” This consensus establishes the presumption that general partners in a limited partnership control that limited partnership regardless of the extent of the general partners’ ownership interest in the limited partnership. The consensus further establishes that the rights of the limited partners can overcome the presumption of control by the general partners, if the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or otherwise remove the general partners without cause or (b) substantive participating rights. Whether the presumption of control is overcome is a matter of judgment based on the facts and circumstances, for which the consensus provides additional guidance. This consensus is currently applicable to the Company for new or modified partnerships, and will otherwise be applicable to existing partnerships in 2006. This consensus applies to limited partnerships or similar entities, such as limited liability companies that have governing provisions that are the functional equivalent of a limited partnership. The Company is currently evaluating the effect of this consensus on its consolidation policies.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(m) Recent Accounting Pronouncements (continued)

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections ("Statement 154"). Statement 154 requires restatement of prior periods' financial statements for changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. Statement 154 also requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Statement 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company is not currently aware of any future potential accounting changes which would require the retrospective application described in Statement 154.

In December 2004, the FASB issued SFAS No. 153, Exchange of Non-monetary Assets - an amendment of APB Opinion No 29 ("Statement 153"). The guidance in APB Opinion No. 29, Accounting for Non-monetary Transactions, is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. Statement 153 amends Opinion No. 29 to eliminate the exception for non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. Statement 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The impact of adopting Statement 153 is not expected to have a material adverse impact on the Company's financial position or results of operations.

(n) Reclassifications

Certain reclassifications have been made to the 2004 amounts to conform to classifications adopted in 2005.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

2. Discontinued Operations

During the three months ended June 30, 2005, the Company sold 100% of its interest in three properties for net proceeds of $27.1 million. The combined operating income and gains from these properties and properties classified as held for sale are included in discontinued operations. The revenues from properties included in discontinued operations were $2.5 million and $4.8 million for the three months ended June 30, 2005 and 2004, respectively. The operating income and gains from properties included in discontinued operations are reported net of minority interest of exchangeable operating partnership units and income taxes as follows:

	For the three months ended			
	June 30, 2005		June 30, 2004	
	Operating Income	Gain on sale of properties	Operating Income	Gain on sale of properties
Operations and gain	$ 1,033	8,315	2,250	3,466
Less: Minority interest	20	161	34	41
Less: Income taxes	40	576	136	983
Discontinued operations, net	$ 973	7,578	2,080	2,442

During the six months ended June 30, 2005, the Company sold 100% of its interest in five properties for net proceeds of $61.8 million. The combined operating income and gains from these properties and properties classified as held for sale are included in discontinued operations. The revenues from properties included in discontinued operations were $6.0 million and $9.9 million for the six months ended June 30, 2005 and 2004, respectively. The operating income and gains from properties included in discontinued operations are reported net of minority interest of exchangeable operating partnership units and income taxes as follows:

	For the six months ended			
	June 30, 2005		June 30, 2004	
	Operating Income	Gain on sale of properties	Operating Income	Gain on sale of properties
Operations and gain	$ 1,859	19,497	4,463	3,478
Less: Minority interest	37	359	71	41
Less: Income taxes	93	2,764	136	983
Discontinued operations, net	$ 1,729	16,374	4,256	2,454

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

3. Investments in Real Estate Partnerships

The Company accounts for all investments in which it owns 50% or less and does not have a controlling financial interest using the equity method. The Company has determined that these investments are not variable interest entities, and therefore, subject to the voting interest model in determining its basis of accounting. Major decisions, including property acquisitions and dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners. The Company's combined investment in these partnerships was $567.7 million and $179.7 million at June 30, 2005 and December 31, 2004, respectively. Any difference between the carrying amount of these investments and the underlying equity in net assets is amortized to equity in income of investments in real estate partnerships over the expected useful lives of the properties and other intangible assets which range in lives from 10 to 40 years. Net income from these partnerships, which includes all operating results, as well as gains and losses on sales of properties within the joint ventures, is allocated to the Company in accordance with the respective partnership agreements. Such allocations of net income are recorded in equity in income of investments in real estate partnerships in the accompanying consolidated statements of operations.

Investments in real estate partnerships are comprised primarily of joint ventures with three unrelated co-investment partners, as described below. In addition to earning its pro-rata share of net income in each of the partnerships, these co-investment partners pay the Company fees for asset management, property management, and acquisition and disposition services. During the three months ended June 30, 2005 and 2004, the Company received fees from these joint ventures of $16.5 million and $1.5 million, respectively. During the six months ended June 30, 2005 and 2004, the Company received fees from these joint ventures of $19.7 million and $3.0 million, respectively.

The Company co-invests with the Oregon Public Employees Retirement Fund in three joint ventures (collectively "Columbia") in which it has ownership interests of 20% or 30%. As of June 30, 2005, Columbia owned 17 shopping centers, had total assets of $482.3 million, and net income of $6.8 million. The Company's share of Columbia's total assets and net income was $108.6 million and $1.2 million, respectively. During the six months ended June 30, 2005, Columbia sold one shopping center to an unrelated party for $19.7 million with a loss of $242,176 related primarily to higher closing costs than expected.

The Company co-invests with the California State Teachers' Retirement System ("CalSTRS") in a joint venture called ("RegCal") in which it has an ownership interest of 25%. As of June 30, 2005, RegCal owned four shopping centers, had total assets of $126.7 million, and net income of $1.3 million. The Company's share of RegCal's total assets and net income was $31.7 million and $390,768, respectively.

The Company co-invests with Macquarie CountryWide Trust of Australia ("MCW") in three joint ventures, two in which it has an ownership interest of 25% (collectively, "MCWR"), and one in which it has an ownership interest of 35% ("MCWR II").

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

3. Investments in Real Estate Partnerships (continued)

As of June 30, 2005, MCWR owned 50 shopping centers, had total assets of $740.7 million, and net income of $8.3 million. Regency's share of MCWR's total assets and net income was $185.2 million and $2.1 million, respectively. During the six months ended June 30, 2005, MCWR acquired one shopping center from an unrelated party for a purchase price of $24.4 million. The Company contributed $4.5 million for its proportionate share of the purchase price, which was net of loan financing placed on the shopping center by MCWR. In addition, MCWR acquired one property from the Company valued at $22.1 million, for which the Company received cash of $17.1 million. During the six months ended June 30, 2005, MCWR sold three shopping centers to unrelated parties for $34.7 million with a loss of $254,469 related primarily to higher closing costs than expected.

On June 1, 2005, Macquarie CountryWide-Regency II, LLC (MCWR II) closed on the acquisition of 100 retail shopping centers (the "First Washington Portfolio") totaling approximately 12.6 million square feet located throughout 17 states and the District of Columbia from a joint venture between CalPERS and an affiliate of First Washington Realty, Inc. (the "Sellers") pursuant to a Purchase and Sale Agreement dated February 14, 2005. The total purchase price was approximately $2.8 billion, including the assumption of approximately $68.6 million of mortgage debt and the issuance of approximately $1.6 billion of new mortgage loans on the properties acquired. The First Washington Portfolio acquisition was accounted for as a purchase business combination by MCWR II. MCWR II is owned 64.95% by an affiliate of MCW, 34.95% by Regency and 0.1% by Macquarie-Regency Management, LLC ("US Manager"). US Manager is owned 50% by Regency and 50% by an affiliate of Macquarie Bank Limited. Including its share of US Manager, Regency's effective ownership is 35% and is reflected as such on the equity method in the accompanying consolidated financial statements. Regency's required equity investment in MCWR II was approximately $397 million and was paid in cash.

Upon closing of the acquisition into the joint venture, MCWR II paid us acquisition, due diligence and capital restructuring fees totaling $21.2 million, of which we recognized $13.8 million as fee income. Regency only recognized fee income on that portion of the joint venture not owned by it, and as a result, recorded $7.4 million of the fee as a reduction to its investment in MCWR II. The Company has the ability to earn additional acquisition fees of approximately $9.2 million (the "Contingent Acquisition Fees") subject to achieving certain targeted income levels in 2006 and 2007; and accordingly, the Contingent Acquisition Fee will only be recognized in 2006 and 2007 if earned. The Company will also earn recurring fees for asset and property management on a quarterly and monthly basis, respectively. To assist in the transition of the portfolio to Regency, the Seller has agreed to provide property management services for up to two years on approximately 50% of the portfolio which will result in lower property management fee income to Regency during the transition period. As of June 30, 2005, MCWR II had total assets of $2.9 billion and recorded a net loss of $3.6 million for the period inception to date. Our share of MCWR II's total assets and net loss was $1.0 billion and $1.2 million, respectively. The loss incurred by MCWR II was the result of depreciation and amortization of the acquisition price recorded in accordance with Statement 141, and therefore, MCWR II is expected to continue to record a net loss on an on-going basis.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

3. Investments in Real Estate Partnerships (continued)

Recognition of gains from sales to joint ventures is recorded on only that portion of the sales not attributable to the Company's ownership interest. The gains and operations are not recorded as discontinued operations because of Regency's continuing involvement in these shopping centers. Columbia, RegCal, MCWR and MCWR II intend to continue to acquire retail shopping centers, some of which they may acquire directly from the Company. For those properties acquired from third parties, the Company is required to contribute its pro-rata share of the purchase price to the partnerships.

The Company's investments in real estate partnerships as of June 30, 2005 and December 31, 2004 consist of the following (in thousands):

	Ownership	2005	2004
Macquarie CountryWide-Regency (MCWR)	25%	$ 62,970	65,134
Macquarie CountryWide Direct (MCWR)	25%	7,708	8,001
Macquarie CountryWide-Regency II (MCWR II)	35%	392,221	—
Columbia Regency Retail Partners (Columbia)	20%	40,344	41,380
Cameron Village LLC (Columbia)	30%	21,685	21,612
Columbia Regency Partners II (Columbia)	20%	2,051	3,107
RegCal, LLC (RegCal)	25%	13,101	13,232
Other investments in real estate partnerships	50%	27,586	27,211
Investments in Real Estate Partnerships		$567,666	179,677

Summarized financial information for the unconsolidated investments on a combined basis, is as follows (in thousands):

	June 30, 2005	December 31, 2004
Balance Sheet:		
Investment in real estate, net	$ 3,958,604	1,320,871
Acquired lease intangible assets, net	269,971	79,240
Other assets	120,389	39,506
Total assets	$ 4,348,964	1,439,617
Notes payable	$ 2,360,546	665,517
Acquired lease intangible liabilities, net	61,002	—
Other liabilities	67,299	24,471
Partners' equity	1,860,117	749,629
Total liabilities and equity	$ 4,348,964	1,439,617

Unconsolidated investments in real estate partnerships had notes payable of $2.4 billion as of June 30, 2005 and the Company's proportionate share of these loans was $762.3 million. The loans are primarily non-recourse, but for those that are guaranteed by a joint venture, Regency's guarantee does not extend beyond its ownership percentage of the joint venture.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

3. Investments in Real Estate Partnerships (continued)

The revenues and expenses for the unconsolidated investments on a combined basis are summarized as follows for the three months ended June 30, 2005 and 2004 (in thousands):

	2005	2004
Statements of Operations:		
Total revenues	$59,989	23,659
Operating expenses:		
Depreciation and amortization	23,171	6,254
Operating and maintenance	8,612	3,505
General and administrative	1,846	771
Real estate taxes	6,928	2,605
Total operating expenses	40,557	13,135
Other expense (income):		
Interest expense, net	13,967	3,673
Loss (gain) on sale of real estate	823	(35)
Other income	(684)	—
Total other expense (income)	14,106	3,638
Net income	$ 5,326	6,886

The revenues and expenses for the unconsolidated investments on a combined basis are summarized as follows for the six months ended June 30, 2005 and 2004 (in thousands):

	2005	2004
Statements of Operations:		
Total revenues	$100,626	46,121
Operating expenses:		
Depreciation and amortization	33,830	11,958
Operating and maintenance	15,129	6,928
General and administrative	3,268	1,494
Real estate taxes	11,235	5,104
Total operating expenses	63,462	25,484
Other expense (income):		
Interest expense, net	22,812	7,329
Loss (gain) on sale of real estate	497	(8,246)
Other income	(684)	—
Total other expense (income)	22,625	(917)
Net income	$ 14,539	21,554

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

4. Acquired Lease Intangibles

Acquired lease intangible assets are net of accumulated amortization of $4.6 million and $2.6 million at June 30, 2005 and December 31, 2004, respectively. These assets have a remaining weighted average amortization period of approximately 5.5 years. The aggregate amortization expense from acquired leases was approximately $2 million and $1 million for the six months ended June 30, 2005 and 2004, respectively. The aggregate amortization expense from acquired leases was approximately $1.1 million and $488,741 for the three months ended June 30, 2005 and 2004, respectively. Acquired lease intangible liabilities are net of previously accreted minimum rent of $2.4 million and $1.9 million at June 30, 2005 and December 31, 2004, respectively and have a remaining weighted average amortization period of approximately 5.5 years.

5. Notes Payable and Unsecured Line of Credit

The Company's outstanding debt at June 30, 2005 and December 31, 2004 consists of the following (in thousands):

	2005	2004
Notes Payable:		
Fixed rate mortgage loans	$ 206,330	275,726
Variable rate mortgage loans	67,987	68,418
Fixed rate unsecured loans	949,035	948,946
Total notes payable	1,223,352	1,293,090
Unsecured line of credit	265,000	200,000
Bridge loan	275,000	—
Total	$1,763,352	1,493,090

The Company has an unsecured revolving line of credit (the "Line") with a commitment of $500 million with the right to expand the Line by an additional $150 million subject to additional lender syndication. The Line has a three-year term with a one-year extension option at an interest rate of LIBOR plus .75%. At June 30, 2005, the balance on the Line was $265 million. Contractual interest rates on the Line, which are based on LIBOR plus .75%, were 4.0% and 3.1875% at June 30, 2005 and December 31, 2004, respectively. The spread paid on the Line is dependent upon the Company maintaining specific investment-grade ratings. The Company is also required to comply, and is in compliance, with certain financial covenants such as Minimum Net Worth, Total Liabilities to Gross Asset Value ("GAV") and Secured Indebtedness to GAV and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the development of real estate, but is also available for general working-capital purposes.

On June 1, 2005, the Company entered into a credit agreement that provided for a $275 million unsecured term loan maturing on March 1, 2006 (the "Bridge Loan") which was used to partially fund its equity investment in MCWR II. Interest accrues at a floating rate of LIBOR plus .65%. In conjunction with the $350 million debt offering discussed below, the balance of the Bridge Loan was reduced to $95 million on July 18, 2005. On August 1, 2005, the Company issued common stock under a forward agreement and repaid the entire balance of the Bridge Loan discussed further below under note 7.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

5. Notes Payable and Unsecured Line of Credit (continued)

On July 18, 2005, RCLP completed the sale of $350 million of ten-year senior unsecured notes. The notes are due August 1, 2015 and were priced at 99.858% to yield 5.25%. The proceeds of the offering were used to reduce the balance on the Bridge Loan and the Line. As a result of the forward-starting interest rate swaps initiated on April 1, 2005, totaling $196.7 million, the effective interest rate on the notes is 5.48%. On July 13, 2005, the interest rate swaps were settled for $7.3 million, which is recorded in OCI and will be amortized over ten years to interest expense.

Mortgage loans are secured by certain real estate properties and may be prepaid, but could be subject to a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2017. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 to 150 basis points. Fixed interest rates on mortgage loans range from 5.22% to 8.95%.

The fair value of the Company's notes payable and Line are estimated based on the current rates available to the Company for debt of the same remaining maturities. Notes payable with variable interest rates and the Line are considered to be at fair value, since the interest rates on such instruments reprice based on current market conditions. Fixed rate loans assumed in connection with real estate acquisitions are recorded in the accompanying financial statements at fair value.

Based on the borrowing rates currently available to the Company for loans with similar terms and average maturities, the fair value of notes payable and the Line is $1.8 billion.

As of June 30, 2005, scheduled principal repayments on notes payable, the Line and the Bridge Loan were as follows (in thousands):

Scheduled Payments by Year	Scheduled Principal Payments	Term Loan Maturities	Total Payments
Current year	$ 4,036	153,251	157,287
2006 (includes the Bridge Loan)	3,762	302,863	306,625
2007 (includes the Line)	3,542	324,604	328,146
2008	3,388	19,455	22,843
2009	3,347	53,004	56,351
2010	3,227	177,033	180,260
Beyond 5 Years	10,976	697,787	708,763
Unamortized debt premiums	—	3,077	3,077
Total	$ 32,278	1,731,074	1,763,352

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

5. Notes Payable and Unsecured Line of Credit (continued)

The Company has approximately $153.3 million of debt maturing in 2005 of which $100 million was repaid from the proceeds of the $350 million unsecured debt offering previously discussed. The Company also renewed $25 million of variable rate debt during July, 2005 and extended the maturity date for two years. The balance of maturing debt of $28.3 million represents secured mortgage loans, which will be repaid upon maturity using proceeds from the Line.

The combined borrowings under the Line of $122 million and the Bridge Loan provided the funding of Regency's $397 million equity investment in MCWR II. On July 18, 2005, the Company issued $350 million of unsecured notes, the proceeds of which were used to reduce the Bridge Loan by $180 million to $95 million and to reduce the Line by approximately $170 million. The notes bear interest at 5.25% and mature August 1, 2015. On August 1, 2005, Regency received proceeds of approximately $175.5 million from the sale of common shares, as further described below, which fully repaid the Bridge Loan and further reduced the balance of the Line.

6. Derivative Financial Instruments

The Company is exposed to capital market risk, such as changes in interest rates. In order to manage the volatility relating to interest rate risk, the Company may enter into interest rate hedging arrangements from time to time. The Company does not utilize derivative financial instruments for trading or speculative purposes.

On April 1, 2005, the Company entered into three forward-starting interest rate swaps of approximately $65.6 million each with fixed rates of 5.029%, 5.05% and 5.05%. The Company designated the $196.7 million swaps as cash flow hedges to fix the rate on the unsecured notes issued during July 2005. The fair value of the swaps was a liability of $11.5 million as of June 30, 2005, and is recorded in other liabilities in the accompanying balance sheet. On July 13, 2005, the Company settled the swaps with a payment to the counter-parties for $7.3 million which will be included as an adjustment to interest expense as interest is incurred on the $350 million of ten-year unsecured notes sold July 18, 2005.

During 2003, the Company entered into two forward-starting interest rate swaps for a total of $144.2 million to fix the rate on a refinancing in April 2004. On March 31, 2004, the Company settled the swaps with a payment to the counter-party for $5.7 million.

All of these swaps qualify for hedge accounting under Statement 133, therefore the losses associated with the swaps have been included in OCI in the statement of stockholders' equity and the unamortized balance is amortized as additional interest expense over the ten year term of the hedged loan.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

7. Stockholders' Equity and Minority Interest

(a) Preferred Units

Terms and conditions of the Preferred Units outstanding as of June 30, 2005 are summarized as follows:

Series	Units Outstanding	Issue Price	Amount Outstanding	Distribution Rate	Callable by Company	Exchangeable by Unit holder
Series D	500,000	$ 100.00	$ 50,000,000	7.450%	09/29/09	01/01/14
Series E	300,000	$ 100.00	30,000,000	8.750%	05/25/05	05/25/10
Series F	240,000	$ 100.00	24,000,000	8.750%	09/08/05	09/08/10
	1,040,000		$ 104,000,000			

The Preferred Units, which may be called by RCLP at par after certain dates, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at fixed rates. The Preferred Units may be exchanged by the holder for Cumulative Redeemable Preferred Stock ("Preferred Stock") at an exchange rate of one share for one unit. The Preferred Units and the related Preferred Stock are not convertible into common stock of the Company. At June 30, 2005 and December 31, 2004, the face value of total Preferred Units issued was $104 million with a weighted average fixed distribution rate of 8.13% and is recorded on the accompanying balance sheet net of original issuance costs.

On August 1, 2005, the Company redeemed the $30 million Series E Preferred Units and expensed related issuance costs of $762,180. The redemption was funded from the proceeds of the common stock sale completed August 1, 2005 as discussed below under Common Stock. The Company expects to redeem the $24 million Series F Preferred Units during September 2005 and expense their related issuance costs of $634,201. The redemption prices will be funded from the additional sale of 530,000 common shares related to the Forward Sale Agreement.

(b) Preferred Stock

Terms and conditions of the preferred stock outstanding as of June 30, 2005 are summarized as follows:

Series	Shares Outstanding	Depositary Shares	Par Value	Distribution Rate	Callable by Company
Series 3	300,000	3,000,000	$ 75,000,000	7.450%	04/03/08
Series 4	500,000	5,000,000	125,000,000	7.250%	08/31/09
	800,000	8,000,000	$200,000,000		

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

(b) Preferred Stock (continued)

On August 2, 2005, the Company issued 3 million shares, or $75 million of 6.70% Series 5 Preferred Stock, the proceeds of which were used to reduce the balance of the Line. The Series 3 and 4 depositary shares and the Series 5 preferred shares are perpetual, are not convertible into common stock of the Company, are redeemable at par upon Regency's election five years after the issuance date, and have a liquidation preference of $25 per share. None of the terms of the Series of Preferred Stock contain any unconditional obligations that would require the Company to redeem the securities at any time or for any purpose.

(c) Common Stock

On April 5, 2005, the Company entered into an agreement to sell 4,312,500 shares of its common stock to an affiliate of Citigroup Global Markets Inc. ("Citigroup") at $46.60 per share, in connection with a forward sale agreement (the "Forward Sale Agreement"). On August 1, 2005, the Company issued 3,782,500 shares to Citigroup for net proceeds of approximately $175.5 million. The proceeds from the offering were used to reduce the Company's Line, repay the Bridge Loan and redeem the Series E Preferred Units. The remaining 530,000 shares under the Forward Sale Agreement are expected to settle on or before October 31, 2005 at which time the Company will deliver the shares and receive approximately $24.6 million in proceeds from Citigroup's sale of shares. The net proceeds are intended to be used to redeem the Series F Preferred Units.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

8. Earnings per Share

The following summarizes the calculation of basic and diluted earnings per share for the three months ended June 30, 2005 and 2004, respectively (in thousands except per share data):

	2005	2004
Numerator:		
Income from continuing operations	$35,329	21,934
Discontinued operations	8,551	4,522
Net income	43,880	26,456
Less: Preferred stock dividends	3,663	1,397
Net income for common stockholders	40,217	25,059
Less: Dividends paid on unvested restricted stock	406	349
Net income for common stockholders - basic	39,811	24,710
Add: Dividends paid on Treasury Method restricted stock	81	57
Net income for common stockholders – diluted	$39,892	24,767
Denominator:		
Weighted average common shares outstanding for basic EPS	62,557	60,088
Incremental shares to be issued under common stock options using the Treasury method	227	150
Incremental shares to be issued under unvested restricted stock using the Treasury method	147	107
Incremental shares to be issued under Forward Equity Offering using the Treasury method	597	—
Weighted average common shares outstanding for diluted EPS	63,528	60,345
Income per common share – basic		
Income from continuing operations	$ 0.50	0.34
Discontinued operations	0.14	0.07
Net income for common stockholders per share	$ 0.64	0.41
Income per common share – diluted		
Income from continuing operations	$ 0.49	0.34
Discontinued operations	0.14	0.07
Net income for common stockholders per share	$ 0.63	0.41

The exchangeable operating partnership units were anti-dilutive to EPS for the three months ended June 30, 2005 and 2004, therefore, the units and the related minority interest of exchangeable operating partnership units are excluded from the calculation of EPS.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

8. Earnings per Share (continued)

The following summarizes the calculation of basic and diluted earnings per share for the six months ended June 30, 2005 and 2004, respectively (in thousands except per share data):

	2005	2004
Numerator:		
Income from continuing operations	$ 64,125	42,564
Discontinued operations	18,103	6,710
Net income	82,228	49,274
Less: Preferred stock dividends	7,325	2,794
Net income for common stockholders	74,903	46,480
Less: Dividends paid on unvested restricted stock	813	699
Net income for common stockholders - basic	74,090	45,781
Add: Dividends paid on Treasury Method restricted stock	139	131
Net income for common stockholders – diluted	$ 74,229	45,912
Denominator:		
Weighted average common shares outstanding for basic EPS	62,469	59,834
Incremental shares to be issued under common stock options using the Treasury method	154	249
Incremental shares to be issued under unvested restricted stock using the Treasury method	127	123
Incremental shares to be issued under Forward Equity Offering using the Treasury method	298	—
Weighted average common shares outstanding for diluted EPS	63,048	60,206
Income per common share – basic		
Income from continuing operations	$ 0.90	0.65
Discontinued operations	0.29	0.12
Net income for common stockholders per share	$ 1.19	0.77
Income per common share – diluted		
Income from continuing operations	$ 0.89	0.65
Discontinued operations	0.29	0.12
Net income for common stockholders per share	$ 1.18	0.77

The exchangeable operating partnership units were anti-dilutive to EPS for the six months ended June 30, 2005 and 2004, therefore, the units and the related minority interest of exchangeable operating partnership units are excluded from the calculation of EPS.

Regency Centers Corporation

Notes to Consolidated Financial Statements

June 30, 2005

(unaudited)

9. Contingencies

The Company is involved in litigation on a number of matters and is subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. The Company is also subject to numerous environmental laws and regulations and is primarily concerned with dry cleaning plants that currently operate or have operated at its shopping centers. The Company believes that the tenants who currently operate plants do so in accordance with current laws and regulations, and that the ultimate disposition of currently known environmental matters will not have a material effect on its financial position. However, the Company has no assurance that existing environmental studies with respect to its shopping centers have revealed all potential environmental liabilities; that any previous owner, occupant or tenant did not create a material unknown environmental condition; that the current environmental condition of its properties will not be impacted by current occupants, nearby properties, or unrelated third parties; or that changes in or interpretations of environmental laws and regulations will not result in additional environmental liability.

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

Forward Looking Statements

In addition to historical information, the following information contains forward-looking statements as defined under federal securities laws. These statements are based on current expectations, estimates and projections about the industry and markets in which Regency operates, and management's beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, changes in national and local economic conditions; financial difficulties tenants; competitive market conditions, including pricing of acquisitions and sales of properties and out-parcels; changes in expected leasing activity and market rents; timing of acquisitions, development starts and sales of properties and out-parcels; difficulties assimilating the acquisition, through our joint venture with Macquarie, of the 100 property First Washington portfolio; our inability to exercise voting control over the joint ventures through which we own or develop some of our properties; weather; consequences of any armed conflict or terrorist attach against the United States; the ability to obtain governmental approvals; and meeting development schedules. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation appearing elsewhere within.

Overview and Operating Philosophy

Regency is a qualified real estate investment trust ("REIT"), which began operations in 1993. Our primary operating and investment goal is long-term growth in earnings per share and total shareholder return, which we hope to achieve by focusing on a strategy of owning, operating and developing neighborhood and community shopping centers that are anchored by market-leading supermarkets and retailers located in areas with attractive demographics. We own and operate our shopping centers through our operating partnership, Regency Centers, L.P. ("RCLP"), in which we currently own approximately 98% of the operating partnership units. Regency's operating, investing and financing activities are generally performed by RCLP, its wholly owned subsidiaries and its joint ventures with third parties.

Currently, our real estate investment portfolio before depreciation totals $7.2 billion with 383 shopping centers in 27 states and the District of Columbia, including approximately $4.0 billion in real estate assets composed of 176 shopping centers owned by unconsolidated joint ventures in 23 states and the District of Columbia. [Portfolio information is presented (a) on a combined basis, including unconsolidated joint ventures ("Combined Basis"), (b) on a basis that excludes the unconsolidated joint ventures ("Consolidated Properties") and (c) on a basis that includes only the unconsolidated joint ventures ("Unconsolidated Properties").] We believe that providing our shopping center portfolio information under these methods provides a more complete understanding of the properties that we own, including those that we partially own and for which we provide property and asset management services. At June 30, 2005, our gross leasable area ("GLA") on a Combined Basis totaled 45.4 million square feet and was 93.6% leased. The GLA for the Consolidated Properties totaled 23.8 million square feet and was 92.1% leased. The GLA for the Unconsolidated Properties totaled 21.6 million square feet and was 95.4% leased.

We earn revenues and generate operating cash flow by leasing space to grocers and retail side-shop tenants in our shopping centers. We experience growth in revenues by increasing occupancy and rental rates at currently owned shopping centers, and by acquiring and developing new shopping centers. A neighborhood center is a convenient, cost-effective distribution platform for food retailers. Grocery-anchored centers generate substantial daily traffic and offer sustainable competitive advantages to their tenants. This high traffic generates increased sales, thereby driving higher occupancy, rental rates and rental-rate growth for Regency, which we expect to sustain our growth in earnings per share and increase the value of our portfolio over the long term.

We seek a range of strong national, regional and local specialty tenants, for the same reason that we choose to anchor our centers with leading grocers. We have created a formal partnering process — the Premier Customer Initiative ("PCI") — to promote mutually beneficial relationships with our non-grocer specialty retailers. The objective of PCI is for Regency to build a base of specialty tenants who represent the "best-in-class" operators in their respective merchandising categories. Such tenants reinforce the consumer appeal and other strengths of a center's grocery anchor, help to stabilize a center's occupancy, reduce re-leasing downtime, reduce tenant turnover and yield higher sustainable rents.

We grow our shopping center portfolio through acquisitions and new shopping center development, where we acquire the land and construct the building. Development is customer driven, meaning we generally have an executed lease from the anchor before we start construction. Developments serve the growth needs of our market-leading grocers and anchors, and our specialty retail customers, resulting in modern shopping centers with long-term leases from the grocery anchors and produce attractive returns on our invested capital. This development process can require up to 36 months from initial land or redevelopment acquisition through construction, lease-up and stabilization of rental income, depending upon the size of the project. Generally, anchor tenants begin operating their stores prior to the completion of construction of the entire center, resulting in rental income during the development phase.

We intend to maintain a conservative capital structure to fund our growth programs without compromising our investment-grade ratings. Our approach is founded on our self-funding business model. This model utilizes center "recycling" as a key component. Our recycling strategy calls for us to re-deploy the proceeds from the sales of properties into new, higher-quality developments that we expect to generate sustainable revenue growth and more attractive returns. Our commitment to maintaining a high-quality shopping center portfolio dictates that we continually assess the value of all of our properties and sell those that no longer meet our long-term investment criteria.

Joint venturing of shopping centers also provides us with a capital source for new development, as well as the opportunity to earn fees for asset and property management services. As asset manager, we are engaged by our partners to apply similar operating, investment, and capital strategies to the portfolios owned by the joint ventures. Joint ventures grow their shopping center investments through acquisitions from third parties or direct purchases from Regency. Although selling properties to joint ventures reduces our ownership interest, we continue to share in the risks and rewards of centers that meet our long-term investment strategy. Regency is not subject to liability and has no obligations or liabilities of the joint ventures beyond its ownership percentage.

We have identified certain significant risks and challenges affecting our industry, and we are addressing them accordingly. An economic downturn could result in declines in occupancy levels at our shopping centers, which would reduce our rental revenues; however, we believe that our investment focus on grocery anchored shopping centers that provide daily necessities will minimize the impact of a downturn in the economy. Increased competition from super-centers such as Wal-Mart could result in grocery-anchor closings or consolidations in the grocery store industry. We closely monitor the operating performance and tenants' sales in our shopping centers that operate near super-centers as well as those tenants operating retail formats that are incurring significant changes in competition or business practice such as the video rental format. However, a slowdown in our shopping center development program could reduce operating revenues and gains from sales. We believe that developing shopping centers in markets with strong demographics with leading grocery stores will enable us to continue to maintain our development program at historical averages.

Shopping Center Portfolio

The following tables summarize general operating statistics related to our shopping center portfolio, which we use to evaluate and monitor our performance. The portfolio information below is presented (a) on a Combined Basis, (b) for Consolidated Properties and (c) for Unconsolidated Properties:

	June 30, 2005	December 31, 2004
Number of Properties (a)	383	291
Number of Properties (b)	207	213
Number of Properties (c)	176	78
Properties in Development (a)	26	34
Properties in Development (b)	26	32
Properties in Development (c)	—	2
Gross Leaseable Area (a)	45,426,064	33,815,970
Gross Leaseable Area (b)	23,787,483	24,532,952
Gross Leaseable Area (c)	21,638,581	9,283,018
Percent Leased (a)	93.6%	92.7%
Percent Leased (b)	92.1%	91.2%
Percent Leased (c)	95.4%	96.7%

The Company seeks to reduce its operating and leasing risks through diversification which it achieves by geographically diversifying its shopping centers; avoiding dependence on any single property, market, or tenant, and owning a portion of its shopping centers through joint ventures.

The following table is a list of the shopping centers summarized by state and in order of largest holdings by presented on a Combined Basis:

Location	June 30, 2005				December 31, 2004			
	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	66	8,530,144	18.8%	93.1%	51	6,527,802	19.3%	91.9%
Florida	50	6,035,278	13.3%	95.1%	50	5,970,898	17.7%	94.9%
Texas	37	4,772,843	10.5%	90.0%	32	3,968,940	11.7%	89.3%
Virginia	32	3,781,179	8.3%	94.4%	12	1,488,324	4.4%	91.1%
Georgia	33	2,992,545	6.6%	94.7%	36	3,383,495	10.0%	97.4%
Illinois	17	2,395,538	5.3%	96.9%	9	1,191,424	3.5%	98.0%
Colorado	19	2,342,827	5.2%	96.7%	15	1,639,055	4.8%	98.0%
Maryland	19	2,254,206	5.0%	96.8%	2	326,638	1.0%	93.9%
North Carolina	14	2,044,570	4.5%	93.6%	13	1,890,444	5.6%	94.2%
Ohio	14	1,876,129	4.1%	86.3%	14	1,876,013	5.5%	87.7%
Washington	13	1,324,586	2.9%	98.8%	11	1,098,752	3.2%	97.6%
Pennsylvania	12	1,319,480	2.9%	95.5%	2	225,697	0.7%	100.0%
Oregon	9	931,069	2.0%	94.6%	8	838,056	2.5%	95.5%
Delaware	5	655,687	1.4%	90.7%	2	240,418	0.7%	99.9%
Tennessee	6	636,534	1.4%	94.3%	7	697,034	2.1%	70.4%
Arizona	5	588,486	1.3%	90.7%	5	588,486	1.7%	93.1%
South Carolina	8	522,027	1.1%	96.5%	8	522,109	1.5%	95.7%
Wisconsin	3	372,382	0.8%	94.4%	—	—	—	—
Alabama	4	324,044	0.7%	85.9%	4	324,044	1.0%	86.7%
Kentucky	2	302,670	0.7%	96.9%	2	302,670	0.9%	97.5%
Minnesota	2	301,097	0.7%	97.3%	—	—	—	—
Michigan	3	282,408	0.6%	94.5%	4	368,348	1.1%	93.4%
Indiana	3	229,431	0.5%	86.4%	1	90,340	0.3%	69.2%
Connecticut	1	177,207	0.4%	93.6%	—	—	—	—
New Jersey	2	156,482	0.4%	97.8%	—	—	—	—
New Hampshire	2	141,068	0.3%	49.1%	2	138,488	0.4%	50.0%
Nevada	1	119,313	0.3%	71.7%	1	118,495	0.4%	45.5%
Dist. of Columbia	1	16,834	0.0%	100.0%	—	—	—	—
Total	383	45,426,064	100.0%	93.6%	291	33,815,970	100.0%	92.7%

The following table is a list of the shopping centers summarized by state and in order of largest holdings presented for Consolidated Properties:

Location	June 30, 2005				December 31, 2004			
	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	41	5,011,225	21.1%	90.9%	44	5,479,470	22.3%	90.5%
Florida	37	4,574,756	19.2%	94.9%	38	4,684,299	19.1%	94.6%
Texas	29	3,636,125	15.3%	89.1%	29	3,652,338	14.9%	88.8%
Ohio	13	1,767,226	7.4%	85.6%	13	1,767,110	7.2%	87.1%
Georgia	16	1,532,294	6.4%	96.5%	17	1,656,297	6.8%	96.1%
Colorado	11	1,093,404	4.6%	97.0%	11	1,093,403	4.4%	97.6%
Virginia	9	1,016,787	4.3%	88.8%	8	925,491	3.8%	86.4%
North Carolina	9	970,506	4.1%	96.4%	9	970,508	3.9%	97.5%
Washington	8	707,568	3.0%	99.4%	9	747,440	3.0%	97.3%
Tennessee	6	636,534	2.7%	94.3%	6	633,034	2.6%	67.4%
Oregon	6	574,371	2.4%	96.1%	6	574,458	2.3%	96.1%
Arizona	4	480,839	2.0%	88.6%	4	480,839	2.0%	91.6%
Illinois	3	415,011	1.7%	97.9%	3	415,011	1.7%	97.4%
Michigan	3	282,408	1.2%	94.5%	4	368,348	1.5%	93.4%
Delaware	2	240,418	1.0%	99.2%	2	240,418	1.0%	99.9%
Pennsylvania	2	225,697	0.9%	95.3%	2	225,697	0.9%	100.0%
New Hampshire	2	141,068	0.6%	49.1%	2	138,488	0.6%	50.0%
South Carolina	2	140,900	0.6%	90.2%	2	140,982	0.6%	85.7%
Alabama	2	130,486	0.6%	94.4%	2	130,486	0.5%	97.3%
Nevada	1	119,313	0.5%	71.7%	1	118,495	0.5%	45.5%
Indiana	1	90,547	0.4%	69.3%	1	90,340	0.4%	69.2%
Total	207	23,787,483	100.0%	92.1%	213	24,532,952	100.0%	91.2%

The following table is a list of the shopping centers summarized by state and in order of largest holdings presented for Unconsolidated Properties owned in joint ventures:

Location	June 30, 2005				December 31, 2004			
	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	25	3,518,919	16.3%	96.1%	7	1,048,332	11.3%	99.1%
Virginia	23	2,764,392	12.8%	96.5%	4	562,833	6.1%	98.9%
Maryland	19	2,254,206	10.4%	96.8%	2	326,638	3.5%	93.9%
Illinois	14	1,980,527	9.2%	96.7%	6	776,413	8.4%	98.3%
Florida	13	1,460,522	6.7%	95.9%	12	1,286,599	13.8%	96.1%
Georgia	17	1,460,251	6.7%	92.8%	19	1,727,198	18.6%	98.6%
Colorado	8	1,249,423	5.8%	96.4%	4	545,652	5.9%	98.7%
Texas	8	1,136,718	5.3%	93.1%	3	316,602	3.4%	94.6%
Pennsylvania	10	1,093,783	5.1%	95.6%	—	—	—	—
North Carolina	5	1,074,064	5.0%	91.1%	4	919,936	9.9%	90.7%
Washington	5	617,018	2.8%	98.1%	2	351,312	3.8%	98.1%
Delaware	3	415,269	1.9%	85.7%	—	—	—	—
South Carolina	6	381,127	1.8%	98.9%	6	381,127	4.1%	99.3%
Wisconsin	3	372,382	1.7%	94.4%	—	—	—	—
Oregon	3	356,698	1.6%	92.1%	2	263,598	2.8%	94.3%
Kentucky	2	302,670	1.4%	96.9%	2	302,670	3.3%	97.5%
Minnesota	2	301,097	1.4%	97.3%	—	—	—	—
Alabama	2	193,558	0.9%	80.2%	2	193,558	2.1%	79.6%
Connecticut	1	177,207	0.8%	93.6%	—	—	—	—
New Jersey	2	156,482	0.7%	97.8%	—	—	—	—
Indiana	2	138,884	0.6%	97.5%	—	—	—	—
Ohio	1	108,903	0.5%	97.6%	1	108,903	1.2%	96.1%
Arizona	1	107,647	0.5%	100.0%	1	107,647	1.1%	100.0%
Dist. of Columbia	1	16,834	0.1%	100.0%	—	—	—	—
Tennessee	—	—	—	—	1	64,000	0.7%	100.0%
Total	176	21,638,581	100.0%	95.4%	78	9,283,018	100.0%	96.7%

The following summarizes the four largest grocery tenants occupying our shopping centers at June 30, 2005:

Grocery Anchor	Number of Stores (a)	Percentage of Company-owned GLA (b)	Percentage of Annualized Base Rent (c)
Kroger	78	8.2%	6.8%
Safeway	80	7.8%	4.6%
Publix	60	6.2%	4.0%
Albertsons	39	2.9%	2.2%

(a) For the Combined Properties including stores owned by grocery anchors that are attached to our centers.
(b) For the Combined Properties.
(c) Annualized base rent includes the Consolidated Properties plus Regency's pro-rata share of the Unconsolidated Properties which reflects our effective risk related to those tenants.

Liquidity and Capital Resources

General

We expect that cash generated from revenues, including gains from the sale of real estate, will provide the necessary funds on a short-term basis to pay our operating expenses, interest expense, scheduled principal payments on outstanding indebtedness, recurring capital expenditures necessary to maintain our shopping centers properly, and distributions to stock and unit holders. Net cash provided by operating activities was $98.2 million and $111.9 million for the six months ended June 30, 2005 and 2004, respectively. For the six months ended June 30, 2005 and 2004, our gains from the sale of real estate were $29.6 million and $11.1 million, we incurred capital expenditures of $5.1 million and $4.6 million to maintain our shopping centers, paid scheduled principal payments of $3.2 million and $2.8 million to our lenders, and paid dividends and distributions of $82.4 million and $78.1 million to our share and unit holders, respectively.

Although base rent is supported by long-term lease contracts, tenants who file bankruptcy are able to cancel their leases and close the related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and cancels its leases, we could experience a significant reduction in our revenues. On February 21, 2005, Winn-Dixie Stores, Inc. filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. We currently lease seven stores to Winn-Dixie, three of which are owned directly by us and four are owned in joint ventures. Our annualized base rent from Winn-Dixie including our share of the joint ventures is $1.8 million or less than one-half of 1% of our annual base rents. Winn-Dixie currently owes Regency $76,468 in pre-petition rent related to common area expense reimbursements, and is current on all rent post-petition. Winn-Dixie continues to review their portfolio of stores, and has given us notice of rejection on two stores owned in a joint venture. It is possible that Winn-Dixie may reject additional stores owned by us. We are not aware at this time of the current or pending bankruptcy of any of our other tenants that would cause a significant reduction in our revenues, and no tenant represents more than 7% of our annual base rental revenues.

We expect to meet long-term capital requirements for redeemable preferred units, maturing debt, the acquisition of real estate, investments in joint ventures, and the renovation or development of shopping centers from: (i) residual cash generated from operating activities after the payments described above, (ii) proceeds from the sale of real estate, (iii) joint venturing of real estate, (iv) refinancing of debt, and (v) equity raised in the private or public markets. At June 30, 2005, we had $198.6 million available for equity securities under our shelf registration and RCLP had $180 million available for debt under its shelf registration. In July 2005, we increased the RCLP shelf to $600 million.

We intend to continue to grow our portfolio through new developments and acquisitions, either directly or through our joint venture relationships. Because development and acquisition activities are

discretionary in nature, they are not expected to burden the capital resources we have currently available for liquidity requirements. Capital necessary to complete developments-in-process are funded from our line of credit. We expect that cash provided by operating activities, unused amounts available under our line of credit and cash reserves are adequate to meet short-term and committed long-term liquidity requirements.

Shopping Center Developments, Acquisitions and Sales

On a Combined Basis, we had 26 projects under construction or undergoing major renovations at June 30, 2005, which, when completed, will represent an investment of $597.1 million before the estimated reimbursement of certain tenant-related costs and projected sales proceeds from adjacent land and out-parcels of $95.5 million. Costs necessary to complete these developments are estimated to be $278.2 million. These costs are usually already committed as part of existing construction contracts, and will be expended through 2009. These developments are approximately 53% complete and 75% pre-leased. The costs necessary to complete these developments will be funded from the Company's unsecured line of credit, which had $235 million of available funding at June 30, 2005.

During the six months ended June 30, 2005, the Company sold 100% of its interest in five properties for net proceeds of $61.8 million. The combined operating income and gains from these properties and properties classified as held for sale are included in discontinued operations. The revenues from properties included in discontinued operations were $6.0 million and $9.9 million for the six months ended June 30, 2005 and 2004, respectively.

Off Balance Sheet Arrangements

Investments in Unconsolidated Real Estate Partnerships

At June 30, 2005, we had investments in real estate partnerships of $567.7 million. The following is a summary of unconsolidated combined assets and liabilities of these partnerships, and our pro-rata share at June 30, 2005 and December 31, 2004 (in thousands):

	2005	2004
Number of Joint Ventures	12	11
Regency's Ownership	20%-50%	20%-50%
Number of Properties	176	78
Combined Assets	$4,348,964	$1,439,617
Combined Liabilities	2,488,847	689,988
Combined Equity	1,860,117	749,629
Regency's Share of:		
Assets	$1,389,191	$ 374,430
Liabilities	804,920	179,459

We account for all investments in which we own 50% or less and do not have a controlling financial interest using the equity method. We have determined that these investments are not variable interest entities, and therefore, subject to the voting interest model in determining our basis of accounting. Major decisions, including property acquisitions and dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners. Investments in real estate partnerships are primarily composed of joint ventures where we invest with three co-investment partners, as further described below. In addition to earning our pro-rata share of net income in each of these partnerships, these co-investment partners pay us fees for asset management, property management, and acquisition and disposition services. During the six months ended June 30, 2005 and 2004, we received fees from these joint ventures of $19.7 million and $3.0 million, respectively. Our investments in real estate partnerships as of June 30, 2005 and December 31, 2004 consist of the following (in thousands):

	Ownership	2005	2004
Macquarie CountryWide-Regency (MCWR)	25%	$ 62,970	65,134
Macquarie CountryWide Direct (MCWR)	25%	7,708	8,001
Macquarie CountryWide-Regency II (MCWR II)	35%	392,221	—
Columbia Regency Retail Partners (Columbia)	20%	40,344	41,380
Cameron Village LLC (Columbia)	30%	21,685	21,612
Columbia Regency Partners II (Columbia)	20%	2,051	3,107
RegCal, LLC (RegCal)	25%	13,101	13,232
Other investments in real estate partnerships	50%	27,586	27,211
Total		$567,666	179,677

We co-invest with the Oregon Public Employees Retirement Fund in three joint ventures (collectively “Columbia”), in which we have ownership interests of 20% or 30%. As of June 30, 2005, Columbia owned 17 shopping centers, had total assets of $482.3 million, and net income of $6.8 million. Our share of Columbia’s total assets and net income was $108.6 million and $1.2 million, respectively. Columbia sold one shopping centers during the six months ended June 30, 2005 for $19.7 million to an unrelated party with a loss of $242,176.

We co-invest with the California State Teachers’ Retirement System (“CalSTRS”) in a joint venture called (“RegCal”) in which we have a 25% ownership interest. As of June 30, 2005, RegCal owned four shopping centers, had total assets of $126.7 million, and had net income of $1.3 million. Our share of RegCal’s total assets and net income was $31.7 million and $390,768, respectively.

We co-invest with Macquarie CountryWide Trust of Australia (“MCW”) in three joint ventures, two in which we have an ownership interest of 25% (collectively, “MCWR”), and one in which we have an ownership interest of 35% (“MCWR II”).

As of June 30, 2005, MCWR owned 50 shopping centers, had total assets of $740.7 million, and net income of $8.3 million. Our share of MCWR’s total assets and net income was $185.2 million and $2.1 million, respectively. During the six months ended June 30, 2005, MCWR acquired one shopping center from an unrelated party for a purchase price of $24.4 million. We contributed $4.5 million for our proportionate share of the purchase price, which was net of loan financing placed on the shopping center by MCWR. In addition, MCWR acquired one shopping center from us valued at $22.1 million, for which we received cash of $17.1 million. MCWR sold three shopping centers during the six months ended June 30, 2005 for $34.7 million to unrelated parties with a loss of $254,469.

On June 1, 2005, Macquarie CountryWide-Regency II, LLC (MCWR II) closed on the acquisition of 100 retail shopping centers (the “First Washington Portfolio”) totaling approximately 12.6 million square feet located throughout 17 states and the District of Columbia from a joint venture between CalPERS and an affiliate of First Washington Realty, Inc. (the “Sellers”) pursuant to a Purchase and Sale Agreement dated February 14, 2005. The total purchase price was approximately $2.8 billion, including the assumption of approximately $68.6 million of mortgage debt and the issuance of approximately $1.6

billion of new mortgage loans on the properties acquired. The First Washington Portfolio acquisition was accounted for as a purchase business combination by MCWR II. MCWR II is owned 64.95% by an affiliate of MCW, 34.95% by Regency and 0.1% by Macquarie-Regency Management, LLC ("US Manager"). US Manager is owned 50% by Regency and 50% by an affiliate of Macquarie Bank Limited. Including its share of US Manager, Regency's effective ownership is 35% and is reflected as such in the accompanying consolidated financial statements. Regency's required equity investment in MCWR II was approximately $397 million and was paid in cash. The fair value of the consideration paid by MCW and Regency was used as the valuation basis for the First Washington Portfolio. The costs of the assets acquired and liabilities assumed in conjunction with the First Washington Portfolio were revalued based on their respective fair values as of the effective date of the acquisition in accordance with SFAS No. 141, Business Combinations ("Statement 141").

Upon closing of the acquisition into the joint venture, MCWR II paid us acquisition, due diligence and capital restructuring fees totaling $21.2 million, of which we recognized $13.8 million as fee income. We only recognized fee income on that portion of the joint venture not owned by us and as a result, recorded $7.4 million of the fee as a reduction to our investment in MCWR II. We have the ability to earn additional acquisition fees of approximately $9.2 million (the "Contingent Acquisition Fees") subject to achieving certain targeted income levels in 2006 and 2007; and accordingly, the Contingent Acquisition Fee will only be recognized in 2006 and 2007 if earned. We will also earn recurring fees for asset and property management on a quarterly and monthly basis, respectively. To assist in the transition of the portfolio to us, the Seller has agreed to provide property management services for up to two years on approximately 50% of the portfolio which will result in lower property management fee income to us during the transition period. As of June 30, 2005, MCWR II had total assets of $2.9 billion and net loss of $3.6 million. Our share of MCWR II's total assets and net loss was $1.0 billion and $1.2 million, respectively.

Recognition of gains from sales to joint ventures is recorded on only that portion of the sales not attributable to our ownership interest. The gains and operations are not recorded as discontinued operations because of our continuing involvement in these shopping centers. Columbia, RegCal, MCWR, and MCWRII intend to continue to acquire retail shopping centers, some of which they may acquire directly from us. For those properties acquired from unrelated parties, we are required to contribute our pro-rata share of the purchase price to the partnerships.

On June 1, 2005, Regency entered into a credit agreement that provided for a $275 million unsecured term loan maturing on March 1, 2006 (the "Bridge Loan"). The purpose of the Bridge Loan was to partially provide the financing necessary for Regency's 35% equity investment of $397 million in MCWR II. Regency's equity investment not funded from the Bridge Loan was drawn from its line of credit. The Bridge Loan facility was fully drawn on the closing date. Interest accrues at a floating rate of LIBOR plus 65 basis points, which is subject to adjustment based on the credit ratings assigned by Regency's rating agencies. Interest only is payable monthly, and principal is due at maturity, except that the loan is subject to mandatory prepayment from the net cash proceeds of any equity issuances.

On April 5, 2005, Regency entered into a forward stock purchase contract with an affiliate of Citigroup Global Markets Inc. ("Citigroup") pursuant to which Regency has agreed to issue 4.3 million of its common shares and Citibank has agreed to purchase the shares at $46.60 per share. The forward stock purchase contract will settle no later than October 31, 2005. On August 1, 2005, we completed the sale of 3.8 million shares to Citibank and received proceeds of $175.5 million. As a result of several debt and equity transactions completed in July and August, 2005, as further described below, the Bridge Loan was fully repaid on August 1, 2005.

Shopping center acquisitions, sales and the net acquisitions or sales activities within our investments in real estate partnerships are included in investing activities in the accompanying consolidated statements of cash flows. Net cash used in investing activities was $410.2 million and $114.6 million for the six months ended June 30, 2005 and 2004.

Notes Payable

Outstanding debt at June 30, 2005 and December 31, 2004 consists of the following (in thousands):

	2005	2004
Notes Payable:		
Fixed rate mortgage loans	$ 206,330	275,726
Variable rate mortgage loans	67,987	68,418
Fixed rate unsecured loans	949,035	948,946
Total notes payable	1,223,352	1,293,090
Unsecured line of credit	265,000	200,000
Bridge Loan	275,000	—
Total	$1,763,352	1,493,090

Mortgage loans are secured and may be prepaid, but could be subject to yield maintenance premiums. Mortgage loans are generally due in monthly installments of interest and principal, and mature over various terms through 2017. Variable interest rates on mortgage loans are currently based on LIBOR, plus a spread in a range of 125 to 150 basis points. Fixed interest rates on mortgage loans range from 5.22% to 8.95% and average 7.10%.

We have an unsecured revolving line of credit (the “Line”) with a commitment of $500 million, and we have the right to expand the Line by an additional $150 million subject to additional lender syndication. The balance of the Line on June 30, 2005 was $265 million, $122 million of which was drawn for purposes of financing a portion of our $397 million equity investment into MCWR II. Contractual interest rates on the Line, which are based on LIBOR plus .75%, were 4.0% at June 30, 2005 and 3.1875% at December 31, 2004. The spread that we pay on the Line is dependent upon maintaining specific investment-grade ratings. We are also required to comply, and are in compliance, with certain financial covenants such as Minimum Net Worth, Total Liabilities to Gross Asset Value (“GAV”), Secured Indebtedness to GAV and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the development and acquisition of real estate, but is also available for general working-capital purposes.

On February 15, 2005, we executed a commitment letter related to the Line which temporarily modified certain Line covenants related to our borrowing capacity and leverage in conjunction with the $275 million Bridge Loan as part of the First Washington Portfolio acquisition. The temporary modifications expire and the Bridge Loan matures on March 1, 2006. As of August 1, 2005, the Bridge Loan was fully repaid.

The combined borrowings under the Line of $122 million and the Bridge Loan provided the funding of our $397 million equity investment in MCWR II. On July 18, 2005, we issued $350 million of unsecured notes, the proceeds of which were used to reduce the Bridge Loan by $180 million to $95 million and to reduce the Line by approximately $170 million. The notes bear interest at 5.25% and mature August 1, 2015. On August 1, 2005, we received proceeds of approximately $175.5 million from the sale of common shares, as further described below, which fully repaid the Bridge Loan and further reduced the balance of the Line.

As of June 30, 2005, scheduled principal repayments on notes payable, the Line and the Bridge Loan were as follows (in thousands):

Scheduled Payments by Year	Scheduled Principal Payments	Term Loan Maturities	Total Payments
Current year	$ 4,036	153,251	157,287
2006 (includes the Bridge Loan)	3,762	302,863	306,625
2007 (includes the Line)	3,542	324,604	328,146
2008	3,388	19,455	22,843
2009	3,347	53,004	56,351
2010	3,227	177,033	180,260
Beyond 5 Years	10,976	697,787	708,763
Unamortized debt premiums	—	3,077	3,077
Total	$ 32,278	1,731,074	1,763,352

We have approximately $153.3 million of debt maturing in 2005 of which $100 million was repaid from the proceeds of the $350 million unsecured debt offering previously discussed. We also renewed $25 million of variable rate debt during July, 2005 and extended the maturity date for 2 years. The balance of maturing debt of $28.3 million represent secured mortgage loans, which will be repaid upon maturity using proceeds from the Line.

Our investments in real estate partnerships had unconsolidated notes and mortgage loans payable of $2.4 billion at June 30, 2005, which mature through 2028. Our proportionate share of these loans was $762.3 million, of which 80.4% had average fixed interest rates of 5.1% and the balance had variable interest rates based upon a spread above LIBOR of 0.35% to 1.00%. The loans are primarily non-recourse, but for those that are guaranteed by a joint venture, our liability does not extend beyond our ownership percentage of the joint venture.

We are exposed to capital market risk such as changes in interest rates. In order to manage the volatility related to interest-rate risk, we originate new debt with fixed interest rates, or we consider entering into interest-rate hedging arrangements. We do not utilize derivative financial instruments for trading or speculative purposes. We account for derivative instruments under Statement of Financial Accounting Standards (“SFAS”) No. 133, “Accounting for Derivative Instruments and Hedging Activities” as amended (“Statement 133”). At June 30, 2005, 66% of our total debt had fixed interest rates, compared with 82% at December 31, 2004. We intend to limit the percentage of variable interest-rate debt to be no more than 30% of total debt, which we believe to be an acceptable risk. At June 30, 2005, our variable rate debt represented 34% of our total debt due to the outstanding balance of the $275 million Bridge Loan. As a result of the debt and equity transactions that occurred subsequent to June 30, 2005 discussed elsewhere, and the related payoff of the Bridge Loan and reduction to the Line, the amount of variable rate debt was reduced to a level below our acceptable level of risk. Based upon the variable interest-rate debt outstanding at June 30, 2005, if variable interest rates were to increase by 1%, our annual interest expense would increase by $6.1 million.

On April 1, 2005, we entered into three forward-starting interest rate swaps of approximately $65.6 million each with fixed rates of 5.029%, 5.05% and 5.05%. We designated the $196.7 million swaps as cash flow hedges to fix the rate on $200 million of unsecured notes expected to be issued during July 2005, the proceeds of which were expected to be used to repay $100 million of fixed rate unsecured notes maturing on July 15, 2005 and reduce the Line. As described above, we issued $350 million of unsecured notes priced to yield 5.25%. The fair value of the swaps was a liability of $11.5 million as of June 30, 2005, and is recorded in other liabilities in the accompanying balance sheet. On July 13, 2005, the Company settled the swaps with a payment to the counter-parties for $7.3 million which will be included as an adjustment to interest expense as interest is incurred on the $350 million of ten-year unsecured notes sold July 18, 2005. The effective interest rate on the notes including the amortization of the swap settlement amount will be approximately 5.48%.

Equity Capital Transactions

From time to time, we issue equity in the form of exchangeable operating partnership units or preferred units of RCLP, or in the form of common or preferred stock of Regency Centers Corporation. As previously discussed, these sources of long-term equity financing allow us to fund our growth while maintaining a conservative capital structure. The following describes our equity capital transactions as of June 30, 2005.

Preferred Units

We have issued Preferred Units in various amounts since 1998, the net proceeds of which we used to reduce the balance of the Line. We issued Preferred Units primarily to institutional investors in private placements. The Preferred Units, which may be called by us in 2005 and 2009, have no stated maturity or mandatory redemption, and they pay a cumulative, quarterly dividend at fixed rates ranging from 7.45% to 8.75%. Generally, the Preferred Units may be exchanged by the holders for Cumulative Redeemable Preferred Stock at an exchange rate of one share for one unit after ten years from the date of issue or as modified and agreed to by us. The Preferred Units and the related Preferred Stock are not convertible into Regency common stock. At June 30, 2005 and December 31, 2004, the face value of total Preferred Units issued was $104 million, with a weighted average fixed distribution rate of 8.13%. Included in Preferred Units are original issuance costs of $2.2 million that will be expensed as the underlying Preferred Units are redeemed in the future. On August 1, 2005, we redeemed the $30 million Series E Preferred Units and expensed related issuance costs of $762,180. The redemption was funded from the proceeds of the common stock sale completed August 1, 2005 as discussed below under Common Stock. We expect to redeem the $24 million Series F Preferred Units during September 2005 and expense their related issuance costs of $634,201. The redemption prices will be funded from the additional sale of common shares expected to be completed in September as further discussed below under Common Stock.

Preferred Stock

At June 30, 2005 we had two series of Preferred stock outstanding. The Series 3 stock was issued in 2003 and represents 3 million depositary shares or 300,000 shares of 7.45% Series 3 Cumulative Redeemable Preferred Stock. The Series 4 stock was issued in 2004 and represents 5 million depositary shares or 500,000 shares of 7.25% Series 4 Cumulative Redeemable Preferred Stock. On August 2, 2005, we issued 3 million shares, or $75 million of 6.70% Series 5 Preferred Stock, the proceeds of which were used to reduce the balance of the Line. All series of Preferred Stock are perpetual, are not convertible into common stock of the Company, are redeemable at par upon our election five years after the issuance date, and have a liquidation value of $25 per share. The terms of Preferred Stock do not contain any unconditional obligations that would require us to redeem the securities at any time or for any purpose.

Common Stock

On April 5, 2005, we entered into an agreement to sell 4,312,500 shares of our common stock at $46.60 per share to Citigroup, in connection with a forward sale agreement (the “Forward Sale Agreement”) which is required to be settled on or before October 31, 2005. The net proceeds from the offering will be used to repay a portion of the balance of the $275 million Bridge Loan and Line and redeem the Series E Preferred Units discussed above. On August 1, 2005, we completed the sale of 3,782,500 shares and received proceeds of $175.5 million. We expect complete the sale of the remaining 530,000 shares in September, at which time we will use the proceeds to redeem the Series F Preferred Units.

In summary, net cash provided by financing activities was $243.0 million for the six months ended June 30, 2005 and net cash used in financing activities was $21.8 million for the six months ended June 30, 2004. The financing transactions related to the debt and equity activity are discussed above and the investing activity is also discussed within Liquidity and Capital Resources.

Critical Accounting Policies and Estimates

Knowledge about our accounting policies is necessary for a complete understanding of our financial results, and discussion and analysis of these results. The preparation of our financial statements requires that we make certain estimates that impact the balance of assets and liabilities at a financial statement date and the reported amount of income and expenses during a financial reporting period. These accounting estimates are based upon, but not limited to, our judgments about historical results, current economic activity and industry standards. They are considered to be critical because of their significance to the financial statements and the possibility that future events may differ from those judgments, or that the use of different assumptions could result in materially different estimates. We review these estimates on a periodic basis to ensure reasonableness. However, the amounts we may ultimately realize could differ from such estimates.

Revenue Recognition and Tenant Receivables – Tenant Receivables represent revenues recognized in our financial statements, and include base rent, percentage rent, and expense recoveries from tenants for common area maintenance costs, insurance and real estate taxes. We analyze tenant receivables, historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of our allowance for doubtful accounts. In addition, we analyze the accounts of tenants in bankruptcy, and we estimate the recovery of pre-petition and post-petition claims. Our reported net income is directly affected by our estimate of the recoverability of tenant receivables.

Capitalization of Costs - We have an investment services group with an established infrastructure that supports the due diligence, land acquisition, construction, leasing and accounting of our development properties. All direct costs related to these activities are capitalized. Included in these costs are interest and real estate taxes incurred during construction, as well as estimates for the portion of internal costs that are incremental and deemed directly or indirectly related to our development activity. If future accounting standards limit the amount of internal costs that may be capitalized, or if our development activity were to decline significantly without a proportionate decrease in internal costs, we could incur a significant increase in our operating expenses.

Real Estate Acquisitions - Upon acquisition of operating real estate properties, we estimate the fair value of acquired tangible assets (consisting of land, building and improvements), and identified intangible assets and liabilities (consisting of above- and below-market leases, in-place leases and tenant relationships) and assumed debt in accordance with Statement 141. Based on these estimates, we allocate the purchase price to the applicable assets and liabilities. We utilize methods similar to those used by independent appraisers in estimating the fair value of acquired assets and liabilities. We evaluate the useful lives of amortizable intangible assets each reporting period and account for any changes in estimated useful lives over the revised remaining useful life.

Valuation of Real Estate Investments - Our long-lived assets, primarily real estate held for investment, are carried at cost unless circumstances indicate that the carrying value of the assets may not be recoverable. We review long-lived assets for impairment whenever events or changes in circumstances indicate such an evaluation is warranted. The review involves a number of assumptions and estimates used to determine whether impairment exists. Depending on the asset, we use varying methods such as i) estimating future cash flows, ii) determining resale values by market, or iii) applying a capitalization rate to net operating income using prevailing rates in a given market. These methods of determining fair value can fluctuate significantly as a result of a number of factors, including changes in the general economy of those markets in which we operate, tenant credit quality and demand for new retail stores. If we determine that the carrying amount of a property is not recoverable and exceeds its fair value, we will write down the asset to fair value for “held-and-used” assets and to fair value less costs to sell for “held-for-sale” assets.

Discontinued Operations - The application of current accounting principles that govern the classification of any of our properties as held for sale on the balance sheet, or the presentation of results of operations and gains on the sale of these properties as discontinued, requires management to make certain significant judgments. In evaluating whether a property meets the criteria set forth by SFAS No. 144 “Accounting for the Impairment and Disposal of Long-Lived Assets” (“Statement 144”), the Company makes a determination as to the point in time that it can be reasonably certain that a sale will be consummated. Given the nature of all real estate sales contracts, it is not unusual for such contracts to allow potential buyers a period of time to evaluate the property prior to formal acceptance of the contract. In addition, certain other matters critical to the final sale, such as financing arrangements often remain pending even upon contract acceptance. As a result, properties under contract may not close within the expected time period, or may not close at all. Due to these uncertainties, it is not likely that the Company can meet the criteria of Statement 144 prior to the sale formally closing. Therefore, any properties categorized as held for sale represent only those properties that management has determined are likely to close within the requirements set forth in Statement 144. The Company also makes judgments regarding the extent of involvement it will have with a property subsequent to its sale, in order to determine if the results of operations and gain on sale should be reflected as discontinued. Consistent with Statement 144, any property sold to an entity in which the Company has significant continuing involvement (most often joint ventures) is not considered to be discontinued. In addition, any property which the Company sells to an unrelated third party, but retains a property or asset management function, is also not considered discontinued. Therefore, only properties sold, or to be sold, to unrelated third parties that the Company, in its judgment, has no continuing involvement with are classified as discontinued.

Investments in Real Estate Joint Ventures – In addition to owning real estate directly, we invest in real estate through our co-investment joint ventures. Joint venturing provides us with a capital source to acquire real estate, and to earn our pro rata share of the net income from the joint ventures in addition to fees for services. As asset and property manager, we conduct the business of the shopping centers held in the joint ventures in the same way that we conduct the business of our wholly-owned shopping centers; therefore, the Critical Accounting Policies as described are also applicable to our investment in the joint ventures and the fees that we earn. We account for all investments in which we own 50% or less and do not have a controlling financial interest using the equity method. We have determined that these investments are not variable interest entities, and therefore, subject to the voting interest model in determining our basis of accounting. Major decisions, including property acquisitions and dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners.

Income Tax Status - The prevailing assumption underlying the operation of our business is that we will continue to operate in order to qualify as a REIT, defined under the Internal Revenue Code. We are required to meet certain income and asset tests on a periodic basis to ensure that we continue to qualify as a REIT. As a REIT, we are allowed to reduce taxable income by all or a portion of our distributions to stockholders. We evaluate the transactions that we enter into and determine their impact on our REIT status. Determining our taxable income, calculating distributions, and evaluating transactions requires us to make certain judgments and estimates as to the positions we take in our interpretation of the Internal Revenue Code. Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, our positions are subject to change at a later date upon final determination by the taxing authorities.

Recent Accounting Pronouncements

In June 2005, the FASB ratified the EITF’s consensus on Issue No. 04-5 “Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights.” This consensus establishes the presumption that general partners in a limited partnership control that limited partnership regardless of the extent of the general partners’ ownership interest in the limited partnership. The consensus further establishes that the rights of the limited partners can overcome the presumption of control by the general partners, if the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or

otherwise remove the general partners without cause or (b) substantive participating rights. Whether the presumption of control is overcome is a matter of judgment based on the facts and circumstances, for which the consensus provides additional guidance. This consensus is currently applicable to us for new or modified partnerships, and will otherwise be applicable to existing partnerships in 2006. This consensus applies to limited partnerships or similar entities, such as limited liability companies that have governing provisions that are the functional equivalent of a limited partnership. We are currently evaluating the effect of this consensus on its consolidation policies.

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections ("Statement 154"). Statement 154 requires restatement of prior periods' financial statements for changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. Statement 154 also requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Statement 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We are not currently aware of any future potential accounting changes which would require the retrospective application described in Statement 154.

In December 2004, the FASB issued Statement No. 153, Exchange of Non-monetary Assets - an amendment of APB Opinion No 29 ("Statement 153"). The guidance in APB Opinion No. 29, Accounting for Non-monetary Transactions, is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. Statement 153 amends Opinion No. 29 to eliminate the exception for non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. Statement 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The impact of adopting Statement 153 is not expected to have a material adverse impact on the Company's financial position or results of operations. We are not currently aware of any future potential accounting changes which would require the retrospective application described in Statement 154.

Results from Operations

Comparison of the three months ended June 30, 2005 to 2004

Our revenues increased by $19.9 million, or 22%, to $111.5 million in 2005. As a result of MCWR II acquiring the First Washington Portfolio on June 1, 2005, we earned and recorded $13.8 million in fees related to acquisition, due diligence and debt placement services that we provided to MCWR II. MCWR II paid us approximately $21.2 million for these services, however, as previously discussed, the amount recognized as fee income includes only that portion of fees paid by the venture not owned by us. The increase in revenues was also related to changes in occupancy in the portfolio of stabilized and development properties, growth in re-leasing rental rates, operating properties acquired subsequent to June 30, 2004 that had no revenues during the comparable prior year period, and revenues from new developments commencing operations subsequent to June 30, 2004. During the three months ended June 30, 2005, our minimum rent increased by $4.2 million, or 6%, and our recoveries from tenants increased $1.7 million, or 9%. Percentage rent was $269,603 in 2005, compared with $336,689 in 2004.

Our operating expenses increased by $5.3 million, or 11%, to $54.5 million in 2005 related to increased operating and maintenance costs, general and administrative costs and depreciation expense, as further described below.

Our combined operating, maintenance, and real estate taxes increased by $1.5 million, or 7%, for the three months ended June 30, 2005 to $23.4 million. This increase was primarily due to shopping centers acquired during 2004 and new developments that only recently began operating and therefore did not incur operating expenses during the three month period ending on June 30, 2004.

Our general and administrative expenses were $9.4 million for the three months ended June 30,

2005, compared with $7.2 million in 2004, or 30% higher, related to an increase in the total number of employees in preparation for management of the acquisition of the First Washington Portfolio by MCWR II and higher costs associated with incentive compensation related to the Company's decision to implement FAS 123R early resulting in the expensing of stock options and new grants of restricted stock as part of our long-term compensation plan.

Our depreciation and amortization expense increased $1.8 million for the three months ended June 30, 2005 primarily related to new development properties placed in service and operating properties acquired subsequent to June 30, 2004 that had no operations during the comparable prior year period.

Our net interest expense increased to $22.3 million for the three months ended June 30, 2005 from $18.6 million in 2004. Average interest rates on our outstanding debt were 5.95% at June 30, 2005 and 2004. Our weighted average outstanding debt at June 30, 2005 was $1.6 billion compared to $1.5 billion at June 30, 2004 primarily related to the financing associated with our $397 million equity investment in MCWR II.

Income from discontinued operations was $8.6 million for the three months ended June 30, 2005 related to three properties sold to unrelated parties for net proceeds of $27.1 million and three properties classified as held-for-sale. Income from discontinued operations was $4.5 million in 2004 related to the operations of shopping centers sold or classified as held-for-sale in 2005 as well as 2004. In compliance with the adoption of Statement 144, if we sell an asset in the current year, we are required to reclassify its operating income into discontinued operations for all prior periods. This practice results in a reclassification of amounts previously reported as continuing operations into discontinued operations. Our income from discontinued operations is shown net of minority interest of exchangeable partnership units and income taxes.

Net income for common stockholders was $40.2 million in 2005, compared with $25.1 million in 2004 or a 60% increase for the reasons described above. Diluted earnings per share were $0.63 in 2005, compared with $0.41 in 2004, or 54% higher.

Comparison of the six months ended June 30, 2005 to 2004

At June 30, 2005, on a Combined Basis, we were operating or developing 383 shopping centers, as compared to 291 shopping centers at the end of 2004. We identify our shopping centers as either development properties or stabilized properties. Development properties are defined as properties that are in the construction or initial lease-up process and have not reached their initial full occupancy (reaching full occupancy generally means achieving at least 93% leased and rent paying on newly constructed or renovated GLA). At June 30, 2005, on a Combined Basis, we were developing 26 properties, as compared to 34 properties at the end of 2004.

Our revenues increased by $27.7 million, or 15%, to $210.8 million in 2005. As a result of MCWR II acquiring the First Washington Portfolio on June 1, 2005, we recorded $13.8 million in fees related to acquisition, due diligence and debt placement services that we provided to MCWR II. MCWR II paid us approximately $21.2 million for these services, however, as previously discussed, the amount recognized as fee income includes only that portion of fees paid by the venture not owned by us. The increase in revenues was also related to changes in occupancy in the portfolio of stabilized and development properties, growth in re-leasing rental rates, operating properties acquired subsequent to June 30, 2004 that had no revenues during the comparable prior year period, and revenues from new developments commencing operations subsequent to June 30, 2004. In addition to collecting minimum rent from our tenants for the GLA that they lease from us, we also collect contingent rent based upon tenant sales, which we refer to as percentage rent. Tenants are also responsible for reimbursing us for their pro-rata share of the expenses associated with operating our shopping centers. In 2005, our minimum rent increased by $8.5 million, or 6%, and our recoveries from tenants increased $3.8 million, or 10%. Percentage rent was $818,649 in 2005, compared with $787,996 in 2004.

Our operating expenses increased by $10.9 million, or 11%, to $108.4 million in 2005 related to increased operating and maintenance costs, general and administrative costs and depreciation expense, as further described below.

Our combined operating, maintenance, and real estate taxes increased by $2.4 million, or 5%, for the six months ended June 30, 2005 to $46.9 million. This increase was primarily due to shopping centers acquired during 2004 and new developments that only recently began operating and therefore did not incur operating expenses during the six month period ending on June 30, 2004.

Our general and administrative expenses were $18.1 million for the six months ended June 30, 2005, compared with $13.1 million in 2004, or 38% higher, related to an increase in the total number of employees in preparation for management of the acquisition of the First Washington Portfolio by MCWR II and higher costs associated with incentive compensation related to the Company's decision to implement FAS 123R early resulting in the expensing of stock options and new grants of restricted stock as part of our long-term compensation plan.

Our depreciation and amortization expense increased $2.7 million for the six months ended June 30, 2005 primarily related to new development properties placed in service and operating properties acquired subsequent to June 30, 2004 that had no operations during the comparable prior year period.

Our net interest expense increased to $42.6 in 2005 from $39.7 million in 2004. Average interest rates on our outstanding debt were 5.95% at June 30, 2005 and 2004. Our weighted average outstanding debt at June 30, 2005 was $1.6 billion compared to $1.5 billion at June 30, 2004 primarily related to the financing associated with our $397 million equity investment in MCWR II.

We account for profit recognition on sales of real estate in accordance with SFAS Statement No. 66, "Accounting for Sales of Real Estate." Profits from sales of real estate will not be recognized by us unless (i) a sale has been consummated; (ii) the buyer's initial and continuing investment is adequate to demonstrate a commitment to pay for the property; (iii) we have transferred to the buyer the usual risks and rewards of ownership; and (iv) we do not have substantial continuing involvement with the property. Gains from the sale of operating and development properties includes $5.7 million in gains from the sale of 12 out-parcels for proceeds of $10.9 million and $4.4 million in gains related to the sale of two development properties. For the period ended June 30, 2004, the gains from the sale of operating and development properties included $6.9 million from the sale of 13 out-parcels for proceeds of $14.9 million and $739,473 in gains for properties sold. These gains are included in continuing operations rather than discontinued operations because they were either properties that had no operating income, or they were properties sold to joint ventures where we have continuing involvement through our minority investment.

Income from discontinued operations was $18.1 million in 2005 related to five properties sold to unrelated parties for net proceeds of $61.8 million and three properties classified as held-for-sale. Income from discontinued operations was $6.7 million in 2004 related to the operations of shopping centers sold or classified as held-for-sale in 2005 as well as 2004. In compliance with the adoption of Statement 144, if we sell an asset in the current year, we are required to reclassify its operating income into discontinued operations for all prior periods. This practice results in a reclassification of amounts previously reported as continuing operations into discontinued operations. Our income from discontinued operations is shown net of minority interest of exchangeable partnership units and income taxes.

Minority interest of preferred units declined $5.9 million to $4.2 million in 2005 as a result of redeeming $125 million of preferred units during 2004 in combination with negotiating a lower rate on $50 million of preferred units. Preferred stock dividends increased $4.5 million to $7.3 million in 2005 as a result of the issuance of $125 million of Series 4 preferred stock in August 2004, of which a portion of the proceeds were used to redeem the preferred units.

Net income for common stockholders was $74.9 million in 2005, compared with $46.5 million in 2004 or a 61% increase for the reasons described above. Diluted earnings per share were $1.18 in 2005, compared with $0.77 in 2004, or 53% higher.

Environmental Matters

We are subject to numerous environmental laws and regulations and we are primarily concerned with dry cleaning plants that currently operate or have operated at our shopping centers in the past. We believe that the tenants who currently operate plants do so in accordance with current laws and regulations. Generally, we use all legal means to cause tenants to remove dry cleaning plants from our shopping centers or convert them to environmentally approved systems. Where available, we have applied and been accepted into state-sponsored environmental programs. We have a blanket environmental insurance policy that covers us against third-party liabilities and remediation costs on shopping centers that currently have no known environmental contamination. We have also placed environmental insurance, where possible, on specific properties with known contamination, in order to mitigate our environmental risk. We believe that the ultimate disposition of currently known environmental matters will not have a material effect on Regency's financial position, liquidity, or operations; however, we can give no assurance that existing environmental studies with respect to our shopping centers have revealed all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; or that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to us.

Inflation

Inflation has remained relatively low and has had a minimal impact on the operating performance of our shopping centers; however, substantially all of our long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling us to receive percentage rent based on tenants' gross sales, which generally increase as prices rise; and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of our leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. Most of our leases require tenants to pay their share of operating expenses, including common-area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

We are exposed to interest-rate changes primarily related to the variable interest rate on the Line and the refinancing of long-term debt, which currently contain fixed interest rates. Our interest-rate risk management objective is to limit the impact of interest-rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we borrow primarily at fixed interest rates and may enter into derivative financial instruments such as interest-rate swaps, caps and treasury locks in order to mitigate our interest-rate risk on a related financial instrument. We have no plans to enter into derivative or interest-rate transactions for speculative purposes.

Our interest-rate risk is monitored using a variety of techniques. The table below presents the principal cash flows (in thousands), weighted average interest rates of remaining debt, and the fair value of total debt (in thousands) as of June 30, 2005, by year of expected maturity to evaluate the expected cash flows and sensitivity to interest-rate changes.

	2005	2006	2007	2008	2009	2010	Thereafter	Total	Fair Value
Fixed rate debt	$132,287	24,576	27,208	22,843	56,351	180,260	708,763	1,152,288	1,212,162
Average interest rate for all fixed rate debt	7.18%	7.17%	7.15%	7.16%	7.12%	6.80%	6.21%	—	
Variable rate LIBOR debt	$ 25,000	282,049	300,938	—	—	—	—	607,987	607,987
Average interest rate for all variable rate debt	3.56%	3.23%	3.23%	—	—	—	—	—	

As the table incorporates only those exposures that exist as of June 30, 2005, it does not consider those exposures or positions that could arise after that date. Moreover, because firm commitments are not presented in the table above, the information presented above has limited predictive value. As a result, our ultimate realized gain or loss with respect to interest-rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at that time, and actual interest rates.

Item 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report, and, based on their evaluation, the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There have been no changes in the Company's internal controls over financial reporting identified in connection with this evaluation that occurred during the period covered by this report and that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are a party to various legal proceedings, which arise, in the ordinary course of our business. We are not currently involved in any litigation nor to our knowledge, is any litigation threatened against us, the outcome of which would, in our judgment based on information currently available to us, have a material adverse effect on our financial position or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) We sold the following equity securities during the quarter ended June 30, 2005 that we did not report on Form 8-K because they represent in the aggregate less than 1% of our outstanding common stock. All shares were issued to a total of four accredited investors in transactions exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, in exchange for an equal number of common units of our operating partnership, Regency Centers, L.P.

Date	Number of Shares
5/10/05	33,200
5/19/05	10,346
6/10/05	30,559

(b) None

(c) Issuer Purchases of Equity Securities

Period	Total number of shares purchased (1)	(a) Average price paid per share	(b) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number or approximate dollar value of shares that may yet be purchased under the plans or programs
April 1 through April 30, 2005	—	—	—	—
May 1 through May 31, 2005	—	—	—	—
June 1 through June 30, 2005	11,263	$ 59.57	—	—
Total	11,263	$ 59.57	—	—

[1] Represents shares delivered in payment of withholding taxes in connection with restricted stock vesting by participants under Regency's Long-Term Omnibus Plan.

Item 3. Defaults Upon Senior Securities

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

The annual meeting of shareholders of Regency Centers Corporation was held on May 3, 2005. At the 2004 annual meeting, shareholders approved a proposal eliminating classification of our board of directors. Consequently, all eleven members of the board were standing for reelection at the 2005 meeting and the directors were elected by a plurality of the votes cast. Therefore, in accordance with the voting results listed above, all directors were reelected to serve until the 2006 annual meeting and until their successors are elected and qualified.

Nominee	For	Withheld
Raymond L. Bank	50,983,264	818,628
C. Ronald Blankenship	47,120,356	4,681,536
A. R. Carpenter	46,281,203	5,520,689
J. Dix Druce	47,559,405	4,242,487
Mary Lou Fiala	50,358,386	1,443,506
Bruce M. Johnson	47,402,148	4,399,744
Douglas S. Luke	22,321,743	29,480,149
John C. Schweitzer	47,121,574	4,680,318
Martin E. Stein, Jr.	50,328,293	1,473,599
Thomas G. Wattles	51,565,862	236,030
Terry N. Worrell	51,571,497	230,395

Item 5. Other Information

Adoption of 2005 Incentive Compensation Plan (Item 1.01 of Form 8-K)

On February 28, 2005, the compensation committee of the board of directors of Regency Centers Corporation finalized performance criteria for the 2005 Incentive Compensation Plan to be effective for 2005, which the committee previously adopted in concept at its December 15, 2004 meeting.

The 2005 plan establishes performance criteria for the award to senior management of cash bonuses for 2005 and equity compensation under Regency's existing Long-Term Omnibus Plan. Regency's three senior executive officers, along with its five managing directors are eligible for awards under the 2005 plan. The performance criteria will vary depending on the officer's position and are primarily tied to growth in funds from operations per share, as defined by the National Association of Real Estate Investment Trusts (FFO). Once earned, long-term incentive awards will take the form of stock rights awards with dividend equivalent units that will vest over time.

Ratio of Earnings to Fixed Charges:

The following table shows our consolidated ratio of earnings to fixed charges for the periods indicated:

	For the six months ended June 30,	
	2005	2004
Ratio of earnings to fixed charges	2.2	1.9

Item 6. Exhibits

(a) Exhibits:

4. Instruments defining the rights of security holders, including indentures

4.1 Indenture dated as of July 18, 2005 among Regency Centers, L.P., Regency Centers Corporation, as Guarantor, and Wachovia Bank, National Association as Trustee (incorporated by reference to Exhibit 4.1 of the Registration Statement on Form S-4 of Regency Centers, L.P. filed August 5, 2005).

4.2 Registration Rights Agreement dated as of July 18, 2005 among Regency Centers, L.P. and Regency Centers Corporation, on the one hand, and Wachovia Capital Market, LLC and J.P. Morgan Securities Inc. as representatives of the initial purchasers referenced therein, on the other hand (incorporated by reference to Exhibit 4.2 of the Registration Statement on Form S-4 of Regency Centers, L.P. filed August 5, 2005).

10. Material Contracts

10.1 2005 Incentive Compensation Plan for Executive Officers.

10.2 Credit Agreement dated June 1, 2005 by and among Regency Centers, L.P. as Borrower, Regency Centers Corporation as Guarantor, each of the Lenders signatory thereto and Wells Fargo Bank, National Association as Agent.

10.3 Amended and Restated Limited Liability Company Agreement dated as of June 1, 2005 by and among Regency Centers, L.P., Macquarie CountryWide (US) No. 2 LLC, Macquarie-Regency Management, LLC, Macquarie CountryWide (US) No. 2 Corporation and Macquarie CountryWide Management Limited.

10.4 Purchase Agreement dated as of July 13, 2005 among Regency Centers, L.P. and Regency Centers Corporation, on the one hand, and Wachovia Capital Market, LLC and J.P. Morgan Securities Inc. as representatives of the initial purchasers referenced therein, on the other hand.

31.1 Rule 13a-14 Certification of Chief Executive Officer.

31.2 Rule 13a-14 Certification of Chief Financial Officer.

31.3 Rule 13a-14 Certification of Chief Operating Officer.

32.1 Section 1350 Certification of Chief Executive Officer.

32.2 Section 1350 Certification of Chief Financial Officer.

32.3 Section 1350 Certification of Chief Operating Officer.

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: August 8, 2005

REGENCY CENTERS CORPORATION

By: */s/ J. Christian Leavitt*

Senior Vice President and
Principal Accounting Officer

Exhibit 10.1

Description of 2005 Incentive Compensation Plan for Executive Officers

The 2005 incentive compensation plan establishes performance criteria for the award to senior management of cash bonuses for 2005 and equity compensation under Regency's existing Long-Term Omnibus Plan. Regency's three senior executive officers, along with its five managing directors are eligible for awards under the 2005 plan. Performance criteria vary depending on the officer's position. The following criteria apply to the three senior executive officers:

(1) growth during 2005 in per share funds from operations, as defined by the National Association of Real Estate Investment Trusts (FFO),

(2) FFO per share growth over three years beginning with 2005, and

(3) relative shareholder return over three years beginning with 2005.

Once earned, long-term incentive awards will take the form of stock rights awards with dividend equivalent units that will vest over time. The following table shows the portion of incentive compensation allocable to each of the three measures listed above:

Performance Measure	% of Cash Bonus	% of Long Term Incentive Grant
2005 FFO per share Growth	100%	33%
3-Yr FFO per share Growth	0%	33%
3-Yr Relative Shareholder Return	0%	33%

Total incentive compensation opportunities will vary depending on the level of performance achieved e.g., high performance plan (80%), or exceptional level (100%). Dollar amounts will be assigned to each level of opportunity, depending on the participant's position with Regency.

Set forth below is additional information about each component of the 2005 plan listed in the above table.

2005 Cash Bonus

- Cash bonuses for 2005 performance will be measured primarily by the 2005 FFO per share growth rate. The compensation committee may use other key operating and strategic objectives to determine pay-out.
- Cash bonuses will be paid in January 2006.

2005 Equity Compensation / Long-Term Opportunity

- Each of the potential levels of target opportunities will be expressed as a dollar amount. The number of shares of stock actually earned will be based on the closing stock price on January 14, 2005 ($51.36), divided into the dollar level assigned to the performance level achieved.
- One-third of the shares have the potential to be earned based on the 2005 FFO per share growth rate.
    - Actual shares earned will be determined in December 2005 and will take the form of a stock rights award that will vest 25% per year beginning in December 2006 and ending December 2009, subject to continued employment with Regency.
- One-third of the shares have the potential to be earned based on the three-year (2005 – 2007) FFO per share growth rate.
    - Actual shares earned will be determined in December 2007 with 50% immediately issued and the remainder taking the form of a stock rights award with 25% vesting in December 2008 and 25% vesting in December 2009, subject to continued employment with Regency.
- One-third of the shares have the potential to be earned based on the three-year (2005 – 2007) relative total shareholder return.
    - Actual shares earned will be determined in December 2007 with 50% immediately issued and the remainder taking the form of a stock rights award with 25% vesting in December 2008 and 25% vesting in December 2009, subject to continued employment with Regency.
- Potential stock rights awards not earned by December 2007 will be forfeited.
- There will be accelerated vesting of stock rights awards and award of remaining unissued share awards for termination tied to Regency’s change of control policy.
- There will be accelerated vesting for all earned stock rights awards upon retirement, death or disability, and the recipient will continue to have the same opportunity to earn the shares that might be earned absent retirement, death or disability and such awards likewise will be fully vested when earned.

Performance Measures

A. The following table shows the FFO per share growth measures that will be used for the award of 2005 cash bonuses and one-third of the long-term equity incentive opportunity:

2005 FFO per Share Guideline

FFO per Share Growth Rate	Performance Level	% Opportunity Earned
10% or higher	Exceptional	100%
9%		90%
8%	High Performance Plan	80%
7%		70%
6%		60%
5%		50%
4%		37.50%
3%		25%
2%		12.50%
1% or less		0%

Important Notes to the 2005 FFO per Share Guideline:

1. The 2005 FFO per share guideline will be used to determine the 2005 cash bonus and one-third of the stock rights award opportunity.
2. 2005 results will be adjusted to reflect any accounting changes or changes in the NAREIT definition of FFO that might occur during 2005.
3. FFO per share will be rounded to the nearest $0.01 while the growth rate will be rounded to the nearest 0.25% and used to extrapolate the percentage of opportunity earned. In no event will the percentage of opportunity earned be more than 100%.

Examples:

8.50% FFO per share growth rate = 85% of opportunity

7.75% FFO per share growth rate = 77.5% of opportunity

B. The following table shows the three-year compounded FFO per share growth rates that will be used for one-third of the long-term equity incentive opportunity:

Three-Year (2005 – 2007) FFO per share Growth Guideline

Three Year Compounded FFO per share Growth Rate	Performance Level	% Opportunity Earned
10% or higher	Exceptional	100%
9%		90%
8%	High Performance Plan	80%
7%		70%
6%		60%
5%		50%
4%		37.5%
3%		25%
2%		12.5%
1% or less		0%

Important Notes to the Three-Year FFO Per Share Growth Guideline:

1. The performance guideline using the compounded growth rate of FFO per share will be used to determine one-third of the long-term equity incentive opportunity.
2. At the end of 2007, 50% of the earned award will be issued and the remaining 50% will vest in equal annual installments over the next two years.
3. 2005-2007 results will be adjusted to reflect any accounting changes or changes in the NAREIT definition of FFO that might occur during this period.
4. FFO per share growth rate will be rounded to the nearest 0.25% and used to extrapolate the percentage of opportunity earned. In no event will the percentage of opportunity earned be more than 100%..

C. The following table shows the three-year relative shareholder return rankings be used for the remaining one-third of the long-term equity incentive opportunity:

Three-Year (2005 – 2007) Relative Shareholder Return Guideline

Rank in Peer Group	Performance Level	% of Opportunity Earned
Top 10%	Exceptional	100%
Top 20%		90%
Top 30%	High Performance Plan	80%
Top 40%		70%
Top 50%		60%
Top 60%		40%
Top 70%		30%

Important Notes to the Three-Year Shareholder Return Guideline:

1. The guideline will be based on Regency's rank in its peer group over the three-year performance period.
2. If Regency's rank in its peer group is not more than the top 50%, no awards will be made unless there has been at least a 10% annual total shareholder return over the three-year measurement period.
3. At the end of 2007, 50% of the earned share award will be issued and the remaining 50% will vest in equal annual installments over the next two years.
4. Relative total shareholder return and rank will be rounded to the nearest performance level.
5. The peer group is defined as REITs with common equity greater than $1 billion, measured as of January 1, 2005.

Exhibit 10.2

EXECUTION VERSION

CREDIT AGREEMENT

dated as of

June 1, 2005

among

REGENCY CENTERS, L.P.,
as Borrower,

REGENCY CENTERS CORPORATION,
as Parent,

THE FINANCIAL INSTITUTIONS PARTY HERETO AND THEIR
ASSIGNEES UNDER SECTION 10.8. HEREOF,
as Lenders,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Sole Lead Arranger
and
as Administrative Agent

TABLE OF CONTENTS

CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement") dated as of June 1, 2005 by and among REGENCY CENTERS, L.P., a Delaware limited partnership (the "Borrower"), REGENCY CENTERS CORPORATION, a Florida corporation formerly known as Regency Realty Corporation (the "Parent"), each of the financial institutions initially a signatory hereto together with their assignees under Section 10.8. (the "Lenders"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Sole Lead Arranger (the "Sole Lead Arranger") and as contractual representative of the Lenders to the extent and in the manner provided in Article IX. below (in such capacity, the "Agent").

WHEREAS, the Borrower and Macquarie CountryWide (US) No. 2 Corporation, a Subsidiary of Macquarie CountryWide Trust, are the sole members of Macquarie CountryWide-Regency II, LLC, a limited liability company formed under the laws of the State of Delaware (the "Joint Venture");

WHEREAS, the Joint Venture has entered into that certain Purchase and Sale Agreement dated as of February 14, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement") by and among the Joint Venture, the Parent, Macquarie CountryWide Trust, California Public Employees' Retirement System, USRP Texas GP, LLC, U.S. Retail Partners, LLC, Eastern Shopping Centers Holdings, LLC and First Washington Investment I, LLC, pursuant to which the Joint Venture is to acquire (the "Acquisition") the Acquisition Portfolio (as defined below);

WHEREAS, the Borrower has requested that the Lenders make to the Borrower term loans in an aggregate principal amount of $275,000,000 which the Borrower will use to make a capital contribution to the Joint Venture; and

WHEREAS, the Lenders are willing to make to the Borrower such term loans on the terms and conditions contained herein.

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

ARTICLE I. DEFINITIONS

SECTION 1.1. Definitions.

The following terms, as used herein, have the following meanings:

"Accession Agreement" means an Accession Agreement substantially in the form of Annex I to the Guaranty.

"Acquisition" has the meaning given that term in the second "WHEREAS" clause of this Agreement.

"Acquisition Portfolio" means each Property owned by Eastern Shopping Centers Holdings, LLC, U.S. Retail Partners, LLC or any of their respective Subsidiaries at the time the Joint Venture acquires all of the Equity Interests in Eastern Shopping Centers Holdings, LLC, USRP Texas GP, LLC and U.S. Retail Partners, LLC pursuant to the Purchase Agreement.

"Additional Costs" has the meaning given that term in Section 4.1.

"Affiliate" means, with respect to a Person, any other Person: (a) directly or indirectly controlling, controlled by, or under common control with, such first Person; (b) directly or indirectly owning or holding ten percent (10%) or more of any equity interest in such first Person; or (c) ten percent (10%) or more of whose voting stock or other equity interest is directly or indirectly owned or held by such first Person. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement Date" means the date as of which this Agreement is dated.

"Applicable Law" means all applicable provisions of local, state, federal and foreign constitutions, statutes, rules, regulations, ordinances, decrees, permits, concessions and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

"Applicable Margin" shall mean, as of any date of determination, the respective percentage rates set forth below corresponding to the Credit Ratings of the Borrower and the Parent as assigned by the applicable Rating Agencies:

Level	Credit Rating (S&P/Moody's or equivalent)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	BBB/Baa2 (or equivalent) or higher	0.65%	0.00%
2	BBB-/Baa3 (or equivalent)	0.85%	0.00%
3	Less than BBB-/Baa3 (or equivalent)	1.15%	0.00%

The Agent shall determine the Applicable Margin from time to time in accordance with the above table and the provisions of this definition and notify the Borrower and the Lenders of such determination. If the Rating Agencies assign Credit Ratings which correspond to different Levels in the above table resulting in different Applicable Margin determinations, the Applicable Margin will be determined based on the Level corresponding to the lower of the two Credit Ratings. During any period that the Borrower or the Parent receives more than two Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin shall equal the average of the Applicable Margins as determined in accordance with the two lowest of such Credit Ratings; provided that one of such Credit Ratings has been issued by either S&P or Moody's and such Credit Rating is an Investment Grade Rating. Each change in the Applicable Margin resulting from a change in a Credit Rating of the Borrower or the Parent shall take effect on the first calendar day of the month following the month in which such Credit Rating is publicly announced by the relevant Rating Agency. As of the Agreement Date, the Applicable Margin for LIBOR Loans equals 0.65% and for Base Rate Loans equals 0.0%.

"Assignee" has the meaning given that term in Section 10.8.(c).

"Assignment and Acceptance Agreement" means an Assignment and Acceptance Agreement among a Lender, an Assignee and the Agent, substantially in the form of Exhibit A.

"Base Rate" means the greater of (a) the rate of interest per annum established from time to time by the Lender then acting as Agent and designated as its prime rate (which rate of interest may not be the lowest rate charged by such bank, the Agent or any of the Lenders on similar loans) and (b) the Federal Funds Rate plus one-half of one percent (0.5%). Each change in the Base Rate shall become effective without prior notice to the Borrower or the Lenders automatically as of the opening of business on the date of such change in the Base Rate.

"Base Rate Loan" means any Loan hereunder with respect to which the interest rate is calculated by reference to the Base Rate.

"Business Day" means (a) any day other than Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia or San Francisco, California are authorized or required to close and (b) with reference to LIBOR Loans, any such day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capitalized Lease Obligation" means Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with such principles.

"Commitment" means, as to each Lender, such Lender's obligation to make a Loan pursuant to Section 2.1. in an amount up to, but not exceeding, the amount set forth for such Lender on its signature page hereto as such Lender's "Commitment Amount" or as set forth in the applicable Assignment and Acceptance Agreement, as the same may be reduced from time to time as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 10.8.

"Consolidated Subsidiary" means, with respect to a Person at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements in accordance with GAAP, if such statements were prepared as of such date.

"Continue", "Continuation" and "Continued" each refers to the continuation of a LIBOR Loan from one Interest Period to the next Interest Period pursuant to Section 2.3.

"Convert", "Conversion" and "Converted" each refers to the conversion of a Loan of one Type into a Loan of another Type pursuant to Section 2.4.

"Credit Rating" means the lowest rating assigned by a Rating Agency to each series of rated senior unsecured long term indebtedness of the Borrower or the Parent, as the case may be.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" has the meaning given that term in Section 3.5.

"Dollars" or "$" means the lawful currency of the United States of America.

"Effective Date" means the later of (a) the Agreement Date and (b) the date on which all of the conditions precedent set forth in Section 5.1. shall have been fulfilled or waived in accordance with the provisions of Section 10.7.

"Eligible Assignee" means any Person that is: (a) an existing Lender; (b) a commercial bank, trust company, savings and loan association, savings bank, insurance company, investment bank or pension fund organized under the laws of the United States of America, any state thereof or the District of Columbia, and having total assets in excess of $5,000,000,000; or (c) a commercial bank organized under the laws of any other country which is a member of the Organisation for Economic Co-operation and Development, or a political subdivision of any such country, and having total assets in excess of $10,000,000,000, provided that such bank is acting through a branch or agency located in the United States of America. If such entity is not currently a Lender, such entity's (or in the case of a bank which is a subsidiary, such bank's parent's) senior unsecured long term indebtedness must be rated BBB or higher by S&P, Baa2 or higher by Moody's or the equivalent or higher of either such rating by another rating agency acceptable to the Agent.

"Environmental Laws" means any Applicable Law relating to environmental protection or the manufacture, storage, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

"Equity Interest" means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person whether or not certificated, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

"Equity Issuance" means any issuance or sale by a Person of any Equity Interest in such Person.

"Event of Default" means the occurrence of any of the events specified in Section 8.1., whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body; provided that any requirement for notice or lapse of time or any other condition has been satisfied.

"Existing Credit Agreement" means, subject to Section 10.15.(a), the Amended and Restated Credit Agreement dated as of March 26, 2004, by and among the Borrower, the Parent, the financial institutions from time to time party thereto as "Lenders", Wells Fargo Bank, National Association, as Agent, and the other parties thereto.

"Existing Credit Agreement Default" means any event or condition set forth in Section 10.1. of the Existing Credit Agreement.

"Existing Credit Agreement Representations" means the representations and warranties set forth in Article VII of the Existing Credit Agreement.

"Federal Funds Rate" means, on any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as reasonably determined by the Agent.

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau

or entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means any Person that is party to the Guaranty as a "Guarantor".

"Guaranty" means the Guaranty executed and delivered by the Guarantors substantially in the form of Exhibit B.

"Hazardous Materials" means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic substances" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity or "TLCP" toxicity, "EP toxicity"; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; and (d) asbestos in any form or (e) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

"Indebtedness" means, with respect to a Person, at the time of computation thereof, all of the following (without duplication and determined on a consolidated basis): (a) obligations of such Person in respect of money borrowed; (b) obligations of such Person (other than trade debt incurred in the ordinary course of business), whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property; (c) Capitalized Lease Obligations of such Person; (d) all reimbursement obligations of such Person under any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Off-Balance Sheet Obligations; (f) all Indebtedness of other Persons which (i) such Person has Guaranteed or which is otherwise recourse to such Person or (ii) is secured by a Lien on any property of such Person; (g) all

Indebtedness of any other Person of which such Person is a general partner; and (h) with respect to Indebtedness of an Unconsolidated Affiliate, (i) all such Indebtedness which such Person has Guaranteed or is otherwise obligated on a recourse basis and (ii) such Person's Ownership Share of all other Indebtedness of such Unconsolidated Affiliate.

"Interest Period" means, with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made or the last day of the next preceding Interest Period for such Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrower may select in the Notice of Borrowing or a Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. In addition to such periods, the Borrower may request Interest Periods for LIBOR Loans having durations of at least 7, but not more than 30, days no more than seven times during the term of this Agreement but only in anticipation of (a) the Borrower's prepayment of such LIBOR Loans from equity or debt offerings, financings or proceeds resulting from the sale or other disposition of major assets of the Borrower or any of its Subsidiaries or (b) changes in the amount of the Lenders' Commitments associated with a modification of this Agreement. Notwithstanding the foregoing: (i) if any Interest Period would otherwise end after the Termination Date, such Interest Period shall end on the Termination Date; (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day (or, if such next succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day); and (iii) notwithstanding either of the immediately preceding clauses (i) and (ii) but except as otherwise provided in the second sentence of this definition, no Interest Period for any LIBOR Loan shall have a duration of less than one month and, if the Interest Period for any LIBOR Loan would otherwise be a shorter period, such Loan shall not be available hereunder for such period.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means, with respect to any Person and whether or not such investment constitutes a controlling interest in such Person: (a) the purchase or other acquisition of any share of capital stock or other equity interest, evidence of Indebtedness or other security issued by any other Person; (b) any loan, advance or extension of credit to, or contribution to the capital of, any other Person; (c) any Guarantee of the Indebtedness of any other Person; (d) the subordination of any claim against a Person to other Indebtedness of such Person; and (e) any other investment in any other Person.

"Investment Grade Rating" means a Credit Rating of BBB- or higher by S&P or Baa3 or higher by Moody's.

"Joint Venture" has the meaning given that term in the first "WHEREAS" clause of this Agreement.

"Lender" means each financial institution from time to time party hereto as a "Lender," together with its respective successors and permitted assigns.

"Lending Office" means, for each Lender and for each Type of Loan, the office of such Lender specified as such on its signature page hereto, or in any applicable Assignment or Acceptance Agreement or such other office of such Lender as such Lender may notify the Agent from time to time.

"LIBO Rate" means, with respect to each Interest Period, for any LIBOR Loan, the average rate of interest per annum (rounded upwards, if necessary, to the next highest 1/16th of 1%) at which deposits in immediately available funds in Dollars are offered to the Lender then acting as Agent (at approximately 9:00 a.m., two Business Days prior to the first day of such Interest Period) by first class banks in the interbank Eurodollar market, for delivery on the first day of such Interest Period, such deposits being for a period of time equal or comparable to such Interest Period and in an amount equal to or comparable to the principal amount of the LIBOR Loan to which such Interest Period relates. Each determination of the LIBO Rate by the Agent shall, in absence of demonstrable error, be conclusive and binding.

"LIBOR Loan" means any Loan hereunder with respect to which the interest rate is calculated by reference to the LIBO Rate for a particular Interest Period.

"Lien" as applied to the property of any Person means: (a) any mortgage, deed to secure debt, deed of trust, pledge, lien, charge or lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security interest, security title or encumbrance of any kind in respect of any property of such Person, or upon the income or profits therefrom; (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; and (c) the filing of, or any agreement to give, any financing statement under the Uniform Commercial Code or its equivalent in any jurisdiction.

"Loan" means a loan made by a Lender under Section 2.1.

"Loan Document" means this Agreement, each of the Notes, the Guaranty, each Accession Agreement, any agreement evidencing the fees referred to in Section 3.1. and each other document or instrument executed and delivered by the Borrower or any other Loan Party in connection with this Agreement or any of the other foregoing documents.

"Loan Party" means the Borrower, the Parent and each other Guarantor.

"Materially Adverse Effect" means a materially adverse effect on (a) the business, assets, liabilities, financial condition, results of operations or business prospects of (i) the Borrower and its Consolidated Subsidiaries, taken as a whole or (ii) the Parent and its Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of such Loan Documents, (d) the rights and remedies of the Lenders and the Agent under

any of such Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith. Except with respect to representations made or deemed made by the Borrower under Article VI. or in any of the other Loan Documents to which it is a party, all determinations of materiality shall be made by the Agent in its reasonable judgment unless expressly provided otherwise.

"Moody's" means Moody's Investors Services, Inc.

"Net Cash Proceeds" means (a) the aggregate amount of all cash received by the Parent, the Borrower or any Subsidiary in respect of an Equity Issuance by the Parent, the Borrower or any Subsidiary (other than any Equity Issuance to the Parent, the Borrower or any Subsidiary) effected during the term of this Agreement less (b) investment banking fees, legal fees, accountants fees, underwriting discounts and commissions and other customary fees and expenses actually incurred by the Parent, the Borrower or any Subsidiary in connection with such Equity Issuance.

"Non-Guarantor Entity" means any Subsidiary that is not required to become a party to the Guaranty under Section 7.3.(a).

"Note" means a promissory note of the Borrower substantially in the form of Exhibit C, payable to the order of a Lender in a principal amount equal to the amount of such Lender's Commitment as originally in effect and otherwise duly completed.

"Notice of Continuation" means a notice in the form of Exhibit D to be delivered to the Agent pursuant to Section 2.3. evidencing the Borrower's request for the Continuation of a borrowing of Loans.

"Notice of Conversion" means a notice in the form of Exhibit E to be delivered to the Agent pursuant to Section 2.4. evidencing the Borrower's request for the Conversion of a borrowing of Loans.

"Obligations" means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) any and all renewals and extensions of any of the foregoing and (c) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower owing to the Agent and/or the Lenders of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

"Off-Balance Sheet Obligations" means liabilities and obligations of the Borrower, any Subsidiary or any other Person in respect of "off-balance sheet arrangements" (as defined in the SEC Off-Balance Sheet Rules) which the Borrower would be required to disclose in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Borrower's report on Form 10-Q or Form 10-K (or their equivalents) which the Borrower is required to file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor). As used in this definition, the term "SEC Off-Balance Sheet

Rules" means the Disclosure in Management's Discussion and Analysis About Off-Balance Sheet Arrangements, Securities Act Release No. 33-8182, 68 Fed. Reg. 5982 (Feb. 5, 2003) (codified at 17 CFR pts. 228, 229 and 249).

"Operating Agreement" means that certain Amended and Restated Limited Liability Company Agreement regarding Macquarie CountryWide-Regency II, LLC dated June 1, 2005 by and between Macquarie CountryWide (US) No. 2 Corporation, Macquarie-Regency Management LLC and the Borrower.

"Parent" means Regency Centers Corporation, a Florida corporation formerly known as Regency Realty Corporation, together with its successors and assigns.

"Participant" has the meaning given that term in Section 10.8.(b).

"Permitted Liens" means (a) pledges or deposits made to secure payment of worker's compensation (or to participate in any fund in connection with worker's compensation insurance), unemployment insurance, pensions or social security programs; (b) encumbrances consisting of zoning restrictions, easements, or other restrictions on the use of real property, provided that such items do not materially impair the use of such property for the purposes intended and none of which is violated in any material respect by existing or proposed structures or land use; (c) the following to the extent no Lien has been filed in any jurisdiction or agreed to: (i) Liens for taxes not yet due and payable; or (ii) Liens imposed by mandatory provisions of Applicable Law such as for materialmen's, mechanic's, warehousemen's and other like Liens arising in the ordinary course of business, securing payment of Indebtedness the payment of which is not yet due; (d) Liens for taxes, assessments and governmental charges or assessments that are being contested in good faith by appropriate proceedings diligently conducted, and in which reserves acceptable to the Agent have been provided; (e) Liens expressly permitted under the terms of the Loan Documents; (f) Liens granted pursuant to any Loan Document; and (g) any extension, renewal or replacement of the foregoing to the extent such Lien as so extended, renewed or replaced would otherwise be permitted hereunder.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Principal Office" means the office of the Agent located at 2120 E. Park Place, Suite 100, El Segundo, California 90245, or such other office of the Agent as the Agent may designate from time to time.

"Pro Rata Share" means, as to each Lender, the ratio, expressed as a percentage, of (a) the amount of such Lender's Commitment to (b) the aggregate amount of the Commitments of all Lenders hereunder; provided, however, that if at the time of determination the Commitments have terminated or been reduced to zero, the "Pro Rata Share" of each Lender shall be the Pro Rata Share of such Lender in effect immediately prior to such termination or reduction.

"Property" means, with respect to any Person, any parcel of real property, together with any building, facility, structure, equipment or other asset located on such parcel of real property, in each case owned by such Person.

"Purchase Agreement" has the meaning given such term in the second "WHEREAS" clause of this Agreement.

"Purchase Documents" means collectively, the Purchase Agreement and all schedules, exhibits, annexes and amendments thereto and all side letters and agreements affecting the terms thereof or entered into in connection therewith.

"Rating Agencies" means any two nationally recognized securities rating agencies designated by the Borrower and acceptable to the Agent. One of such ratings agencies must be either (a) Moody's or (b) S&P, but if both such corporations cease to act as a securities rating agency or cease to provide ratings with respect to the senior long-term unsecured debt obligations of the Borrower, the Borrower may designate as a replacement Rating Agency any nationally recognized securities rating agency acceptable to the Agent.

"Regulations U and X" means Regulations U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Regulatory Change" means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy.

"Requisite Lenders" means, as of any date, Lenders having at least 66 2/3% of the aggregate amount of the Commitments, or, if the Commitments have been terminated or reduced to zero, Lenders holding at least 66 2/3% of the aggregate outstanding principal amount of the Loans; provided, however, if there are fewer than 3 Lenders at such time then "Requisite Lenders" means all Lenders.

"Securities Act" means the Securities Act of 1933, as amended, and all rules and regulations issued pursuant thereto.

"Solvent" means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets (excluding any Indebtedness due from any Affiliate of such Person) are each in excess of the fair valuation of its total liabilities (including all contingent liabilities); and (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature and (c) that the Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

"S&P" means Standard & Poor's Rating Group, a division of The McGraw-Hill Companies, Inc.

"Subsidiary" means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Taxes" has the meaning given that term in Section 3.10.

"Termination Date" means March 1, 2006.

"Type" with respect to any Loan, refers to whether such Loan is a LIBOR Loan or a Base Rate Loan.

"Unconsolidated Affiliate" shall mean, with respect to any Person, any other Person in whom such Person holds an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person.

"Wells Fargo" means Wells Fargo Bank, National Association, together with its successors and assigns.

"Wholly Owned Subsidiary" means any Subsidiary of a Person in respect of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are at the time directly or indirectly owned or controlled by such Person or one or more other Wholly Owned Subsidiaries of such Person or by such Person and one or more other Wholly Owned Subsidiaries of such Person.

SECTION 1.2. General; References to Time.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with, and all financial statements required to be delivered under any Loan Document shall be prepared in accordance with, GAAP. With respect to any Property which has not been owned by a Loan Party for a full fiscal quarter, financial amounts with respect to such Property shall be adjusted appropriately to account for such lesser period of ownership unless specifically provided otherwise herein. References in this Agreement to "Sections", "Articles", "Exhibits" and "Schedules" are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to

time and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to "Subsidiary" means a Subsidiary of the Parent or a Subsidiary of such Subsidiary and a reference to an "Affiliate" means a reference to an Affiliate of the Borrower. Unless otherwise indicated, all references to time are references to San Francisco, California time.

ARTICLE II. CREDIT FACILITY

SECTION 2.1. Loans.

(a) Making of Loans. Subject to the terms and conditions hereof, on the Effective Date, each Lender severally and not jointly agrees to make a Loan to the Borrower in the principal amount equal to the amount of such Lender's Commitment. No later than 9:00 a.m. San Francisco time on the Effective Date, each Lender will make available for the account of its applicable Lending Office to the Agent at the Principal Office, in immediately available funds, the proceeds of the Loan to be made by such Lender. Subject to satisfaction of the applicable conditions set forth in Article V. for such borrowing, the Agent will make the proceeds of such borrowing available to the Borrower no later than 12:00 noon San Francisco time on the Effective Date and in the manner specified by the Borrower in the request referred to in Section 5.1.(t). The Borrower may not reborrow any portion of the Loans once repaid.

(b) Obligations of Lenders. No Lender shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

(c) Assumptions Regarding Funding by Lenders. Unless the Agent shall have been notified by any Lender prior to the Effective Date that such Lender will not make available to the Agent a Loan to be made by such Lender, the Agent may assume that such Lender will make the proceeds of such Loan available to the Agent on the date and at the time required hereunder in accordance with this Section and the Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such Loan to be provided by such Lender.

SECTION 2.2. Number of Interest Periods.

Anything herein to the contrary notwithstanding, there may be no more than 2 different Interest Periods with respect to LIBOR Loans outstanding at the same time.

SECTION 2.3. Continuation.

So long as no Default or Event of Default shall have occurred and be continuing, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such

LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower's giving of a Notice of Continuation not later than 9:00 a.m. on the third Business Day prior to the date of any such Continuation by the Borrower to the Agent. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Continuation. Such notice by the Borrower of a Continuation shall be by telephone or telecopy, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying (a) the date of such Continuation, (b) the LIBOR Loan and portion thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, such Loan will automatically, on the last day of the current Interest Period therefore, Convert into a Base Rate Loan notwithstanding failure of the Borrower to comply with Section 2.4. In the case of the Continuation of only a portion of a LIBOR Loan, such portion shall be in the aggregate amount for all of the Lenders of $1,000,000 or integral multiples of $100,000 in excess of that amount.

SECTION 2.4. Conversion.

So long as no Default or Event of Default shall have occurred and be continuing, the Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Agent, Convert the entire amount of all or a portion of a Loan of one Type into a Loan of another Type; provided, however, any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Conversion. Each such Notice of Conversion shall be given not later than 9:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone or telecopy confirmed immediately in writing if by telephone in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Loan to be Converted, (c) the portion of such Type of Loan to be Converted, (d) the Type of Loan such Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given. Each Conversion from a Base Rate Loan to a LIBOR Loan shall be in an aggregate amount for the Loans of all the Lenders of not less than $1,000,000 or integral multiples of $100,000 in excess of that amount.

SECTION 2.5. Interest Rate.

(a) All Loans. The unpaid principal of each Base Rate Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the Base Rate in effect from day to day plus the Applicable Margin. The

unpaid principal of each LIBOR Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the LIBO Rate for such Loan for the Interest Period therefor plus the Applicable Margin.

(b) Default Rate. All past-due principal of, and to the extent permitted by Applicable Law, interest on, the Loans shall bear interest until paid at the Base Rate from time to time in effect plus four percent (4%).

SECTION 2.6. Repayment of Loans.

(a) Payment of Interest. All accrued and unpaid interest on the unpaid principal amount of each Loan shall be payable (i) in the case of a Base Rate Loan or a LIBOR Loan, monthly in arrears on the first day of each month, commencing with the first full calendar month occurring after the Effective Date and (ii) for all Loans, (A) on the Termination Date and (B) on any date on which the principal balance of such Loan is due and payable in full.

(b) Payment of Principal of Loans. The Borrower shall repay the aggregate outstanding principal balance of all Loans in full on the Termination Date.

(c) Optional Prepayments. The Borrower may, upon at least one Business Day's prior notice to the Agent, prepay any Loan in whole at any time, or from time to time in part in an amount equal to $500,000 or integral multiples of $100,000 in excess of that amount, by paying the principal amount to be prepaid. Upon receipt of any such notice the Agent shall promptly notify each Lender thereof. If the Borrower shall prepay the principal of any LIBOR Loan on any date other than the last day of the Interest Period applicable thereto, the Borrower shall pay the amounts, if any, due under Section 4.4.

(d) Mandatory Prepayments. If on any date the Borrower, the Parent or any of its Subsidiaries shall receive Net Cash Proceeds from an Equity Issuance by the Borrower, the Parent or any of its Subsidiaries, then such Net Cash Proceeds shall be applied within 2 Business Days of such date toward the prepayment of the Loans. The provisions of this subsection shall not apply to Net Cash Proceeds from an Equity Issuance by the Borrower or the Parent to the extent used to redeem, repurchase or otherwise acquire or retire preferred Equity Interest issued by the Parent or the Borrower.

(e) General Provisions as to Payments. Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under this Agreement, the Notes or any other Loan Document shall be made in Dollars, in immediately available funds, without setoff, deduction or counterclaim, to the Agent at the Principal Office, not later than 11:00 a.m. San Francisco time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). The Borrower shall, at the time of making each payment under this Agreement or any other Loan Document, specify to the Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender (i) on the date of receipt by the Agent if received not later than 11:00 a.m. San Francisco time on

the due date of such payment or (ii) not later than the Business Day immediately following the date of receipt by the Agent if received after 11:00 a.m. San Francisco time on the due date of such payment. Such payments by the Agent shall be paid to a Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. In the event the Agent fails to pay such amounts to such Lender within the time period provided in the immediately preceding clause (i) or (ii), as applicable, the Agent shall pay interest on such amount at a rate per annum equal to the Federal Funds Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall continue to accrue at the rate, if any, applicable to such payment for the period of such extension.

SECTION 2.7. Notes.

The Loans made by each Lender shall, in addition to this Agreement, also be evidenced by a Note, payable to the order of such Lender in a principal amount equal to the amount of its Commitment as originally in effect and otherwise duly completed.

SECTION 2.8. Option to Replace Lenders.

If any Lender, other than the Agent in its capacity as such, shall:

(a) have notified Agent of a determination under Section 4.1.(a) or become subject to the provisions of Section 4.3.; or

(b) make any demand for payment or reimbursement pursuant to Section 4.1.(c) or Section 4.4.;

then, provided that (x) there does not then exist any Default or Event of Default and (y) the circumstances resulting in such demand for payment or reimbursement under Section 4.1.(c) or Section 4.4. or the applicability of Section 4.1.(a) or Section 4.3. are not applicable to the Requisite Lenders generally, the Borrower may either (x) demand that such Lender, and upon such demand such Lender shall promptly, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 10.8.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, any such assignment to be completed within 30 days after the making by such Lender of such determination or demand for payment or (y) within 30 days after the making by such Lender of such determination or demand for payment, pay to such Lender the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, whereupon such Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. None of the Agent, such Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee.

ARTICLE III. GENERAL LOAN PROVISIONS

SECTION 3.1. Fees.

The Borrower agrees to pay to the Agent such fees for services rendered by the Agent as shall be separately agreed upon between the Borrower and the Agent.

SECTION 3.2. Computation of Interest and Fees.

Unless set forth to the contrary herein, accrued interest on the Loans and all fees due hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day of a period).

SECTION 3.3. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each payment or prepayment of principal of Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; (b) each payment of interest on Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the unpaid principal amounts of interest on such Loans then due and payable to the respective Lenders; and (c) the Conversion and Continuation of Loans of a particular Type (other than Conversions provided for by Section 4.5.) shall be made pro rata among the Lenders according to the amounts of their respective Loans and the then current Interest Period for each Lender's portion of each Loan of such Type shall be coterminous.

SECTION 3.4. Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan under this Agreement or shall obtain payment on any other Obligation owing by the Borrower or any other Loan Party through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by the Borrower or any other Loan Party to a Lender not in accordance with the terms of this Agreement and such payment should be distributed to the Lenders in accordance with Section 3.3. or Section 8.3., such Lender shall promptly either (i) remit such amounts received to the Agent for distribution to the Lenders in accordance with Section 3.3. or Section 8.3. or (ii) purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any reasonable expenses which may actually be incurred by such Lender in obtaining or preserving such benefit) in accordance with the requirements of Section 3.3. or Section 8.3., as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with the respect to such participation as fully as if

such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

SECTION 3.5. Defaulting Lenders.

If for any reason any Lender (a "Defaulting Lender") shall fail or refuse to perform any of its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of 5 Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of Requisite Lenders, shall be suspended during the pendency of such failure or refusal. If for any reason a Lender fails to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under the immediately preceding provisions or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Defaulting Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Loans shall not be paid to such Defaulting Lender and shall be held by the Agent and paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

SECTION 3.6. Usury.

In no event shall the amount of interest due or payable on the Loans exceed the maximum rate of interest allowed by Applicable Law and, in the event any such payment is paid by the Borrower or received by any Lender, then such excess sum shall be credited as a payment of principal. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law.

SECTION 3.7. Agreement Regarding Interest and Charges.

THE PARTIES HERETO HEREBY AGREE AND STIPULATE THAT THE ONLY CHARGE IMPOSED UPON THE BORROWER FOR THE USE OF MONEY IN CONNECTION WITH THIS AGREEMENT IS AND SHALL BE THE INTEREST DESCRIBED IN SECTION 2.5.(a). THE PARTIES HERETO FURTHER AGREE AND STIPULATE THAT ALL OTHER CHARGES IMPOSED BY LENDERS AND THE AGENT

ON THE BORROWER IN CONNECTION WITH THIS AGREEMENT, INCLUDING ALL AGENCY FEES, DEFAULT CHARGES, LATE CHARGES, ATTORNEYS' FEES AND REIMBURSEMENT FOR COSTS AND EXPENSES PAID BY THE AGENT OR ANY LENDER TO THIRD PARTIES OR FOR DAMAGES INCURRED BY THE AGENT OR ANY LENDER, ARE CHARGES MADE TO COMPENSATE THE AGENT OR ANY SUCH LENDER FOR UNDERWRITING OR ADMINISTRATIVE SERVICES AND COSTS OR LOSSES PERFORMED OR INCURRED, AND TO BE PERFORMED OR INCURRED, BY THE AGENT AND LENDERS IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO BE CHARGES FOR THE USE OF MONEY PURSUANT TO OFFICIAL CODE OF GEORGIA ANNOTATED SECTION 7-4-2 OR 7-4-18. ALL CHARGES OTHER THAN CHARGES FOR THE USE OF MONEY SHALL BE FULLY EARNED AND NONREFUNDABLE WHEN DUE.

SECTION 3.8. Statements of Account.

The Agent will account to the Borrower monthly with a statement of Loans, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed final, binding and conclusive on the Borrower absent demonstrable error. The failure of the Agent or any Lender to maintain or deliver such a statement of accounts shall not relieve or discharge the Borrower from its obligations hereunder.

SECTION 3.9. Reliance.

Neither the Agent nor any Lender shall incur any liability to the Borrower for acting upon any telephonic notice permitted under this Agreement which the Agent or such Lender believes reasonably and in good faith to have been given by an individual authorized to deliver the Notice of Borrowing, a Notice of Conversion or a Notice of Continuation on behalf of the Borrower.

SECTION 3.10. Taxes.

(a) Taxes Generally. All payments by the Borrower of principal of, and interest on, the Loans and all other Obligations shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes (other than withholding taxes) that would not be imposed but for a connection between the Agent or a Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Agent or such Lender pursuant to or in respect of this Agreement or any other Loan Document), (iii) any taxes imposed on or measured by any Lender's assets, net income, receipts or branch profits and (iv) any taxes arising after the Agreement Date solely as a result of or attributable to a Lender changing its designated Lending Office after the date such Lender becomes a party hereto (such non-excluded items being collectively called "Taxes"). If any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrower will:

(i) pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted;

(ii) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such Governmental Authority; and

(iii) pay to the Agent for its account or the account of the applicable Lender, as the case may be, such additional amount or amounts as is necessary to ensure that the net amount actually received by the Agent or such Lender will equal the full amount that the Agent or such Lender would have received had no such withholding or deduction been required.

(b) Tax Indemnification. If the Borrower fails to pay any Taxes when due to the appropriate Governmental Authority or fails to remit to the Agent, for its account or the account of the respective Lender, as the case may be, the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. For purposes of this Section, a distribution hereunder by the Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Borrower.

(c) Tax Forms. Prior to the date that any Lender or Participant organized under the laws of a jurisdiction outside the United States of America becomes a party hereto, such Person shall deliver to the Borrower and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto (including Internal Revenue Service Forms W-8ECI and W-8BEN, as applicable, or appropriate successor forms), properly completed, currently effective and duly executed by such Lender or Participant establishing that payments to it hereunder and under the Notes are (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax under the Code. Each such Lender or Participant shall (x) deliver further copies

of such forms or other appropriate certifications on or before the date that any such forms expire or become obsolete and after the occurrence of any event requiring a change in the most recent form delivered to the Borrower and (y) obtain such extensions of the time for filing, and renew such forms and certifications thereof, as may be reasonably requested by the Borrower or the Agent. The Borrower shall not be required to pay any amount pursuant to last sentence of subsection (a) above to any Lender or Participant that is organized under the laws of a jurisdiction outside of the United States of America or the Agent, if it is organized under the laws of a jurisdiction outside of the United States of America, if such Lender, Participant or the Agent, as applicable, fails to comply with the requirements of this subsection. If any such Lender or Participant fails to deliver the above forms or other documentation, then the Agent may withhold from such payment to such Lender such amounts as are required by the Code. If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including all fees and disbursements of any law firm or other external counsel and the allocated cost of internal legal services and all disbursements of internal counsel) of the Agent. The obligation of the Lenders under this Section shall survive the termination of the Commitments, repayment of all Obligations and the resignation or replacement of the Agent.

(d) Refunds. If the Agent or any Lender shall become aware that it is entitled to a refund in respect of Taxes for which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of the availability of such refund and shall, within 30 days after receipt of a written request by the Borrower, apply for such refund at the Borrower's sole cost and expense. So long as no Event of Default shall have occurred and be continuing, if the Agent or any Lender shall receive a refund in respect of any such Taxes as to which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of such refund and shall, within 30 days of receipt, pay such refund (to the extent of amounts that have been paid by the Borrower under this Section with respect to such refund and not previously reimbursed) to the Borrower, net of all reasonable out-of-pocket expenses of such Lender or the Agent and without interest (other than the interest, if any, included in such refund).

ARTICLE IV. YIELD PROTECTION, ETC.

SECTION 4.1. Additional Costs; Capital Adequacy.

(a) Additional Costs. The Borrower shall promptly pay to the Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or such obligation or the maintenance by such Lender of capital in respect of its LIBOR Loans or its Commitment (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that: (i) changes the basis of taxation of any amounts

payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or its Commitment (other than taxes imposed on or measured by the overall net income of such Lender or of its Lending Office for any of such LIBOR Loans by the jurisdiction in which such Lender has its principal office or such Lending Office), or (ii) imposes or modifies any reserve, special deposit or similar requirements (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System or other similar reserve requirement applicable to any other category of liabilities or category of extensions of credit or other assets by reference to which the interest rate on LIBOR Loans is determined) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, or other credit extended by, or any other acquisition of funds by such Lender (or its parent corporation), or any commitment of such Lender (including, without limitation, the Commitment of such Lender hereunder) or (iii) has or would have the effect of reducing the rate of return on capital of such Lender to a level below that which such Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy).

(b) Lender's Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsection (a), if by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue, or to Convert Base Rate Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 4.5. shall apply).

(c) Notification and Determination of Additional Costs. Each of the Agent and each Lender, as the case may be, agrees to notify the Borrower of any event occurring after the Agreement Date entitling the Agent or such Lender to compensation under any of the preceding subsections of this Section as promptly as practicable; provided, however, that the failure of the Agent or any Lender to give such notice shall not release the Borrower from any of its obligations hereunder. The Agent and each Lender, as the case may be, agrees to furnish to the Borrower (and in the case of a Lender to the Agent as well) a certificate setting forth the basis and amount of each request for compensation under this Section. Determinations by the Agent or such Lender, as the case may be, of the effect of any Regulatory Change shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

SECTION 4.2. Suspension of LIBOR Loans.

Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBO Rate for any Interest Period:

(a) the Agent reasonably determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of LIBO Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for LIBOR Loans as provided herein or is otherwise unable to determine LIBO Rate; or

(b) the Agent reasonably determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of LIBO Rate upon the basis of which the rate of interest for LIBOR Loans for such Interest Period is to be determined are not likely to adequately cover the cost to any Lender of making or maintaining LIBOR Loans for such Interest Period;

then the Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either prepay such Loan or Convert such Loan into a Base Rate Loan.

SECTION 4.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall determine (which determination shall be conclusive and binding) that it is unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy of such notice to the Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 4.5. shall be applicable).

SECTION 4.4. Compensation.

The Borrower shall pay to the Agent for account of a Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient to compensate such Lender for any loss, cost or expense that such Lender reasonably determines is attributable to:

(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan, or Conversion of a LIBOR Loan, made by such Lender for any reason (including, without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article V. to be satisfied) to borrow a LIBOR Loan from such Lender on the date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Not in limitation of the foregoing, such compensation shall include, without limitation, an amount equal to the then present value of (i) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the Interest Period at the rate applicable to such LIBOR Loan, less (ii) the amount of interest that would accrue on the same LIBOR Loan for the same period if the LIBO Rate were set on the date on which such LIBOR Loan was repaid, prepaid or

Converted or the date on which the Borrower failed to borrow, Convert or Continue such LIBOR Loan, as applicable, calculating present value by using as a discount rate the LIBO Rate quoted on such date. Upon Borrower's request (made through the Agent), any Lender seeking compensation under this Section shall provide the Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Any such statement shall be conclusive absent manifest error.

SECTION 4.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1.(b) or Section 4.3., then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 4.1.(b) or Section 4.3., on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 4.1. or Section 4.3. that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 4.1. or 4.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments.

SECTION 4.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.10., 4.1. or 4.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

ARTICLE V. CONDITIONS

SECTION 5.1. Effectiveness.

The obligation of the Lenders to make any Loans to or for the account of the Borrower in accordance with the terms hereof is subject to the condition precedent that the Borrower deliver to the Agent each of the following, each of which shall be in form and substance satisfactory to the Agent:

(a) counterparts of this Agreement executed by each of the parties hereto;

(b) Notes executed by the Borrower, payable to the order of each Lender in accordance with Section 2.7.;

(c) the Guaranty executed by the Parent and any other Person that would be required under Section 7.3.(a) to become a party to the Guaranty as of the Effective Date;

(d) an opinion of Foley & Lardner, counsel to the Borrower, the Parent and the other Guarantors, and addressed to the Agent and the Lenders in substantially the form of Exhibit O-1;

(e) an opinion of Alston & Bird LLP, counsel to the Agent, and addressed to the Agent and the Lenders in substantially the form of Exhibit O-2;

(f) a certificate in the form of an Unencumbered Pool Certificate (as defined in the Existing Credit Agreement) addressed to the Agent and the Lenders prepared as of the Effective Date and giving pro forma effect to the Acquisition, including the incurrence by the Borrower, any Subsidiary and any Unconsolidated Affiliate of any Indebtedness incurred in connection therewith;

(g) a copy of the Purchase Agreement and any other material Purchase Documents executed in connection therewith requested by the Agent, together with all amendments and supplements thereto, certified by a officer of the Borrower to be true, correct and complete copies and in full force and effect;

(h) a certificate of the chief executive officer, chief financial officer or other senior officer of the Borrower certifying that the Acquisition shall have been consummated in accordance with the terms of the Purchase Agreement, and that no provision of the Purchase Agreement shall have been waived, amended, supplemented or otherwise modified in an manner that could reasonably be expected to be materially adverse to the Lenders;

(i) a Compliance Certificate calculated as of the Agreement Date (giving pro forma effect to the Acquisition, the financing evidenced by this Agreement and the use of the proceeds of the Loans to be funded on the Effective Date), together with the Borrower’s reasonably detailed calculations showing that immediately following the making of the Loans, the condition described in Section 2.8.(e)(i) of the Existing Credit Agreement would not exist;

(j) the certificate of limited partnership of the Borrower certified as of a recent date by the Secretary of State of the State of Delaware;

(k) a Certificate of Good Standing issued as of a recent date by the Secretary of State of the State of Delaware;

(l) a certificate of incumbency signed by the Secretary or Assistant Secretary of the general partner of the Borrower with respect to each of the officers of the general partner of the Borrower authorized to execute and deliver the Loan Documents to which the Borrower is a party;

(m) certified copies (certified by the Secretary or Assistant Secretary of the general partner of the Borrower) of the partnership agreement of the Borrower and of all necessary action taken by the Borrower (and any of the partners of the Borrower) to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(n) the articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of each Guarantor certified as of a recent date by the respective Secretary of State of the State of formation of such Person;

(o) a Certificate of Good Standing or certificate of similar meaning with respect to each Guarantor issued as of a recent date by the respective Secretary of State of the State of formation of each such Person, as the case may be;

(p) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Guarantor with respect to each of the officers of such Person, authorized to execute and deliver the Loan Documents to which such Person is a party;

(q) copies certified by the Secretary or Assistant Secretary of each Guarantor (or other individual performing similar functions) of (i) the by-laws of such Person, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (ii) all corporate, partnership, member or other necessary action taken by such Person to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(r) a request from the Borrower for the Loans indicating how the proceeds thereof are to be made available to the Borrower, and if any of the Loans initially are to be LIBOR Loans, the Interest Period therefor;

(s) all loan closing fees and any other fees then due and payable to the Agent and the Lenders in connection with this Agreement; and

(t) such other documents, instruments and agreements as the Agent or any Lender may reasonably request.

SECTION 5.2. Conditions to All Loans.

The obligation of the Lenders to make any Loans is subject to the condition precedent that the following conditions be satisfied in the judgment of the Agent:

(a) immediately before and after the making of such Loan no Default or Event of Default shall have occurred and be continuing; and

(b) the representations and warranties of the Borrower and the Guarantors contained in the Loan Documents shall be true in all material respects on and as of the date of such Loan, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted hereunder and the other Loan Documents.

The delivery of the Notice of Borrowing and the making of each Loan shall constitute a certification by the Borrower to the Agent and the Lenders that the statements in the immediately preceding clauses (a) and (b) are true.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders as follows:

SECTION 6.1. Ownership Structure.

Part I of Schedule 6.1. is, as of the Agreement Date (but giving pro forma effect to the Acquisition), a complete and correct list of all Subsidiaries of the Parent (including all Subsidiaries of the Borrower), setting forth for each such Subsidiary, (a) the jurisdiction of organization of such Subsidiary, (b) each Person holding ownership interests in such Subsidiary, (c) the nature of the ownership interests held by each such Person and (d) the percentage of ownership of such Subsidiary represented by such ownership interests. Except as disclosed in such Schedule (i) each of the Parent and its Subsidiaries owns, free and clear of all Liens, and has the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it on such Schedule, (ii) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (iii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. Part II of Schedule 6.1. correctly sets forth all Unconsolidated Affiliates of the Parent as of the Agreement Date (but giving pro forma effect to the Acquisition), including the correct legal name of such Person, the type of legal entity which each such Person is, and all ownership interests in such Person held directly or indirectly by the Parent.

SECTION 6.2. Authorization of Agreement, Notes, Loan Documents and Borrowings.

(a) Loan Documents. Each Loan Party has the right and power, and has taken all necessary action to authorize it, to borrow hereunder (in the case of the Borrower) and to execute, deliver and perform this Agreement, the Notes and the other Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby, as the case may be. This Agreement, the Notes and each of the other Loan Documents to which any Loan Party is a party have been duly executed and delivered by such Loan Party and each is a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein may be limited by equitable principles generally.

(b) Purchase Documents. Each Loan Party and the Joint Venture has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform the Operating Agreement and the Purchase Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby, as the case may be. The Operating Agreement and the Purchase Documents to which any Loan Party or the Joint Venture is a party have been duly executed and delivered by such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein may be limited by equitable principles generally.

SECTION 6.3. Compliance of Agreement, Notes, Loan Documents and Borrowing with Laws, etc.

(a) Loan Documents. The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which any Loan Party is a party in accordance with their respective terms and the borrowing of Loans hereunder do not and will not, by the passage of time, the giving of notice or otherwise (a) require any Governmental Approval or violate any Applicable Law relating to any Loan Party the failure to possess or to comply with which would have a Materially Adverse Effect; (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent documents of any Loan Party, or any indenture, agreement or other instrument to which any Loan Party is a party or by which it or any of its respective properties may be bound and the violation of which would have a Materially Adverse Effect; or (c) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by any Loan Party other than Permitted Liens.

(b) Purchase Documents. The execution, delivery and performance of the Operating Agreement and any Purchase Document to which any Loan Party or the Joint Venture is a party in accordance with their respective terms do not and will not, by the passage of time, the giving

of notice or otherwise (a) require any Governmental Approval or violate any Applicable Law relating to any Loan Party or the Joint Venture the failure to possess or to comply with which would have a Materially Adverse Effect; (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent documents of any Loan Party or the Joint Venture, or any indenture, agreement or other instrument to which any Loan Party or the Joint Venture is a party or by which it or any of its respective properties may be bound and the violation of which would have a Materially Adverse Effect; or (c) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by any Loan Party or the Joint Venture other than Permitted Liens.

SECTION 6.4. Absence of Defaults.

None of the Borrower, any Guarantor or any other Subsidiary of the Parent is in default under its articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document, and no event has occurred, which has not been remedied, cured or waived (a) which constitutes a Default or an Event of Default; or (b) which constitutes, or which with the passage of time, the giving of notice or otherwise, would constitute, a default or event of default any such Person under any judgment, decree or order to which any such Person is a party or by which it or any of its properties may be bound.

SECTION 6.5. Financial Information.

The Borrower and the Parent have furnished to each Lender copies of their respective audited consolidated balance sheets dated December 31, 2004, and the related consolidated related statements of operations, stockholders' equity and cash flows for the periods then ended (the "Financial Statements"). The chief financial officer of the Parent has certified that the Financial Statements have been prepared in accordance with GAAP, are complete and correct and present fairly the financial position of the Borrower and the Parent as of their respective dates. Each of the financial projections delivered, or required to be delivered, by the Borrower to the Agent or any Lender, whether prior to, on or after the date hereof represents or will represent, as of the date thereof, the reasonable good faith estimates of the Borrower's financial performance. None of the Borrower, the Parent or any of its Consolidated Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statements. Since December 31, 2004, there has been no material adverse change in the financial condition, operations, business or prospects of the Parent or any of its Subsidiaries. Each of the Parent, the Borrower, the other Guarantors and the other Subsidiaries is, and immediately after giving effect to the Acquisition and the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith will be, Solvent.

SECTION 6.6. Full Disclosure.

All written information furnished by or on behalf of the Borrower, any Guarantor or any other Subsidiary of the Parent to the Agent and the Lenders for purposes of or in connection with

this Agreement and the other Loan Documents or any transaction contemplated hereby is, and all such information hereafter furnished by or on behalf of the Borrower, any Guarantor or any other Subsidiary of the Parent to the Agent or any of the Lenders will be true and accurate in all material respects on the date as of which such information is stated or certified and does not, and will not, fail to state any material facts necessary to make the statements contained therein not misleading. The Parent has disclosed to the Agent in writing any and all facts known to the Parent which materially and adversely affect or may affect (to the extent the Parent can now reasonably foresee), the business, operations or financial condition of the Borrower, each Guarantor and each of the other Subsidiaries or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party.

SECTION 6.7. Non-Guarantor Entities.

No Non-Guarantor Entity or Unconsolidated Affiliate that has failed to become a party to the Guaranty under Section 7.3.(a) satisfies any condition contained in Section 7.3.(a).

SECTION 6.8. Tax Shelter Regulations.

None of the Borrower, any other Loan Party nor any other Subsidiary of the Parent intends to treat the Loans or the transactions contemplated by this Agreement and the other Loan Documents as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4). If the Borrower, any other Loan Party or any other Subsidiary of the Parent determines to take any action inconsistent with such intention, the Borrower will promptly notify the Agent thereof. If the Borrower so notifies the Agent, the Borrower acknowledges that one or more of the Lenders may treat its Loans as part of a transaction that is subject to Treasury Regulation Section 301.6112-1, and such Lender or Lenders, as applicable, will maintain the lists and other records, including the identity of the applicable Loan Parties, all as required by such Treasury Regulation.

SECTION 6.9. Accuracy of Representations in Operating Agreement and Purchase Documents.

As of the Effective Date, the representations and warranties contained in the Operating Agreement and Purchase Documents made by the Borrower, any Subsidiary, the Parent, Macquarie CountryWide (US) No. 2 Corporation or the Joint Venture are true and correct in all material respects.

SECTION 6.10. Existing Credit Agreement Representations.

The Existing Credit Agreement Representations, which are hereby incorporated in this Agreement by reference as if set forth herein in full together with the related definitions, are each true and correct as if made on the date hereof (or any other date on which the other representations and warranties contained herein are made or deemed made), except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under the Existing Credit Agreement or the other Loan Documents (as defined in the Existing Credit

Agreement). For purposes of this Section, if any definition incorporated by reference herein conflicts with a definition set forth herein, the definition incorporated by reference herein shall apply.

ARTICLE VII. COVENANTS

SECTION 7.1. Certain Notices and Information.

The Borrower and the Parent, as applicable, will deliver to the Agent:

(a) simultaneously with the delivery of each set of financial statements of the Parent delivered to the Agent and the Lenders, a certificate of the chief financial officer of the Parent substantially in the form of Exhibit Q to the Existing Credit Agreement (i) setting forth the information required to be contained therein pursuant to Section 7.1.(c) of the Existing Credit Agreement and (ii) stating whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Parent and the Borrower are taking or proposes to take with respect thereto;

(b) within five days after any executive officer of the Borrower or the Parent obtains knowledge of any Default or Event of Default, a certificate of the president or chief financial officer of the Borrower or Parent, as applicable, setting forth the details thereof and the action which the Borrower or Parent is taking or proposes to take with respect thereto; and

(c) from time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of the Parent, the Borrower, any Guarantor or any other Subsidiary of the Parent as the Agent or any Lender may reasonably request.

SECTION 7.2. Use of Proceeds.

The Borrower will only use the proceeds of the Loans to finance its initial capital contribution to the Joint Venture. The Borrower may not use any proceeds of the Loans for the purpose of purchasing or carrying any “margin stock” within the meaning of Regulations U and X.

SECTION 7.3. New Guarantors; Release.

(a) Generally. The Parent shall cause any Subsidiary and any Unconsolidated Affiliate that is not already a Guarantor (each a “New Guarantor”) to execute and deliver to the Agent an Accession Agreement, together with the other items required to be delivered under subsection (c) below, if such New Guarantor Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of (i) the Parent; (ii) the Borrower; (iii) any other Subsidiary of the Parent or the Borrower; or (iv) any Non-Guarantor Entity (except in the case of an Unconsolidated Affiliate Guaranteeing, or otherwise becoming obligated in respect of, any Indebtedness of another Unconsolidated Affiliate). Any such Accession Agreement and the other items required under subsection (c) below must be delivered to the Agent no later than 10 days following the date on which any of the above conditions first applies to a Subsidiary.

(b) Other Guarantors. The Parent may, at its option, cause any other Person that is not already a Guarantor to become a New Guarantor by executing and delivering to the Agent an Accession Agreement, together with the other items required to be delivered under the subsection (c) below.

(c) Required Deliveries. Each Accession Agreement delivered by a New Guarantor under the immediately preceding subsections (a) or (b) shall be accompanied by all of the following items, each in form and substance satisfactory to the Agent:

(i) the articles of incorporation, articles of organization, certificate of limited partnership or other comparable organizational instrument (if any) of such New Guarantor certified as of a recent date by the Secretary of State of the State of formation of such New Guarantor;

(ii) a Certificate of Good Standing or certificate of similar meaning with respect to such New Guarantor issued as of a recent date by the Secretary of State of the State of formation of such New Guarantor and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which such New Guarantor is required to be so qualified;

(iii) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of such New Guarantor with respect to each of the officers of such New Guarantor authorized to execute and deliver the Loan Documents to which such New Guarantor is a party;

(iv) copies certified by the Secretary or Assistant Secretary of such New Guarantor (or other individual performing similar functions) of (1) the by-laws of such New Guarantor, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (2) all corporate, partnership, member or other necessary action taken by such New Guarantor to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(v) an opinion of counsel to the Borrower and such New Guarantor, addressed to the Agent and Lenders, and regarding, among other things, the authority of such New Guarantor to execute, deliver and perform the Guaranty, and such other matters as the Agent or its counsel may request; and

(vi) such other documents and instruments as the Agent may reasonably request.

(d) Release of Guarantor. The Borrower may request in writing that the Agent release, and upon receipt of such request the Agent shall release, a Guarantor from the Guaranty

so long as: (i) such Guarantor is not the Parent; (ii) such Guarantor is not required to be a party to the Guaranty under this Section; and (iii) no Default or Event of Default shall then be in existence or would occur as a result of such release.

SECTION 7.4. Certain Covenants of Existing Credit Agreement.

The Borrower and the Parent will perform, comply with and be bound by, for the benefit of the Agent and the Lenders, each of its agreements, covenants and obligations contained in the Existing Credit Agreement (other than those contained in Section 8.17.(a) of the Existing Credit Agreement), each of which (together with the related definitions and ancillary provisions) is hereby incorporated herein by reference.

ARTICLE VIII. DEFAULTS

SECTION 8.1. Events of Default.

If one or more of the following events shall have occurred and be continuing:

(a) Default in Payment. The Borrower shall fail to pay (i) the principal amount of any Loan when due or (ii) any interest on any Loan or other Obligation, or any fees or other Obligations, owing by it, solely in the case of this clause (ii), within 5 Business Days of the due date thereof.

(b) Default in Performance-Cure. The Parent or the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by the immediately preceding subsection (a)) for a period of 30 days after written notice thereof has been given to the Borrower or the Parent, as applicable, by the Agent.

(c) Other Loan Documents. An Event of Default under and as defined in any Loan Document shall occur and be continuing or any Loan Party shall fail to observe or perform any covenant or agreement contained in any of the Loan Documents to which it is a party and such failure shall continue beyond any applicable period of grace.

(d) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of the Parent, the Borrower, any Guarantor or any other Loan Party under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any other writing or statement at any time furnished or made or deemed made by or on behalf of the Parent, the Borrower, any Guarantor or any other Loan Party to the Agent or any Lender, shall at any time prove to have been incorrect or misleading in any material respect when furnished or made.

(e) Voluntary Bankruptcy Proceeding. The Parent, the Borrower, any Guarantor, any other Loan Party or any other Affiliates shall: (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any

petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws or consent to any proceeding or action described in the immediately following subsection; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(f) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against the Parent, the Borrower, any Guarantor, any other Loan Party or any other Affiliates, in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in such case or proceeding against such Person (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(g) Guarantors. Any Guarantor shall fail to comply with any term, covenant, condition or agreement contained in the Guaranty, or any Guarantor shall disavow, revoke or terminate or attempt to do any of the foregoing with respect to the Guaranty.

(h) Existing Credit Agreement Default. Subject to Section 10.15.(a), an Existing Credit Agreement Default (each Existing Credit Agreement Default being hereby incorporated herein by reference) shall occur.

SECTION 8.2. Remedies.

Upon the occurrence of an Event of Default, and in every such event, the Agent shall, upon the direction of the Requisite Lenders, (i) by notice to the Borrower terminate the Commitments, which shall thereupon terminate, and (ii) by notice to the Borrower declare the Loans and all other Obligations to be, and the Loans and all other Obligations shall thereupon become, immediately due and payable without presentment, demand, protest or notice of intention to accelerate, all of which are hereby waived by the Borrower. Notwithstanding the foregoing, upon the occurrence of any of the Events of Default specified in Section 8.1.(e) or (f) above, without any notice to the Borrower or any other act by the Agent, the Commitments shall thereupon immediately and automatically terminate and the Loans and all other Obligations shall become immediately due and payable without presentment, demand, protest, notice of intention to accelerate or notice of acceleration, or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 8.3. Allocation of Proceeds.

If an Event of Default shall have occurred and be continuing and the maturity of the Notes has been accelerated, all payments received by the Agent under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder or thereunder, shall be applied by the Agent in the following order and priority:

(a) amounts due to the Agent and the Lenders in respect of fees and expenses due under Section 10.3.;

(b) payments of interest on all other Loans, to be applied for the ratable benefit of the Lenders;

(c) payments of principal of all other Loans, to be applied for the ratable benefit of the Lenders;

(d) amounts due to the Agent and the Lenders pursuant to Sections 9.6. and 10.5.;

(e) payments of all other amounts due and owing by the Borrower under any of the Loan Documents, if any, to be applied for the ratable benefit of the Lenders; and

(f) any amount remaining after application as provided above, shall be paid to the Borrower or whomever else may be legally entitled thereto.

SECTION 8.4. Rights Cumulative.

The rights and remedies of the Agent and the Lenders under this Agreement and each of the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Agent and the Lenders may be selective and no failure or delay by the Agent or any of the Lenders in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

SECTION 8.5. Rescission of Acceleration by Requisite Lenders.

If at any time after acceleration of the maturity of the Loans and the other Obligations, the Borrower shall pay all arrears of interest and all payments on account of principal of the Obligations which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by Applicable Law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Defaults (other than nonpayment of principal of and accrued interest on the Obligations due and payable solely by virtue of acceleration) shall become remedied or waived to the satisfaction of the Requisite Lenders, then by written notice to the Borrower, the Requisite Lenders may elect, in the sole discretion of such Requisite Lenders, to rescind and annul the acceleration and its consequences. The provisions of

the preceding sentence are intended merely to bind all of the Lenders to a decision which may be made at the election of the Requisite Lenders, and are not intended to benefit the Borrower and do not give the Borrower the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are satisfied.

ARTICLE IX. THE AGENT

SECTION 9.1. Appointment and Authorization.

Each Lender hereby irrevocably appoints and authorizes the Agent to take such action as contractual representative on such Lender's behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Not in limitation of the foregoing, each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Agent a trustee or fiduciary for any Lender or to impose on the Agent duties or obligations other than those expressly provided for herein. Without limiting the generality of the foregoing, the use of the terms "Agent", "agent" and similar terms in the Loan Documents with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, use of such terms is merely a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Agent shall deliver to each Lender, promptly upon receipt thereof by the Agent, copies of each of the financial statements, certificates, notices and other documents delivered to the Agent pursuant to Section 7.1. The Agent will also furnish to any Lender, upon the request of such Lender, a copy (or, where appropriate, an original) of any document, instrument, agreement, certificate or notice furnished to the Agent by the Borrower, any Loan Party or any other Affiliate of the Borrower, pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that, notwithstanding anything in this Agreement to the contrary, the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Agent shall not exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have directed the Agent to exercise such right or remedy. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Requisite Lenders, or where applicable, all the Lenders.

SECTION 9.2. Wells Fargo as Lender.

Wells Fargo, as a Lender, shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Wells Fargo in each case in its individual capacity. Wells Fargo and its affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, serve as financial advisor to, and generally engage in any kind of business with the Borrower, any other Loan Party or any other affiliate thereof as if it were any other bank and without any duty to account therefor to the other Lenders. Further, the Agent and any affiliate may accept fees and other consideration from the Borrower for services in connection with this Agreement and otherwise without having to account for the same to the other Lenders except as expressly stated otherwise herein. The Lenders acknowledge that, pursuant to such activities, Wells Fargo or its affiliates may receive information regarding the Borrower, other Loan Parties, other Subsidiaries and other Affiliates (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Agent shall be under no obligation to provide such information to them.

SECTION 9.3. Approvals of the Lenders.

All communications from the Agent to any Lender requesting such Lender's determination, consent, approval or disapproval (a) shall be given in the form of a written notice to such Lender, (b) shall be accompanied by a description of the matter or issue as to which such determination, approval, consent or disapproval is requested, or shall advise such Lender where information, if any, regarding such matter or issue may be inspected, or shall otherwise describe the matter or issue to be resolved, (c) shall include, if reasonably requested by such Lender and to the extent not previously provided to such Lender, written materials and a summary of all oral information provided to the Agent by the Borrower in respect of the matter or issue to be resolved, and (d) shall include the Agent's recommended course of action or determination in respect thereof. Unless a Lender shall give written notice to the Agent that it specifically objects to the recommendation or determination of the Agent (together with a reasonable written explanation of the reasons behind such objection) within 10 Business Days (or such lesser or greater period as may be specifically required under the express terms of the Loan Documents) of receipt of such communication, such Lender shall be deemed to have conclusively approved of or consented to such recommendation or determination.

SECTION 9.4. Notice of Defaults.

The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender or the Borrower referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default." If any Lender (excluding the Lender which is also serving as the Agent) becomes aware of any Default or Event of Default, it shall promptly send to the Agent such a "notice of default". Further, if the Agent receives such a "notice of default," the Agent shall give prompt notice thereof to the Lenders.

SECTION 9.5. Agent's Reliance, Etc.

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Agent nor any of its directors, officers, agents, employees or counsel shall be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful misconduct in connection with its duties expressly set forth herein or therein. Without limiting the generality of the foregoing, the Agent: may consult with legal counsel (including its own counsel or counsel for the Borrower or any other Loan Party), independent public accountants and other experts selected by it with reasonable care and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. Neither the Agent nor any of its directors, officers, agents, employees or counsel: (a) makes any warranty or representation to any Lender or any other Person and shall be responsible to any Lender or any other Person for any statement, warranty or representation made or deemed made by the Borrower, any other Loan Party or any other Person in or in connection with this Agreement or any other Loan Document; (b) shall have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons or inspect the property, books or records of the Borrower or any other Person; (c) shall be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Agent on behalf of the Lenders in any such collateral; (d) shall have any liability in respect of any recitals, statements, certifications, representations or warranties contained in any of the Loan Documents or any other document, instrument, agreement, certificate or statement delivered in connection therewith; and (e) shall incur any liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone, telecopy or electronic mail) believed by it to be genuine and signed, sent or given by the proper party or parties. The Agent may execute any of its duties under the Loan Documents by or through agents, employees or attorneys-in-fact and shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

SECTION 9.6. Indemnification of the Agent.

Regardless of whether the transactions contemplated by this Agreement and the other Loan Documents are consummated, each Lender severally agrees to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Pro Rata Share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent (in its capacity as Agent but not as a "Lender") in

any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment *provided*, *however*, that no action taken in accordance with the directions of the Requisite Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limiting the generality of the foregoing, each Lender severally agrees to reimburse the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) promptly upon demand for its ratable share of any out-of-pocket expenses (including the reasonable fees and expenses of the counsel to the Agent) actually incurred by the Agent in connection with the preparation, negotiation, execution, administration, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Agent to enforce the terms of the Loan Documents and/or collect any Obligations, any "lender liability" suit or claim brought against the Agent and/or the Lenders, and any claim or suit brought against the Agent and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Agent notwithstanding any claim or assertion that the Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Agent that the Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that the Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Agent for any Indemnifiable Amount following payment by any Lender to the Agent in respect of such Indemnifiable Amount pursuant to this Section, the Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

SECTION 9.7. Lender Credit Decision, Etc.

Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or other affiliates has made any representations or warranties to such Lender and that no act by the Agent hereinafter taken, including any review of the affairs of the Borrower, the Guarantors, the other Loan Parties and their affiliates, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender acknowledges that it has, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on the financial statements of the Borrower, the Guarantors, the other Loan Parties and their affiliates, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the transaction contemplated hereby. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall have no duty or

responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any Guarantor, any other Loan Party or any other Affiliate which may come into possession of the Agent or any of its officers, directors, employees, the Agents, attorneys-in-fact or other affiliates. Each Lender acknowledges that the Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

SECTION 9.8. Successor Agent.

The Agent may resign at any time as Agent under the Loan Documents by giving written notice thereof to the Lenders and the Borrower. The Agent may be removed as Agent under the Loan Documents for gross negligence or wilfull misconduct by all Lenders (other than the Lender then acting as Agent) upon 30-day's prior notice. Upon any such resignation or removal, the Requisite Lenders (which, in the case of the removal of the Agent as provided in the immediately preceding sentence, shall be determined without regard to the Commitment of the Lender then acting as Agent) shall have the right to appoint a successor Agent which appointment shall, provided no Default or Event of Default exists, be subject to the Borrower's approval, which approval shall not be unreasonably withheld or delayed (except that the Borrower shall, in all events, be deemed to have approved each Lender and any of its affiliates as a successor Agent). If no successor Agent shall have been so appointed in accordance with the immediately preceding sentence, and shall have accepted such appointment, within 30 days after the current Agent's giving of notice of resignation or the Lenders' removal of the current Agent, then the current Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be an Eligible Assignee. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the current Agent, and the current Agent shall be discharged from its duties and obligations under the Loan Documents. After any Agent's resignation or removal hereunder as Agent, the provisions of this Article shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under the Loan Documents. Notwithstanding anything contained herein to the contrary, the Agent may assign its rights and duties under the Loan Documents to any of its affiliates by giving the Borrower and each Lender prior written notice.

SECTION 9.9. Titled Agents.

The Sole Lead Arranger in such capacity, assumes no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for the Lenders. The title given to the Sole Lead Arranger is solely honorific and implies no fiduciary responsibility on the part of the Sole Lead Arranger to the Agent, any Lender, the Borrower or any other Loan Party and the use of such title does not impose on the Sole Lead Arranger any duties or obligations greater than those of any other Lender or entitle the Sole Lead Arranger to any rights other than those to which any other Lender is entitled.

ARTICLE X. MISCELLANEOUS

SECTION 10.1. Notices.

(a) Generally. All notices, requests and other communications to any party under the Loan Documents shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party as follows:

If to the Borrower:

Regency Centers Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Chief Financial Officer
Telecopier: (904) 634-3428
Telephone: (904) 356-7000

If to a Lender or the Agent:

To such Lender's or the Agent's Lending Office

or as to each party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (a) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (b) if given by any other means (including facsimile), when delivered at the applicable address provided for in this Section; provided that notices to the Agent under Article II., and any notice of a change of address for notices, shall not be effective until received. In addition to the Agent's Lending Office, the Borrower shall send copies of the information described in Section 7.1. to the following address of the Agent:

Wells Fargo Bank, National Association
Real Estate Group
Koll Center
2030 Main Street, Suite 800
Irvine, California 92714
Attention: Ms. Rita Swayne

(b) Electronic Document Delivery. Documents required to be delivered pursuant to the Loan Documents may be delivered by electronic communication and delivery, including, the Internet, e-mail or intranet websites to which the Agent and each Lender have access (including a commercial, third-party website such as www.Edgar.com <http://www.Edgar.com> or a website sponsored or hosted by the Agent or the Borrower); provided, however, that the foregoing shall not apply to notices to any Lender (i) pursuant to Article II. or (ii) if such Lender has not notified the Agent and the Borrower that such Lender cannot or does not want to receive electronic communications. Documents delivered electronically shall be deemed to have been delivered twenty-four (24) hours after the date and time on which the Agent or the Borrower posts such

documents or the documents become available on a commercial website and the Agent or the Borrower notifies each Lender of said posting and provides a link thereto; provided, however, if such notice or other communication is not sent or posted during the normal business hours of the recipient, said posting date and time shall be deemed to have commenced as of 9:00 a.m. on the opening of business on the next business day for the recipient. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the certificate required by Section 8.1.(c) of the Existing Credit Agreement to the Agent and shall deliver paper copies of any documents to the Agent or to any Lender that requests such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender to the Borrower. The Agent shall have no obligation to request the delivery of or to maintain paper copies of any documents delivered electronically, and in no event shall have any responsibility to monitor compliance by the Borrower with any such request for delivery. Each Lender shall be solely responsible for requesting delivery to it of paper copies and maintaining its paper or electronic documents.

SECTION 10.2. No Waivers.

No failure or delay by the Agent or any Lender in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in the Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 10.3. Expenses.

The Borrower agrees to pay on demand all present and future reasonable expenses of:

(a) the Agent in connection with the negotiation, preparation, execution and delivery (including reasonable out-of-pocket costs and expenses incurred in connection with the assignment of Commitments pursuant to Section 10.8.) of this Agreement, the Notes and each of the other Loan Documents, whenever the same shall be executed and delivered, including appraisers' fees, search fees, recording fees and the reasonable fees and disbursements of: (i) Alston & Bird LLP, counsel for the Agent, and (ii) each local counsel retained by the Agent;

(b) the Agent in connection with the negotiation, preparation, execution and delivery of any waiver, amendment or consent by the Agent or any Lender relating to this Agreement, the Notes or any of the other Loan Documents or sales of participations in any Lender's Commitment, including the reasonable fees and disbursements of counsel to the Agent;

(c) the Agent and each of the Lenders in connection with any restructuring, refinancing or "workout" of the transactions contemplated by this Agreement, the Notes and the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent actually incurred;

(d) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the collection or enforcement of the obligations of the Borrower

under this Agreement, the Notes or any other Loan Document, including the reasonable fees and disbursements of counsel to the Agent or to any Lender actually incurred if such collection or enforcement is done by or through an attorney;

(e) subject to any limitation contained in Section 10.5., the Agent and each of the Lenders in connection with prosecuting or defending any claim in any way arising out of, related to, or connected with this Agreement, the Notes or any of the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred and of experts and other consultants retained by the Agent or any Lender in connection therewith;

(f) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the exercise by the Agent or any Lender of any right or remedy granted to it under this Agreement, the Notes or any of the other Loan Documents including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred;

(g) the Agent in connection with costs and expenses incurred by the Agent in gaining possession of, maintaining, appraising, selling, preparing for sale and advertising to sell any collateral security, whether or not a sale is consummated; and

(h) the Agent and each of the Lenders, to the extent not already covered by any of the preceding subsections, in connection with any bankruptcy or other proceeding of the type described in Sections 8.1.(e) or (f), and the reasonable fees and disbursements of counsel to the Agent and any Lender actually incurred in connection with the representation of the Agent or such Lender in any matter relating to or arising out of any such proceeding, including without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Agent or such Lender and (iii) the negotiation and preparation of any plan of reorganization of the Borrower, whether proposed by the Borrower, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding.

SECTION 10.4. Stamp, Intangible and Recording Taxes.

The Borrower agrees to pay any and all stamp, intangible, registration, recordation and similar taxes, fees or charges and shall indemnify the Agent and each Lender against any and all liabilities with respect to or resulting from any delay in the payment or omission to pay any such taxes, fees or charges, which may be payable or determined to be payable in connection with the execution, delivery, recording, performance or enforcement of this Agreement, the Notes and any of the other Loan Documents or the perfection of any rights or Liens thereunder.

SECTION 10.5. Indemnification.

The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Agent and each of the Lenders and their respective directors, officers, the agents and employees from and against (a) any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it results from their own gross

negligence or willful misconduct) arising out of or by reason of any litigation, investigations, claims or proceedings which arise out of or are in any way related to: (i) this Agreement or the transactions contemplated thereby; (ii) the making of Loans; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans; or (iv) the Agent's or the Lenders' entering into this Agreement, the other Loan Documents or any other agreements and documents relating hereto, including, without limitation, amounts paid in settlement, court costs and the reasonable fees and disbursements of counsel incurred in connection with any such litigation, investigation, claim or proceeding or any advice rendered in connection with any of the foregoing and (b) any such losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred in connection with any remedial or other similar action taken by the Borrower, the Agent or any of the Lenders in connection with the required compliance by the Borrower or any of the Subsidiaries, or any of their respective properties, with any federal, state or local Environmental Laws or other material environmental rules, regulations, orders, directions, ordinances, criteria or guidelines. If and to the extent that the obligations of the Borrower hereunder are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law. The Borrower's obligations hereunder shall survive any termination of this Agreement and the other Loan Documents and the payment in full of the Obligations, and are in addition to, and not in substitution of, any other of its other obligations set forth in this Agreement and the other Loan Documents.

SECTION 10.6. Setoff.

Subject to Section 3.4. and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent, each Lender and each Participant is hereby authorized by the Borrower, at any time or from time to time while an Event of Default exists, without notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or a Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender or any affiliate of the Agent or such Lender, to or for the credit or the account of the Borrower against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 8.2., and although such obligations shall be contingent or unmatured.

SECTION 10.7. Amendments and Waivers.

(a) Generally. Except as otherwise expressly provided in this Agreement, (i) any consent or approval required or permitted by this Agreement or in any Loan Document to be given by the Lenders may be given, (ii) any term of this Agreement or of any other Loan Document (other than any fee letter solely between the Borrower and the Agent) may be amended, (iii) the performance or observance by the Borrower or any other Loan Party of any terms of this Agreement or such other Loan Document (other than any fee letter solely between the Borrower and the Agent) may be waived, and (iv) the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or

prospectively) with, but only with, the written consent of the Requisite Lenders (or the Agent at the written direction of the Requisite Lenders), and, in the case of an amendment to any Loan Document, the written consent of each Loan Party which is party thereto.

(b) Certain Requisite Lender Consents. Notwithstanding the foregoing, no amendment, waiver or consent shall, unless in writing, and signed by the Requisite Lenders (which must include the Lender then acting as Agent) or the Agent at the written direction of such Requisite Lenders, do any of the following:

(i) amend Section 9.2. or 9.7. of the Existing Credit Agreement incorporated herein by reference or waive any Default or Event of Default occurring under Section 8.1. resulting from a violation of either such Section; or

(ii) modify the definitions of the terms “Borrowing Base”, “Total Liabilities”, “Gross Asset Value”, “Unencumbered Pool Value”, “Unencumbered NOI” or “Indebtedness” (or the definitions used in such definition or the percentages or rates used in the calculation thereof) to the extent incorporated herein by reference.

(c) Unanimous Consent. Notwithstanding the foregoing, no amendment, waiver or consent shall, unless in writing, and signed by all of the Lenders (or the Agent at the written direction of all of the Lenders), do any of the following:

(i) increase the Commitments of the Lenders (excluding any increase as a result of an assignment of Commitments permitted under Section 10.8.) or subject the Lenders to any additional obligations;

(ii) reduce the principal of, or interest rates that have accrued or that will be charged on the outstanding principal amount of, any Loans or other Obligations;

(iii) reduce the amount of any Fees payable to the Lenders hereunder;

(iv) postpone any date fixed for any payment of principal of, or interest on, any Loans or for the payment of Fees or any other Obligations;

(v) change the Pro Rata Shares (excluding any change as a result of an assignment of Commitments permitted under Section 10.8.;);

(vi) amend this Section or amend the definitions of the terms used in this Agreement or the other Loan Documents insofar as such definitions affect the substance of this Section;

(vii) modify the definition of the term “Requisite Lenders” or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof;

(viii) release any Guarantor from its obligations under the Guaranty except as contemplated under Section 7.3.(d); or

(ix) waive a Default or Event of Default under Section 8.1.(a).

(d) Amendment of Agent's Duties, Etc. No amendment, waiver or consent unless in writing and signed by the Agent, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

SECTION 10.8. Successors and Assigns.

(a) Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all the Lenders (and any such assignment or transfer to which all of the Lenders have not consented shall be void).

(b) Participations. Any Lender may at any time grant to an affiliate of such Lender, or one or more banks or other financial institutions (each a "Participant") participating interests in its Commitment or the Obligations owing to such Lender. Except as otherwise provided in Section 10.6., no Participant shall have any rights or benefits under this Agreement or any other Loan Document. In the event of any such grant by a Lender of a participating interest to a Participant, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided however, such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase such Lender's Commitment, (ii) extend the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender, or (iii) reduce the rate at which interest is payable thereon. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Assignments. Any Lender may with the prior written consent of the Agent and the Borrower (which consent in each case, shall not be unreasonably withheld) at any time assign

to one or more Eligible Assignees (each an "Assignee") all or a portion of its rights and obligations under this Agreement and the Notes; provided, however, (i) no such consent by the Borrower shall be required (x) if a Default or Event of Default shall exist or (y) in the case of an assignment to another Lender or an affiliate of another Lender; (ii) any partial assignment shall be in an amount at least equal to $10,000,000 and after giving effect to such assignment the assigning Lender retains a Commitment, or if the Commitments have been terminated, holds Notes having an aggregate outstanding principal balance, of at least $10,000,000; (iii) after giving effect to any such assignment by the Agent, the Agent in its capacity as a Lender shall retain a Commitment, or if the Commitments have been terminated, hold Notes having an aggregate outstanding principal balance, greater than or equal to the Commitment of each other Lender (other than any Lender whose Commitment has increased as a result of a merger or combination with another Lender); and (iv) each such assignment shall be effected by means of an Assignment and Acceptance Agreement. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be deemed to be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such Assignment and Acceptance Agreement, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Agent and the Borrower shall make appropriate arrangement so the new Notes are issued to the Assignee and such transferor Lender, as appropriate. In connection with any such assignment, the transferor Lender shall pay to the Agent an administrative fee for processing such assignment in the amount of $3,000. Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to the Borrower, the Parent or any of their respective affiliates or Subsidiaries.

(d) Federal Reserve Bank Assignments. In addition to the assignments and participations permitted under the foregoing provisions of the Section, and without the need to comply with any of the formal or procedural requirements of this Section, any Lender may at any time and from time to time, pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from its obligation thereunder. To facilitate any such pledge or assignment, Agent shall, at the request of such Lender, enter into a letter agreement with the Federal Reserve Bank in, or substantially in, the form of the exhibit to Appendix C to the Federal Reserve Bank of New York Operating Circular No 10, as amended from time to time.

(e) Information to Assignee, Etc. A Lender may furnish any information concerning the Borrower, any Subsidiary or any other Loan Party in the possession of such Lender from time to time to Assignees and Participants (including prospective Assignees and Participants).

SECTION 10.9. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

SECTION 10.10. USA Patriot Act Notice; Compliance.

The USA Patriot Act of 2001 (Public Law 107-56) and federal regulations issued with respect thereto require all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, the Agent or a Lender may from time-to-time request, and the Borrower shall provide to the Agent or such Lender, the name, address, tax identification number and/or such other identification information regarding the Borrower or any of its Subsidiaries as shall be necessary for the Agent or such Lender to comply with federal law. An "account" for this purpose may include, without limitation, a deposit account, cash management service, a transaction or asset account, a credit account, a loan or other extension of credit, and/or other financial services product.

SECTION 10.11. Litigation.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND THAT A TRIAL BY JURY COULD RESULT IN SIGNIFICANT DELAY AND EXPENSE. ACCORDINGLY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF LENDERS, THE AGENT AND THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST THE BORROWER ARISING OUT OF THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS OF ANY KIND OR NATURE RELATING IN ANY WAY TO THE LOAN DOCUMENTS.

(b) EACH PARTY HERETO HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF THE AGENT, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA, SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE BORROWER AND THE PARENT EACH EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION. FURTHER, THE BORROWER AND THE PARENT EACH IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

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

SECTION 10.12. Confidentiality.

Except as otherwise provided by Applicable Law, the Agent and each Lender shall utilize all non-public information obtained pursuant to the requirements of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices but in any event may make disclosure: (a) to any of their respective affiliates (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (b) as reasonably required by any bona fide Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or participations therein as permitted hereunder (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required by any Governmental Authority or representative thereof or pursuant to legal process; (d) to the Agent's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); and (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Agent or the Lenders of rights hereunder or under any of the other Loan Documents.

SECTION 10.13. Counterparts; Integration.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement, together with the other Loan Documents, constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 10.14. Invalid Provisions.

Any provision of this Agreement or any other Loan Document held by a court of competent jurisdiction to be illegal, invalid or unenforceable shall not invalidate the remaining provisions of such Loan Document which shall remain in full force and effect and the effect thereof shall be confined to the provision held invalid or illegal.

SECTION 10.15. Existing Credit Agreement Provisions.

(a) Notwithstanding any provision of any Loan Document to the contrary, the Borrower, the Parent, the Agent and the Lenders hereby agree that on or after the Agreement Date any amendment to, or waiver of, (i) the Existing Credit Agreement Representations, (ii) the

Existing Credit Agreement Defaults or (iii) the covenants from the Existing Credit Agreement referred to in Section 7.4., which has been consented to by the Requisite Lenders, shall be deemed to be incorporated herein by reference and shall become effective hereunder when such amendment or waiver becomes effective thereunder, without any further action necessary by the Borrower, the Parent, the Agent or the Lenders; provided, however, if an Event of Default (as defined in the Existing Credit Agreement) shall occur as a result of a breach of any term or provision of the Existing Credit Agreement that is not incorporated into this Agreement and such Event of Default shall be waived by the parties to the Existing Credit Agreement in accordance with the terms thereof, then the occurrence of such Event of Default shall not, in and of itself, cause an Event of Default hereunder. Any such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given. The Borrowers agree to provide promptly the Agent and each Lender with a copy of such amendment or waiver.

(b) The Existing Credit Agreement Representations, the Existing Credit Agreement Defaults and the covenants from the Existing Credit Agreement referred to in Section 7.4. incorporated herein by reference and any definitions or other terms or provisions of the Existing Credit Agreement incorporated herein by reference, will be deemed to continue in effect for the benefit of the Agent and the Lenders until this Agreement has terminated in accordance with its terms, including, without limitation, whether or not the Existing Credit Agreement remains in effect or whether or not the Existing Credit Agreement is amended, restated or terminated after the date hereof. For purposes of the foregoing, (i) references in the provisions of the Existing Credit Agreement incorporated herein by reference to the “Borrower” shall be deemed to refer to the Borrower; (ii) references therein to the “Agent,” “Lenders” and “Lender” shall be deemed to refer to the Agent, the Lenders and a Lender, respectively; and (iii) the terms “Agreement,” “hereto” and “hereof” when used in the provisions of the Existing Credit Agreement incorporated herein by referenced shall be deemed to refer to this Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

REGENCY CENTERS, L.P.

By: Regency Centers Corporation, its sole general partner

By: /s/ J. Christian Leavitt

Name: J. Christian Leavitt
Title: Senior Vice President and Secretary

REGENCY CENTERS CORPORATION

By: /s/ J. Christian Leavitt

Name: J. Christian Leavitt
Title: Senior Vice President and Secretary

[Signatures Continued on Next Page]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Agent and as a Lender

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Sam Wammock or Jack Misiura
Telecopier: (770) 435-2262
Telephone: (770) 435-3800

Commitment Amount:

$165,000,000.00

[Signatures Continued on Next Page]

COMERICA BANK

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

P.O. Box 75000
Detroit, MI 48275-3256
Attention: Betsy Branson
Telecopier: (313) 222-3697
Telephone: (313) 222-5878

Commitment Amount:

$20,000,000.00

[Signatures Continued on Next Page]

COMMERZBANK AG, NEW YORK BRANCH,

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

2 World Financial Center
New York, NY 10281
Attention: David Schwarz
Telecopier: (212) 266-7565
Telephone: (212) 266-7632

Commitment Amount:

$20,000,000.00

[Signatures Continued on Next Page]

PNC BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

One PNC Plaza 19th Floor
MS# P1-P0PP-19-2
Pittsburgh, PA 15222
Attention: Colleen Choff
Telecopier: (412) 768-3930
Telephone: (412) 762-6092

Commitment Amount:

$20,000,000.00

[Signatures Continued on Next Page]

SUNTRUST BANK

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

8330 Boone Boulevard
8th Floor
Vienna, VA 22182
Attention: Nancy B. Richards
Telecopier: (703) 442-1570
Telephone: (703) 442-1557

Commitment Amount:

$20,000,000.00

[Signatures Continued on Next Page]

U.S. BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

Lending Office (all Types of Loans):

150 Fourth Avenue North
CN-TN-PL02
Nashville, TN 37219
Attention: Bryan Jacobs
Telecopier: (615) 251-9242
Telephone: (615) 251-9250

Commitment Amount:

$20,000,000.00

[Signatures Continued on Next Page]

COMMERCEBANK, N. A.

By: /s/ Alan Hills

Name: Alan Hills
Title: Vice President

Lending Office (all Types of Loans):

220 Alhambra Circle, 11th Floor
Coral Gables, FL 33134
Attention: Tammy Lobet / Marie Rosales
Telecopier: (305) 460-8637
Telephone: (305) 460-8722

Commitment Amount:

$10,000,000.00

EXECUTION VERSION

CREDIT AGREEMENT

dated as of

June 1, 2005

among

REGENCY CENTERS, L.P.,
as Borrower,

REGENCY CENTERS CORPORATION,
as Parent,

THE FINANCIAL INSTITUTIONS PARTY HERETO AND THEIR
ASSIGNEES UNDER SECTION 10.8. HEREOF,
as Lenders,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Sole Lead Arranger
and
as Administrative Agent

TABLE OF CONTENTS

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

of

Macquarie CountryWide-Regency II, LLC,
a Delaware limited liability company

among

Macquarie-Regency Management, LLC,
a Delaware limited liability company

Macquarie CountryWide (US) No. 2 LLC,
a Delaware limited liability company

and

Regency Centers, L.P.,
a Delaware limited partnership

DATED: June 1, 2005

TABLE OF CONTENTS

TABLE OF CONTENTS
CONTINUED

TABLE OF CONTENTS
CONTINUED

TABLE OF CONTENTS
(continued)

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF MACQUARIE COUNTRYWIDE-REGENCY II, LLC,
A Delaware limited liability company

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT is dated as of June 1, 2005 ("Agreement"), by and among MACQUARIE COUNTRYWIDE (US) NO. 2 LLC, a Delaware limited liability company, as a Member ("MCW LLC"), REGENCY CENTERS, L.P., a Delaware limited partnership ("Regency"), as a Member, and MACQUARIE-REGENCY MANAGEMENT, LLC, a Delaware limited liability company, as a Member ("U.S. Manager" and together with Regency and MCW LLC, the "Members" and each individually, a "Member"), MACQUARIE COUNTRYWIDE (US) NO. 2 CORPORATION, a Maryland corporation ("U.S. REIT"), and MACQUARIE COUNTRYWIDE MANAGEMENT LIMITED (ACN 069 709 468), an Australian corporation ("MCML"), as the responsible entity of Macquarie CountryWide Trust (ARSN 093 143 965), an Australian listed property trust ("MCW").

W I T N E S S E T H

WHEREAS, U.S. REIT and Regency have entered into that certain Limited Liability Company Agreement, dated February 14, 2005, of the Company (the "Original Agreement");

WHEREAS, in accordance with Section 3.1 of the Original Agreement, U.S. REIT made a capital contribution to the Company in the amount of $712,400,000 (the "Deposit");

WHEREAS, U.S. REIT is the sole member of MCW LLC and prior to the execution of this Agreement, U.S. REIT has contributed its sixty-five (65%) limited liability company interest in the Company to MCW LLC and has withdrawn as a member of the Company;

WHEREAS, pursuant to this Agreement, U.S. Manager and MCW LLC will become Members of the Company;

WHEREAS, MCW LLC, Regency and U.S. Manager shall make cash contributions to the Company, each in accordance with Section 3.1 of this Agreement, to enable the Company to pay the purchase price (less the Deposit and subject to price adjustments) to acquire the First Washington Portfolio (defined below); and

WHEREAS, the parties hereto desire to amend, restate and supersede the Original Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises hereof, and the mutual promises, obligations and agreements contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 General Definitions. The following terms used in this Agreement, unless the context otherwise requires, shall have the meanings specified in this Section 1.1:

"**Accountant**" means PricewaterhouseCoopers LLP or such other firm of independent certified public accountants as the Members subsequently select for the purpose of preparing the tax returns and financial reports for the Company.

"**Act**" means the Delaware Limited Liability Company Act, codified in Delaware Code Annotated, Title 6 Chapter 18, Sections 18-101, et seq., as the same may be amended from time to time.

"**Additional Capital Contributions**" means contributions to the capital of the Company that may be made from time to time by the Members in accordance with Section 3.2 hereof.

"**Adjusted Capital Account**" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences in Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"**Adjusted Capital Account Deficit**" means, with respect to any Member, the deficit balance, if any, in such Member's Adjusted Capital Account as of the end of the relevant Fiscal Year:

"**Affiliate**" means, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person, (ii) any Person in which the specified Person or any Person described in clause (i) owns at least 20% of the outstanding stock or other equity interests, and (iii) any Person in which the specified Person or any Person described in clause (i) is a general partner or manager. "Affiliate" of the Company or the Members does not include a Person who is a partner in a partnership or a joint venture with the Company or any other Affiliate if such Person is not otherwise an Affiliate of the Company or the Members.

"**Affiliated Joint Venture**" means, with respect to a Member, any Person in which such Member or its Affiliates directly or indirectly own an equity ownership interest, but such ownership interest in such Person is less than all of such equity ownership interests in such Person.

"**Agreement**" means this Amended and Restated Limited Liability Company Agreement as amended in writing from time to time.

"**Anchor Lease**" means a lease for contiguous space of not less than 15,000 square feet of gross leasable area.

"**Appraised FMV**" has the meaning set forth in Section 9.2(b) hereof.

"**ASX**" means the Australian Stock Exchange Limited.

"**Base Amount**" means, for any Fiscal Quarter, an amount as calculated in accordance with Schedule 1 attached hereto.

"**Budget**" means a statement setting forth the estimated receipts and expenditures (capital, operating and other) of the Company and of each Project for the period covered by such statement, together with leasing and operating plans. The Budget shall include information about the amounts and types of insurance coverage and the amount of deductibles and premiums. The Budget shall be prepared individually for each Project and for the Company's portfolio of Projects on a consolidated basis and shall consist of operating Budgets for each Project and a Company Budget (not broken down by Project) that includes capital expenditures, tenant improvements, leasing commissions, insurance (to the extent not attributable to a Project) and fees to U.S. Manager and its members or its members' Affiliates (to the extent not budgeted by Project).

"**Business Day**" means any day other than Saturday, Sunday and any other day on which banks are allowed or required by law to close in Sydney, Australia or Jacksonville, Florida.

"**Buying Member**" has the meaning set forth in Section 7.6(a) hereof.

"**Call**" has the meaning set forth in Section 3.2(b) hereof.

"**Capital Account**" means, with respect to a Member, the account maintained for such Member pursuant to Section 3.3, increased or decreased as provided in Section 3.3(b).

"**Capital Contributions**" means, with respect to a Member, the total amount of money and the value agreed by the Members at the time of contribution of any property (other than money) contributed to the Company by such Member pursuant to the terms of this Agreement, which amounts shall be set forth in a schedule to be agreed on by the Members from time to time as Capital Contributions are made by the Members.

"**Capital Expenditures**" means costs for repairs or improvements to a Project that are undertaken by the Company and that should be capitalized under generally accepted accounting principles in the United States.

"**Capital Transaction**" means the Sale of all or a part of a Project or casualty damage to or condemnation of all or a part of a Project.

"**Certificate**" means the Company's Certificate of Formation filed in the Office of the Secretary of State of the State of Delaware pursuant to the Act.

"**Change of Control**" of a Member means:

(a) With respect to Regency, (i) a majority of the board of directors of Regency's general partner consists of individuals who are not Continuing Directors, or (ii) Regency Centers Corporation ceases to be the general partner of Regency, except as a result of an Affiliate Merger described in paragraph (c) below;

(b) With respect to MCW LLC, (i) Macquarie CountryWide Trust ceases to own, directly or indirectly, a majority of the limited liability company interests of MCW LLC, except as a result of an Affiliate Merger described in paragraph (c) below, (ii) Macquarie Bank Limited or one of its Affiliates ceases to manage, directly or indirectly, Macquarie CountryWide Trust, except as a result of an Affiliate Merger described in paragraph (c) below, or (iii) a majority of the board of directors of Macquarie CountryWide Management Limited consists of individuals who are not Continuing Directors; and

(c) Any merger, consolidation, share exchange or similar transaction in which Regency's general partner, in the case of Regency, or Macquarie CountryWide Trust or Macquarie CountryWide Management Limited, in the case of MCW LLC, as the case may be, is not the surviving entity unless the holders of common equity of such entity own directly or indirectly, in substantially the same proportions as their ownership of such common equity immediately prior to such merger, consolidation or share exchange, more than 50% of the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors or trustees, as the case may be, of the entity resulting from such merger, consolidation, share exchange or similar transaction (an "Affiliate Merger").

"**Claims**" have the meaning set forth in Section 6.16(c) hereof.

"**Class C Shares**" have the meaning set forth in Section 10.1 hereof.

"**Code**" means the Internal Revenue Code of 1986, as amended (or any corresponding provision of any succeeding law).

"**Company**" means Macquarie CountryWide-Regency II, LLC, a Delaware limited liability company.

"**Company Expenses**" means allowable costs and expenses paid or incurred by the Company in the conduct of the business of the Company and its subsidiaries that are not directly attributable to a particular Project or Projects, including without implied limitation, (i) expenses incidental to the transfer, servicing and accounting for the Company's cash, including charges of depositories and custodians; (ii) expenses incurred in connection with any tax audit, investigation or settlement of the Company; (iii) expenses of liquidating the Company; (iv) taxes, fees and other governmental charges payable by the Company; (v) routine administrative expenses of the

Company; (vi) the cost of legal, accounting and other professional expenses of the Company; and (vii) insurance and the principal and interest under any debt of the Company if such insurance, principal and interest do not constitute an Operating Expense. Expenses attributable to a specific Project shall be allocated to such Project as "Operating Expenses."

"**Company Minimum Gain**" means the amount determined by computing with respect to each Nonrecourse Liability of the Company the amount of income or gain, if any, that would be realized by the Company if it disposed of the property securing such Nonrecourse Liability in full satisfaction thereof and by then aggregating the amount so computed, as provided in Treasury Regulations Section 1.704-2(d).

"**Consent**" means a prior written consent of a Person, which may be withheld for any reason in the sole discretion of such Person unless expressly provided to the contrary in this Agreement.

"**Continuing Director**" of a Person means an individual (x) who was a director or trustee of the Person on June 1, 2005 or (y) who becomes a director or trustee of the Person subsequent to June 1, 2005 and whose election or nomination for election is approved by a vote of at least a majority of the directors or trustees then comprising the Continuing Directors of such Person.

"**Contributing Member**" has the meaning set forth in Section 3.2(c) hereof.

"**Cumulative Excess Performance Amount**" means an amount as calculated in accordance with Schedule 2 attached hereto.

"**Debt Financing Policy**" means the Debt Financing Policy for Financings, as approved and amended from time to time by agreement of all the Members.

"**Default Date**" has the meaning set forth in Section 3.2(c) hereof.

"**Defaulting Member**" has the meaning set forth in Section 7.2(a) hereof.

"**Depreciation**" means for each Fiscal Year or other period, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by all the Members.

"**Distributable Funds**" means Net Operating Cash, Net Proceeds from Capital Transactions, and Net Proceeds from Financings.

"**Earnest Money**" has the meaning set forth in Section 9.2(c) hereof.

"**Emergency Expenditures**" has the meaning set forth in Section 6.1(c) hereof.

"**Event of Default**" has the meaning set forth in Section 7.2(a) hereof.

"**Exchange Agreement**" means that certain Exchange Agreement, dated as of the date hereof, by and between Macquarie CountryWide Management Limited, as responsible entity of MCW, and Regency.

"**Exchange Units**" have the meaning set forth in Section 10.2 hereof.

"**Excess Performance Amount**" means an amount as calculated in accordance with Schedule 2 attached hereto.

"**Fair Market Value**" means, as to any asset, the most probable price which such asset should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Unless the Members otherwise agree, or this Agreement provides otherwise, the determination of the Fair Market Value of a Project shall be conclusively established by reference to the most recent independent appraisal for such Project obtained pursuant to Section 6.13.

"**Financing**" means (i) any secured or unsecured financing or borrowing or assumption of debt, including any refinancing of existing debt, by the Company and (ii) any sale and leaseback transaction.

"**First Washington Portfolio**" means the portfolio of shopping center assets, consisting of interests in 100 shopping centers across the U.S., which the Company is purchasing from First Washington Investment I, LLC and the California Public Employees' Retirement System through the Purchase and Sale Agreement.

"**Fiscal Quarter**" means each of the calendar quarters comprising the Company's Fiscal Year.

"**Fiscal Year**" means the fiscal year of the Company commencing January 1 and ending on December 31 of each calendar year.

"**Gross Asset Value**" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the agreed value of such asset, as determined by all the Members, unless required to be determined in some other manner herein;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective Fair Market Values (exclusive of liabilities), as of the following times: (i) the acquisition of an additional limited liability company interest in the Company by any new or existing Member in exchange for more than a de minimis capital contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of property as

consideration for the redemption of a limited liability company interest in the Company; (iii) in connection with the issuance of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a member capacity, or by a new Member acting in a member capacity or in anticipation of being a member; and (iv) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if all the Members reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the Fair Market Value (exclusive of liabilities) of such asset on the date of distribution as determined by all of the Members; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (d) to the extent all the Members determine that an adjustment pursuant to paragraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d) above, such Gross Asset Value shall thereafter be adjusted by subtracting the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses after the effective date of such determination or adjustment.

"**Guaranty**" has the meaning set forth in Section 9.2(g).

"**Half Year**" means a period of six months ending June 30 or December 31.

"**Indemnitees**" has the meaning set forth in Section 6.15(c).

"**Investment Criteria**" means the Investment Criteria for the acquisition of Projects by the Company from time to time, as approved and amended from time to time by agreement of all the Members.

"**IRS**" has the meaning set forth in Section 4.7(b).

"**Liquidation Percentage**" has the meaning set forth in Section 7.5(c).

"**Market Rate**" means, with respect to fees, comparable fees payable to unaffiliated third parties for performing similar services with respect to comparable properties in comparable locations.

"**MCW**" has the meaning set forth in preamble hereof.

"**MCW Constitution**" means the constitution of MCW, dated July 21, 1995, as amended from time to time; provided that MCML will not recommend to the unitholders of MCW any amendment thereto that adversely affects the payment of the Performance Amount or Excess Performance Amount without the consent of Regency.

"**MCW LLC**" has the meaning set forth in preamble hereof.

"**MCW LLC Agreement**" means the Limited Liability Company Agreement of MCW LLC, dated as of the date hereof, by and between U.S. REIT, as the sole member, and U.S. Manager, as manager.

"**MCW LLC's Liquidation Amount**" has the meaning set forth in Section 7.5 hereof.

"**Member Nonrecourse Debt**" means any Nonrecourse Liability for which a Member or a related Person bears the economic risk of loss within the meaning of Treasury Regulations Section 1.704-2(b)(4).

"**Member Nonrecourse Deductions**" means any and all items of loss, deduction or expenditure (described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulations Section 1.704-2(i)(2), are attributable to a Member Nonrecourse Debt.

"**Members**" means, collectively, Regency, MCW LLC and U.S. Manager. Reference to a "Member" shall be to any one of the Members.

"**Membership Interest**" means the entire limited liability company interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"**Minimum Gain Attributable to Member Nonrecourse Debt**" means that amount determined in accordance with the principles of Treasury Regulations Section 1.704-2(i)(3), (4) and (5).

"**Net Asset Value**" means, for a particular Project or Projects at a point in time, the excess, if any, of the Fair Market Value of the Project(s) or in the case of a newly acquired Project for which there has been no appraisal, the actual aggregate acquisition costs of the Project(s) incurred on behalf of the Company to date (or in the case of a Project contributed by a Member, the value of the Project as agreed by all the Members), over the amount of any liabilities secured by a mortgage or deed of trust encumbering the Project(s).

"**Net Operating Cash**" means, for any period, the excess of (a) cash receipts of every kind including, but not limited to, receipts from rental of space of every kind; recoveries from tenants for common area maintenance, taxes and other expenses; license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires); proceeds, if any, from business interruption or other loss of income insurance; and any reductions in Reserves agreed to by the Members; over (b) Operating Expenses, Capital Expenditures to the extent not financed, Company Expenses and any additions to Reserves agreed to by the Members

for the same period. Net Operating Cash shall not be deemed to include (i) payments received as deposits until such funds are actually applied as part of the rentals, fees or charges due, (ii) Capital Contributions, (iii) Net Proceeds from Capital Transactions and (iv) Net Proceeds from Financings.

"**Net Proceeds from Capital Transactions**" means all cash receipts received by the Company arising from Capital Transactions less (a) the amount of cash paid or to be paid by the Company in connection with expenses associated with the closing of such Capital Transactions; (b) the amount of cash required by any lender or other creditor to be applied to the payment of debts and obligations of the Company as a result of such Capital Transactions; (c) the amount of any cash reinvested in a Section 1031 Exchange; and (d) the normal and reasonable costs and expenses arising from such transactions including, without limitation, escrow fees, title insurance fees, professional fees brokerage commissions and other disposition costs and expenses.

"**Net Proceeds from Financings**" means all cash receipts to the Company arising from a Financing, less (a) the amount of cash paid or to be paid by the Company for expenses in connection with the closing of such Financing, including, without limitation, all commitment fees, appraisal fees, title insurance premiums, survey costs, broker's commissions and attorneys' fees, and for payment, to the extent required by any lender or other creditor as a result of such Financing, of debts and obligations of the Company then due; and (b) all amounts paid to purchase or improve a Project or for any other purpose in order to satisfy conditions to or established in connection with such Financing of or by the provider of such Financing.

"**New Project**" means a Project that is not owned by the Company as of the relevant time. A "New Project" shall be considered a "Project" after its acquisition by the Company.

"**Non-Conforming Lease**" has the meaning set forth in Section 6.2(viii) hereof.

"**Non-Contributing Member**" has the meaning set forth in Section 3.2(c) hereof.

"**Non-Managing Member**" has the meaning set forth in Section 3.2(b) hereof.

"**Nonrecourse Deductions**" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

"**Nonrecourse Liability**" means any liability of the Company treated as a nonrecourse liability under Treasury Regulations Section 1.704-2(b)(3).

"**Notification**" means a written notice or any other written communication, containing the information required or permitted by this Agreement to be communicated to a Member, sent to the addresses set forth in Section 11.17 by express courier, e-mail (if receipt is confirmed), telecopy (if receipt is confirmed) or by hand delivery and shall be deemed given the fifth Business Day after it is sent if by express courier and concurrently upon sending an e-mail or telecopy transmission if sent before or during business hours of the recipient and if not so sent, on the following Business Day so long as the confirmation specified above is timely received.

"**Operating Expenses**" means the sum of the following cash expenditures of the Company relating to the operation of the Projects provided that such items would not be

capitalized under generally accepted accounting principles in the United States, consistently applied: (a) all authorized costs incurred in the ownership, maintenance, repair, leasing, management and operation of the Projects, including but not limited to the fees described in Section 6.5 hereof; (b) all other expenses related to the operation of the Projects permitted under this Agreement; and (c) regularly scheduled payments of interest and/or principal under any debt secured by a Project or allocated to a Project in the Budget.

"**Original Agreement**" means the Limited Liability Company Agreement of the Company dated as of February 14, 2005, between Regency and U.S. REIT.

"**Percentage Interest**" means 34.95% in the case of Regency, 64.95% in the case of MCW LLC and 0.1% in the case of U.S. Manager.

"**Performance Amount**" means an amount as calculated in accordance with Schedule 2 attached hereto.

"**Person**" means any individual, partnership, limited liability company, corporation, cooperative, trust, estate, government (or any branch or agency thereof) or other entity.

"**Profit**" or "**Loss**" means for any taxable period, an amount equal to the Company's taxable income or loss for such taxable period determined in accordance with Section 703(a) of the Code (for this purpose all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Except as otherwise provided in Treasury Regulations Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Company; provided, that the amounts of any adjustments to the adjusted bases of the assets of the Company made pursuant to Section 734 of the Code as a result of the distribution of property by the Company to a Member (to the extent that such adjustments have not previously been reflected in the Members' Capital Accounts) shall be reflected in the Capital Accounts of the Members in the manner and subject to the limitations prescribed in Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

(b) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss pursuant to this definition shall be added to such Profit or Loss.

(c) The computation of all items of income, gain, loss and deduction shall be made without regard to the fact that items described in Sections 705(a)(1)(B) or 705(a)(2)(B) of the Code are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes.

(d) Any income, gain or loss attributable to the taxable disposition of any Company property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Company's Gross Asset Value with respect to such property as of such date.

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year.

(f) In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (b) or (c) of the definition thereof, the amount of any such adjustment shall be taken into account as gain or loss from the Sale of such asset for purposes of computing Profit and Loss.

(g) Any items specially allocated under Section 4.2 and Section 4.3 hereof shall not be taken into account.

"**Project**" means the Company's direct or indirect leasehold or ownership interest in a retail shopping center, including real property, together with all improvements thereon and all real and personal property rights associated therewith (including service agreements and other contract rights), either owned by the Company, or proposed to be owned by the Company. The term "Project" does not include any publicly traded debt or equity securities, such as a share in a real estate investment trust. The Projects held by the Company as of the date of this Agreement are listed on Exhibit B. The Company shall update its internal records as it acquires or disposes of Projects, but no amendment shall be required to Exhibit B.

"**Project Level Entity**" means a 100% subsidiary of the Company formed to hold direct or indirect ownership of one or more Projects.

"**Property Management Agreement**" means collectively, the Property Management Agreement dated as of June 1, 2005 and the Leasing Oversight Agreement dated as of June 1, 2005 between the Company, each Project Level Entity, and RRG, as amended in writing from time to time pursuant to the terms of this Agreement.

"**Purchase and Sale Agreement**" means the Purchase and Sale Agreement dated February 14, 2005, as amended, among the Company, MCW, Regency, USRP Texas GP, LLC, U.S. Retail Partners, LLC, Eastern Shopping Centers Holdings, LLC, First Washington Investment I, LLC and the California Public Employees' Retirement System whereby the First Washington Portfolio is being purchased.

"**Purchase Option**" has the meaning set forth in Section 9.2(a) hereof.

"**Purchase Option Closing Date**" has the meaning set forth in Section 9.2(d) hereof.

"**Purchase Option Purchaser**" has the meaning set forth in Section 9.2(a) hereof.

"**Qualified Appraiser**" means an MAI appraiser (i) experienced in appraising Projects in the metropolitan area of the type and value assigned to it and (ii) acceptable to all of the Members.

"**Regency**" has the meaning set forth in preamble hereof.

"**Regency Agreements**" means the Property Management Agreement and any other agreement between (i) the Company and (ii) Regency or any Affiliate of Regency.

"**Regency's Liquidation Amount**" has the meaning set forth in Section 7.5 hereof.

"**Regulatory Allocations**" has the meaning set forth in Section 4.3 hereof.

"**Release**" has the meaning set forth in Section 9.2(g).

"**Removal Event**" has the meaning set forth in Section 6.1(d).

"**Reserves**" means the amount of funds set aside for, or amounts allocated during any period to, reasonable reserves for anticipated Company Expenses, Capital Expenditures, contingent liabilities and working capital determined by all the Members, acting reasonably, to be necessary to meet the current or anticipated future operating or capital needs of the Company or any Project.

"**RRG**" means Regency Realty Group, Inc., a Florida corporation.

"**Sale**" means any sale, conveyance, exchange, or other transfer or alienation of all or a portion of a Project.

"**Section 1031 Exchange**" means a transaction intended to qualify as tax-free under Section 1031 of the Code.

"**Selling Member**" has the meaning set forth in Section 7.6(a) hereof.

"**Special Allocations**" has the meaning set forth in Section 4.2 hereof.

"**Tax Matters Member**" has the meaning set forth in Section 4.7(a) hereof.

"**Transfer**" has the meaning set forth in Section 9.1 hereof.

"**Treasury Regulations**" means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations are amended and restated from time to time.

"**Trigger Event**" has the meaning set forth in the MCW constitution

"**Trust Index**" means is the daily volume weighted average sale price for MCW units sold on the ASX during the preceding 10 trading days calculated in accordance with Schedule 3 attached hereto.

"**United States**" means the United States of America.

"**U.S. Manager**" has the meaning set forth in preamble hereof.

"**U.S. Manager's Expenses**" shall have the meaning set forth in Section 6.9 hereof.

"**U.S. Manager LLC Agreement**" means that certain Amended and Restated Limited Liability Company Agreement of U.S. Manager, dated as of the date hereof, between Regency and Macquarie Real Estate, Inc., a Delaware corporation, as such agreement may be amended from time to time.

"**U.S. REIT**" has the meaning set forth in preamble hereof.

Section 1.2 Other Definitions. Capitalized terms not otherwise defined in Section 1.1 shall have the meanings assigned to them in this Agreement.

ARTICLE II
FORMATION, NAME, PLACE OF BUSINESS, PURPOSE, AND TERM

Section 2.1 Formation. The Company has been formed pursuant to the Act as a limited liability company. The Company shall be governed by and operated in accordance with this Agreement and the rights, duties and liabilities of the Members shall be as provided for in the Act if not otherwise expressly provided for in this Agreement.

Section 2.2 Name and Offices. The name of the Company shall be Macquarie CountryWide-Regency II, LLC and the business of the Company shall be conducted solely under such name. The business address of the Company shall be 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202, or at such other place or places as all the Members may from time to time designate. The address of the registered office of the Company in the State of Delaware shall be Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and the registered agent in charge thereof shall be Corporation Service Company each of which may be changed by all the Members.

Section 2.3 Other Acts/Filings. The Members after filing the Certificate shall from time to time execute or cause to be executed all such certificates and other documents, and do or cause to be done all such filings, recordings, publishing and other acts, as are necessary to comply with the requirements of law for the formation and operation of the Company in any jurisdiction in which the Company does business.

Section 2.4 Purpose and Scope. The business and purposes of the Company are, in whole or in part, (i) to own, manage, lease to tenants, finance and ultimately dispose of the First Washington Portfolio, and (ii) to acquire, own, manage, lease to tenants, finance and ultimately dispose of New Projects in the United States, each in accordance with the Investment Criteria and this Agreement. The Company may do any and all lawful things necessary or incidental to any of the foregoing to carry out and further the business of the Company as contemplated by this Agreement. The Company shall not engage in any business or activity not expressly authorized by this Agreement.

Section 2.5 Term. The term of the Company commenced on the date of filing of the Certificate in the office of the Secretary of State of the State of Delaware pursuant to the Act and shall continue unless dissolved sooner pursuant to the provisions of Article VII.

Section 2.6 Representations and Warranties of the Members.

(a) MCW LLC hereby represents and warrants to Regency and U.S. Manager that the following are true and correct as of the date hereof:

(i) MCW LLC is a duly formed and validly existing limited liability company under the laws of Delaware with full limited liability company power and authority to enter into and perform its obligations under this Agreement;

(ii) This Agreement (A) has been duly authorized, executed and delivered by MCW LLC, (B) assuming due authorization, execution and delivery by Regency and U.S. Manager, shall be the legal, valid and binding obligation of MCW LLC and (C) does not violate any provisions of MCW LLC's organizational documents or any document or agreement to which MCW LLC is a party or by which it is bound; and

(iii) MCW LLC has the power and authority to perform the obligations to be performed by it hereunder and no consents, authorizations or approvals are required for the performance of the obligations to be performed by MCW LLC under this Agreement, except those as have been obtained.

(b) Regency hereby represents and warrants to MCW LLC and U.S. Manager that the following are true and correct as of the date hereof:

(i) Regency is a limited partnership that has been duly formed and is validly existing under the laws of the State of Delaware with full partnership power and authority to enter into and perform its obligations under this Agreement; and is duly qualified and in good standing to transact business in any jurisdiction required in order to carry out its duties hereunder;

(ii) This Agreement (A) has been duly authorized, executed and delivered by Regency, (B) assuming due authorization, execution and delivery by MCW LLC and U.S. Manager, shall be the legal, valid and binding obligation of Regency, and (C) does not violate any provisions of Regency's organizational documents or any document or agreement to which Regency is a party or by which it is bound; and

(iii) Regency has the power and authority to perform the obligations to be performed by it hereunder and no consents, authorizations or approvals are required for the performance of the obligations to be performed by Regency under this Agreement except those as have been obtained.

(c) U.S. Manager hereby represents and warrants to MCW LLC and Regency that the following are true and correct as of the date of hereof:

(i) U.S. Manager is a limited liability company that has been duly formed and is validly existing under the laws of the State of Delaware with full limited liability company power and authority to enter into and perform its obligations under this Agreement; and is duly qualified and in good standing to transact business in any jurisdiction required in order to carry out its duties hereunder;

(ii) This Agreement (A) has been duly authorized, executed and delivered by U.S. Manager, (B) assuming due authorization, execution and delivery by MCW LLC and Regency, this Agreement shall be the legal, valid and binding obligation of U.S. Manager, and (C) does not violate any provisions of U.S. Manager's organizational documents or any document or agreement to which U.S. Manager is a party or by which it is bound; and

(iii) U.S. Manager has the power and authority to perform the obligations to be performed by it hereunder and no consents, authorizations or approvals are required for the performance of the obligations to be performed by U.S. Manager under this Agreement except those as have been obtained.

(d) Regency hereby represents and warrants to MCW LLC and U.S. Manager that the following are true and correct as of the date of this Agreement:

(i) RRG is a corporation that has been duly formed and is validly existing under the laws of the State of Florida with full corporate power and authority to enter into and perform its obligations under the Property Management Agreement and is duly qualified and in good standing to transact business in any jurisdiction required in order to carry out its duties under the Property Management Agreement.

(ii) The Property Management Agreement (A) has been duly authorized, executed and delivered by RRG and is the legal, valid and binding obligation of Regency and (B) does not violate any provisions of Regency's organizational documents or any document or agreement to which RRG is a party or by which it is bound.

(iii) RRG has the power and authority to perform the obligations to be performed by it under the Property Management Agreement and no consents, authorizations or approvals are required for the performance of the obligations to be performed by RRG under the Property Management Agreement except those as have been obtained.

ARTICLE III
PERCENTAGE INTERESTS AND CAPITAL

Section 3.1 Capital Contributions.

(a) MCW LLC's Capital Contribution. MCW LLC is hereby admitted as a Member of the Company on the date hereof. On March 25, 2005, MCW LLC contributed $712,400,000 as a Cash Contribution to the Company so that the Company could pay its deposit pursuant to the Purchase and Sale Agreement. If necessary, contemporaneously with the execution and delivery of this Agreement, MCW LLC shall contribute cash as an additional Capital Contribution in an amount such that the total Capital Contributions made by MCW LLC shall be equal to its Percentage Interest of the total Capital Contributions made to the Company on or prior to the date hereof. Otherwise, the Company shall make a special cash distribution to MCW LLC in an amount such that after giving effect to such distribution, the Capital Contributions made by MCW LLC (less such distribution) shall be equal to its Percentage

Interest of the total Capital Contributions made to the Company (less such distribution) on or prior to the date hereof. MCW LLC's Capital Contribution(s) to the Company (less such distribution, if applicable) shall be set forth on Exhibit A. The Company shall use a portion of such Capital Contribution(s) to purchase the First Washington Portfolio.

(b) Regency Capital Contribution. Contemporaneously with the execution and delivery of this Agreement, Regency shall contribute cash as its Capital Contribution to the Company in the amount set forth on Exhibit A. The Company shall use a portion of such Capital Contribution to purchase the First Washington Portfolio.

(c) U.S. Manager Capital Contribution. U.S. Manager is hereby admitted as a Member of the Company on the date hereof. Contemporaneously with the execution and delivery of this Agreement, U.S. Manager shall contribute cash as its Capital Contribution to the Company in the amount set forth on Exhibit A using a portion of the due diligence fee payable to U.S. Manager pursuant to Section 6.5(f) hereof in connection with the acquisition of the First Washington Portfolio. The Company shall use a portion of such Capital Contribution to purchase the First Washington Portfolio.

(d) Percentage Interests. It is intended that the Percentage Interests of the Members shall be 64.95% for MCW LLC, 34.95% for Regency and 0.1% for U.S. Manager.

Section 3.2 Additional Capital Contributions.

(a) By Agreement. Regency may contribute New Projects and cash to the Company, and MCW LLC may contribute additional cash to the Company, in each case with the written approval of all the Members. Upon such contributions by the Non-Managing Members, Exhibit A to this Agreement shall be amended to reflect such contributions, and the Percentage Interests of each of the Members (including the U.S. Manager) shall be recalculated as of the date of such contribution (based solely on the amount of the New Projects and additional cash contributed to the Company by such Non-Managing Members) and set forth on such amended Exhibit A.

(b) Capital Calls. If at any time all the Members agree that additional funds are needed for any purpose, then U.S. Manager may make a written call on MCW LLC and Regency (the "Non-Managing Members") to make Additional Capital Contributions ("Call") in accordance with their respective Percentage Interests. Each Call shall specify:

(i) the aggregate amount of Additional Capital Contributions requested to be made by the Non-Managing Members;

(ii) a general description of the intended application of the Additional Capital Contributions being called;

(iii) the date on which Additional Capital Contributions are due (which date shall be not less than ten (10) Business Days after receipt by each of the Non-Managing Members of the Call from U.S. Manager); and

(iv) the Capital Contribution requested to be made by each of the Non-Managing Members, which shall equal the aggregate amount required by the Company multiplied by a fraction the (A) the numerator of which shall be such Non-Managing Member's Percentage Interest at such time and (B) the denominator of which shall be the sum of the Non-Managing Members' Percentage Interests at such time.

Each Additional Capital Contribution shall be paid to the Company on or before the due date in immediately available funds wired to an account of the Company at a financial institution selected by U.S. Manager. Upon such Additional Capital Contributions by the Non-Managing Members, Exhibit A to this Agreement shall be amended to reflect such Additional Capital Contributions, and the Percentage Interests of each of the Members (including the U.S. Manager) shall be recalculated as of the date of such Additional Capital Contribution (based solely on the amount of the additional cash contributed to the Company by such Non-Managing Members) and set forth on such amended Exhibit A.

(c) Default by a Member. In the event a Non-Managing Member defaults in making its portion of any Additional Capital Contribution by the last day specified in the Call (the "Default Date"), the unpaid amount being herein called the "Contribution Deficiency," then such Non-Managing Member shall be deemed a "Non-Contributing Member." U.S. Manager shall notify the non-defaulting Non-Managing Member within five (5) days after the Default Date and the non-defaulting Non-Managing Member (the "Contributing Member") shall have the right, but not the obligation, to make a loan to the Non-Contributing Member up to the amount of the Contribution Deficiency bearing interest at a rate equal to the lesser of (i) the "prime" or "base" rate of interest of commercial lending announced from time to time by Bank of America, plus 5% per annum or (ii) the maximum rate permitted by applicable law. The Contributing Member may pay the amount of such loan directly to the Company, and from and after the date of such loan all distributions by the Company to the Non-Contributing Member shall be paid by the Company to the Contributing Member and applied first to accrued but unpaid interest and then principal on such loan. The loan (together with reasonable attorney's fees and expenses incurred by the Contributing Member in enforcing the loan) shall be secured by the entire Membership Interest of the Non-Contributing Member under the Uniform Commercial Code of the State of Delaware, and the Contributing Member shall have all the rights and remedies of a secured party thereunder. The Non-Contributing Member (i) hereby appoints the Contributing Member as its attorney-in-fact for the purpose of signing and filing any financing statements to perfect the Contributing Member's security interest and (ii) agrees to take such other actions as may reasonably be required to perfect or enforce such security interest.

Section 3.3 Capital of the Company; Capital Accounts.

(a) Capital Account. Each Member shall have a Capital Account. Each Member's Capital Account on the date of this Agreement is set forth on Exhibit A.

(b) Adjustments to Capital Account. Without limiting the generality of the foregoing, the Capital Account of each Member shall be increased by (i) the amount of any Additional Capital Contributions by the Member to the Company, and (ii) allocations to the Member of Profit (or items thereof pursuant to Article IV hereof), including all items of Company income and gain (including income and gain exempt from tax) specially allocated to

the Member pursuant to Section 4.2 and Section 4.3 of this Agreement, and (iii) the amount of any Company indebtedness assumed by such Member or which is secured by liens on any property distributed to such Member, and the Capital Account of each Member shall be reduced by (x) the Gross Asset Value of all property and the amount of all cash distributed to such Member pursuant to this Agreement, (y) allocations to the Members of Loss (or items thereof pursuant to Article IV hereof), including all items of Company deduction and loss specially allocated to such Member pursuant to Section 4.2 and Section 4.3 of this Agreement, and (z) the amount of any indebtedness of such Member assumed by the Company or which is secured by any property contributed by such Member to the Company.

(c) Compliance With Treasury Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event U.S. Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitations, debits or credits relating to liabilities that are secured by liens on contributed or distributed property or that are assumed by the Company or a Member), are computed in order to comply with such Treasury Regulations, U.S. Manager, with the approval of the Members, may make such modification, provided that it is not likely to have an adverse effect on the amounts distributed to any Member pursuant to Article VII hereof upon the dissolution of the Company. U.S. Manager, with the approval of the Members also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulations Section 1.704-1(b).

(d) Members' Rights and Obligations Regarding Capital Contributions. No interest shall be paid by the Company on any Capital Contribution except as specifically provided herein. A Member shall not be entitled to demand the return of, or to withdraw, any part of its Capital Contributions or its Capital Account, or to receive any distribution, except as provided in this Agreement. No Member shall be liable for the return of the Capital Contributions of any other Member or the payment of interest thereon. No Member shall be obligated or permitted to make any contributions to the capital of the Company other than the Capital Contributions provided for in this Article III.

ARTICLE IV
TAX ALLOCATIONS

Section 4.1 Allocation of Profit and Loss.

(a) Allocation of Profit and Loss. After giving effect to the Special Allocations set forth in Sections 4.2 and 4.3 hereof, Profit and Loss (or items thereof) shall be allocated among the Members in a manner that will, as nearly as possible, cause the Adjusted Capital Account balance of each Member (as computed for purposes of Section 704(b) of the Code) at the end of such Company taxable year (but without taking into account actual cash

distributions made during such year) to be equal to an amount equal to the hypothetical distribution (if any) that such Member would receive if, on the last day of such Company taxable year (or portion thereof), (w) all distributions under Article V of the Agreement distributed during, or distributable for, such Company taxable year (or portion thereof) were distributed in accordance with such Article of the Agreement, (x) all remaining assets, including cash, were sold for cash equal to their Gross Asset Value, taking into account any adjustments thereto for such Company taxable year (or portion thereof), (y) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability, to the Gross Asset Value of the assets securing such liability) and (z) the net proceeds of such sale (after satisfaction of such liabilities) were distributed in full pursuant to Section 7.4(b)(iii) hereof.

(b) Tax Credits. Except to the extent otherwise provided in Treasury Regulations Section 1.704-1(b)(4)(ii), any tax credits or tax credit recapture for any Fiscal Year shall be allocated among the Members in accordance with each Member's respective Percentage Interest as of the time such tax credit was claimed.

Section 4.2 Special Allocations. Notwithstanding any provision of Section 4.1, the following special allocations (the "Special Allocations") shall be made for each Fiscal Year in the following order of descending priority:

(a) Company Minimum Gain. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in proportion to and to the extent of, an amount equal to the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). This Section 4.2(a) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Minimum Gain Attributable to Member Nonrecourse Debt. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), if there is a net decrease in Minimum Gain Attributable to Member Nonrecourse Debt during any Fiscal Year, each Member with a share of Minimum Gain Attributable to Member Nonrecourse Debt shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in proportion to, and to the extent of, an amount equal to the portion of such Member's share of the net decrease in the Minimum Gain Attributable to Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 4.2(b) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, any Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.2(c) shall be made only if and to

the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 4.2 have been tentatively made as if this Section 4.2(c) were not in this Agreement.

(d) Gross Income Allocation. In the event a Member has an Adjusted Capital Account Deficit at the end of any Company Fiscal Year, such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.2(d) shall be made only if and to the extent that Company would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 4.2 have been made as if Section 4.2(c) and this Section 4.2(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be allocated among the Members in proportion to the Percentage Interests held by them during such Fiscal Year in accordance with Treasury Regulations Section 1.704-2(b)(1). If U.S. Manager determines in its good faith discretion that the Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, U.S. Manager is authorized, with the approval of the Members, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(f) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable period shall be allocated 100% to the Member that bears the economic risk of loss (as defined in Treasury Regulations Section 1.704-2(b) with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)). If more than one Member bears the economic risk of loss with respect to a Member Nonrecourse Debt, such Member Nonrecourse Deductions attributable thereto shall be allocated between or among such Members in accordance with the ratios in which they share such economic risk of loss.

(g) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their respective Percentage Interests in the Company in the event that Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event that Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

Section 4.3 Curative Allocations. The allocations set forth in Section 4.2(a) through (g) above (the “Regulatory Allocations”) are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2(b). Notwithstanding any other provisions of this Article IV (other than the Regulatory Allocations hereof), the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss, and deduction among

the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred. In determining the allocations under this Section 4.3, consideration shall be given to future allocations under Section 4.2(a) and 4.2(b) that, although not yet made or required, are likely to offset allocations under Section 4.2(e) and 4.2(f).

Section 4.4 Other Allocation Rules.

(a) Profits, Losses and other items of income, gain, loss or deduction shall be allocated to the Members pursuant to this Article IV as of the last day of each Fiscal Year; provided that Profits, Losses and such other items shall also be allocated at such times as the Gross Asset Values of any Company assets are adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value, and provided further that Profits, Losses and such other items shall also be allocated for any portion of such Fiscal Year for which the Company is required to allocate Profits, Losses, and other items of income, gain, loss, or deduction pursuant to Article IV.

(b) For purposes of determining Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by U.S. Manager using any permissible method under Code Section 706 and the Treasury Regulations thereunder.

Section 4.5 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Treasury Regulations thereunder and Treasury Regulations Section 1.704-1(b)(4)(i), income, gain, loss and deduction (as computed for tax purposes) with respect to any property contributed to the capital of the Company or otherwise revalued on the books of the Company shall, solely for tax purposes, be allocated among the Members to take into account any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Fair Market Value at the time of the contribution or revaluation. In addition, if any gain (as computed for tax purposes) on the sale or other disposition of Company property shall constitute recapture of depreciation under Sections 291, 1245 or 1250 of the Code or any similar provision, such gain shall (to the extent possible) be divided among the Members in proportion to the depreciation deductions previously claimed by them (or their predecessor in interest) giving rise to such recapture.

Any elections or other decisions relating to such allocations shall be made by the Members, jointly, in any manner that reasonably reflects the purpose and intention of this Agreement.

Except as otherwise provided in this Agreement, for federal income tax purposes, all items of Company income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the Members in the same manner as its correlative item of “book” income, gain, loss, deduction or other item was allocated pursuant to Section 4.1 and Section 4.2 of this Agreement or otherwise.

Section 4.6 Allocations to Transferred Membership Interests. In the event of a transfer of any Membership Interest, regardless of whether the transferee becomes a Member, all items of income, gain, loss, deduction and credit for the Fiscal Year in which the transfer occurs shall be allocated for federal income tax purposes between the transferor and the transferee on the basis of the ownership of the Membership Interest at the time the particular item is taken into account by the Company for federal income tax purposes, except to the extent otherwise required by Section 706(d) of the Code. Distributions made on or after the effective date of transfer shall be made to the transferee, regardless of when such distributions accrued on the books of the Company. The effective date of the transfer shall be (a) in the case of a voluntary transfer, the date of the transfer, or (b) in the case of an involuntary transfer, the date of the operative event.

Section 4.7 Tax Elections. The Tax Matters Member (as hereinafter defined) may, with the approval of all the Members, which shall not be unreasonably withheld, make such tax elections in any Fiscal Year, including any election under Section 754 of the Code or an election out of installment sale treatment under Section 453 of the Code. Notwithstanding the foregoing, if either Member requests that the Tax Matters Member make an election under Section 754 of the Code, the Tax Matters Member shall make this election promptly after receiving notice of the request from the Member.

Section 4.8 Designation of Tax Matters Member.

(a) U.S. Manager shall act as the "tax matters partner" (the "Tax Matters Member") of the Company, as provided in Treasury Regulations pursuant to Section 6231 of the Code and is authorized to qualify as such. All Members hereby Consent to such designation and agree to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be deemed necessary or appropriate to evidence such Consent.

(b) To the extent and in the manner provided by applicable Code sections and regulations thereunder, the Tax Matters Member shall furnish the name, address, profits, interest and taxpayer identification number of the Members to the Internal Revenue Service ("IRS").

(c) To the extent and in the manner provided by applicable Code sections and regulations thereunder, the Tax Matters Member shall inform each Member of administrative or judicial proceedings for the adjustment of Company items required to be taken into account by a Member for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review").

(d) The Tax Matters Member is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any tax audit or judicial review, and in the settlement agreement the Tax Matters Member may expressly state that such agreement shall bind all Members, except that such settlement agreement shall not bind any Member (1) who (within the time prescribed pursuant to the Code and Treasury Regulations) files a statement with the IRS providing that the Tax Matters Member shall not have the authority to enter into a settlement agreement on behalf of such Member or (2) who is a "notice partner" (as defined in Section 6231 of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code), and, to the extent provided by law, U.S. Manager shall cause each Member to be designated a notice partner;

(ii) in the event that a notice of a final administrative adjustment at the Company level of any item required to be taken into account by a Member for tax purposes (a "final adjustment") is mailed or otherwise given to the Tax Matters Member, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Company's principal place of business is located;

(iii) to intervene in any action brought by any other Member for judicial review of a final adjustment;

(iv) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition, complaint or other document) for judicial review with respect to such request;

(v) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Member for tax purposes, or an item affected by such item; and

(vi) to take any other action on behalf of the Members of the Company in connection with any tax audit or judicial review to the extent permitted by applicable law or regulations.

Subject to the following sentence, the taking of any action and the incurring of any expense by the Tax Matters Member in connection with any such proceeding, except to the extent required by law, is a matter in the reasonable discretion of the Tax Matters Member (provided, however, that the Tax Matters Member shall keep the Members informed as to the status of all such proceedings), and the provisions relating to indemnification of U.S. Manager set forth in Section 6.16(c) of this Agreement shall be fully applicable to the Tax Matters Member in its capacity as such. The Tax Matters Member shall provide the Members the opportunity to review and comment on the taking of any action and the incurring of any material expense in connection with any such proceeding.

(e) Reimbursement. The Tax Matters Member shall receive no compensation for its services as such. All third-party costs and expenses incurred by the Tax Matters Member in performing its duties as such (including legal and accounting fees) shall be borne by the Company. Nothing herein shall be construed to restrict the Company from engaging an accounting firm and a law firm to assist the Tax Matters Member in discharging its duties hereunder, so long as the compensation paid by the Company for such services is reasonable.

ARTICLE V
DISTRIBUTIONS

Section 5.1 Distributions.

(a) Distributions of Net Operating Cash. The Company shall make distributions of Net Operating Cash as follows:

(i) Regular Distributions. First, for each month (by no later than the fourteenth (14th) day following the end of such month), the Company shall make distributions of the Net Operating Cash for such month, as follows:

(1) U.S. Manager's distribution shall equal the product of (i) Net Operating Cash for such month multiplied by (ii) U.S. Manager's Percentage Interest as of the end of the month for which the distributions are being made.

(2) Regency's distribution shall equal the product of (i) Net Operating Cash for such month multiplied by (ii) Regency's Percentage Interest as of the end of the month for which the distributions are being made.

(ii) Base Amount and Performance Amount Distributions. Second, until such time as a Removal Event has occurred, the Company shall make distributions of the Net Operating Cash for such Fiscal Quarter to U.S. Manager (to the extent there is Net Operating Cash remaining after the distributions under Section 5.1(a)(i) hereof), as follows:

(1) For each Fiscal Quarter (by no later than the fourteenth (14th) day following the end of such Fiscal Quarter), the Base Amount for such Fiscal Quarter, together with all previously accrued but unpaid Base Amounts shall be distributed to the U.S. Manager.

(2) For each Half Year (by no later than the thirtieth (30th) day following the end of such Half Year), the Performance Amount shall be distributed to the U.S. Manager, and concurrently therewith, the Company shall declare and accrue (but not pay) an additional amount equal to the Excess Performance Amount, if any, for such Half Year, which shall be payable to the U.S. Manager as part of the Performance Amount with respect to future Half Year periods, but shall be subordinated to the debts and liabilities of the Company owed to other Persons (including the Members other than the U.S. Manager) and to any amounts payable with respect to any such Half Year pursuant to Section 5.1(a)(i).

(3) In the event that MCML ceases to be the responsible entity of MCW or upon any Trigger Event (by no later than the thirtieth (30th) day following such event), an amount equal to the Cumulative Excess Performance Amount shall be distributed to the U.S. Manager;

provided, that upon Regency's purchase of all of the Projects or all of MCW LLC's Membership Interests, the Company shall make distributions of the Base Amount (together with all previously accrued but unpaid Base Amounts) and the Performance Amount with respect to the Fiscal Quarter (or partial period thereof) and Half Year (or partial period thereof) ending on the date of such purchase, and thereafter, the U.S. Manager shall not be entitled to any distributions of the Base Amount, Performance Amount or Excess Performance Amount, other than previously accrued but unpaid Base Amounts and Excess Performance Amounts.

(iii) MCW LLC Distributions. Third, for each month (by no later than the fourteenth (14^{th}) day following the end of such month), the Company shall make distributions to MCW LLC equal to the Net Operating Cash remaining after the distributions under Sections 5.1(a)(i) and 5.1(a)(ii).

(b) Distributions of Net Proceeds from Capital Transactions. Within thirty (30) days after the closing of a Capital Transaction, the Company shall distribute the Net Proceeds from Capital Transactions as follows unless the Members elect as a Major Decision to maintain all or a portion of such Net Proceeds from Capital Transactions in the Company:

(i) First, to U.S. Manager an amount equal to the product of the Net Proceeds from Capital Transactions multiplied by U.S. Manager's Percentage Interest at the time of such Capital Transaction.

(ii) Second, to Regency an amount equal to the Net Proceeds from Capital Transactions multiplied by Regency's Percentage Interest at the time of such Capital Transaction.

(iii) Third, to U.S. Manager in an amount equal to the sum of all previously accrued but unpaid Base Amounts.

(iv) Then, to MCW LLC an amount equal to the Net Proceeds from Capital Transactions remaining after the distributions under Sections 5.1(b)(i), 5.1(b)(ii) and 5.1(b)(iii) hereof.

Section 5.2 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided in this Article V and Article VII hereof, or (ii) as agreed to by all of the Members. A Member may not receive a distribution from the Company to the extent that such distribution would be prohibited by Section 18-607 of the Act.

ARTICLE VI
MANAGEMENT AND OPERATIONS OF THE COMPANY

Section 6.1 Management Generally.

(a) Authority of U.S. Manager With Respect to Daily Operations. Subject to this Agreement, the overall management and control of the business and affairs of the Company shall be vested in U.S. Manager, as the managing member of the Company. Except for those matters expressly required under this Agreement to be approved by the Members, (i) U.S.

Manager shall be the sole decision-maker on all day-to-day operational issues, and (ii) all decisions with respect to the day-to-day operations of the Company made by U.S. Manager shall be binding on the Company and each of the Members, including the following:

(i) subject to Section 6.2 hereof, taking all such actions as are necessary or desirable to cause the Company to acquire, hold, manage and sell Projects in accordance with the Investment Criteria and this Agreement, including, without limitation, executing any deed, lease, easement, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, certificate or other instrument in connection with the acquisition, holding, financing, management, maintenance, operation, lease, mortgage or other disposition of a Project, and any Person dealing with the Company shall be entitled to rely on such execution, without any further investigation, as the authority of U.S. Manager to execute any such document on behalf of the Company;

(ii) subject to Section 6.2(iv) and Section 6.7 hereof, consummating Financings in accordance with the Debt Financing Policy;

(iii) protecting and preserving the interests of the Company with respect to each Project and other assets owned by the Company and complying with all applicable laws and regulations and all agreements of the Company;

(iv) keeping all books of account and other records of the Company and each Project;

(v) coordinating the services of all property managers, engineers, accountants and other persons necessary or appropriate to carry out the business of the Company;

(vi) maintaining all funds of the Company in one or more Company accounts in a bank or banks and making payments for Company Expenses out of such account;

(vii) making distributions periodically to the Members in accordance with the provisions of this Agreement;

(viii) obtaining and complying with all policies of insurance in place with respect to the Company and the Projects;

(ix) subject to Section 6.2, instituting, defending, prosecuting, settling or otherwise taking any action on behalf of the Company with respect to any lawsuit or other legal action;

(x) preparing and filing all necessary returns, reports and statements and paying all taxes, assessments and other impositions relating to Projects or operations of the Company; and

(xi) performing other normal business functions and otherwise operating and managing the day-to-day business affairs of the Company in accordance with this Agreement.

(b) Budgets. U.S. Manager shall implement the Budget and shall be authorized, without the need for further approval by the Members, to make the expenditures and incur the obligations provided for in the Budget, except that total expenditures and obligations for any Project that exceed by more than 10% the total expenditures provided for such Project in the Budget shall be subject to the Consent of all the Members. Each year U.S. Manager shall prepare and submit a new Budget to all the Members for approval, consistent with the internal procedures used by Regency for its own properties. A copy of each Budget shall be provided to each Member for its approval no later than November 1 of the calendar year preceding the calendar year to which the Budget applies. The Budget shall include such support as any Member reasonably requests and is reasonably available that the fees proposed to be paid to U.S. Manager, Regency or any of their respective Affiliates (other than the acquisition fee described in Section 6.5(a) and other than the property management fee, if it has been reviewed within the last three years) are at least as favorable to the Company as those that generally would be payable for comparable services available from third parties. If all the Members fail to agree on a Budget for any year, the Budget in effect for the preceding year shall remain in effect at the Project and Company levels, except that (i) no Capital Expenditures shall be made, (ii) invoices for taxes, insurance, utilities, snow removal and other similar expenses necessary to operate the Projects shall be paid, and (iii) appropriate adjustments in other items of income and expense shall be made based on variances in occupancy, scheduled contract price increases and the increase in the Consumer Price Index-All Urban Consumers, U.S. City Average, since the beginning of the preceding year.

(c) Emergency Repairs. U.S. Manager may make expenditures on behalf of the Company, or enter into contracts whose costs are not included in the Budget, for repairs to any Project which, in U.S. Manager's opinion, using reasonable business judgment, are immediately required to be made for the preservation and safety of the Project, to avoid the suspension of any essential service to or for the Project, to avoid danger to life or property at the Project, or to comply with law if the non-compliance therewith could subject U.S. Manager or any of its Affiliates (or their respective employees) to criminal or civil liability ("Emergency Expenditures"). U.S. Manager shall promptly, but in no event later than twenty-four (24) hours from the time U.S. Manager learns of such emergency, notify MCW LLC and Regency by telephone of any such emergency. Immediately thereafter, U.S. Manager shall send MCW LLC and Regency a written notice setting forth the nature of the emergency and any action taken in connection therewith.

(d) Removal of U.S. Manager as Managing Member. In the event that U.S. Manager is removed as the manager of MCW LLC in accordance with the terms of the MCW LLC Agreement, the U.S. Manager shall automatically be removed as the managing member of the Company (a "Removal Event") (but continue as a Member of the Company), and thereafter, the U.S. Manager or its successor-in-interest shall not have any right to approve any Major Decision pursuant to Section 6.2 hereof or any other matter presented to the Members for approval, and MCW LLC and Regency shall appoint a new managing member or manager of the Company in substitution for U.S. Manager in accordance with Section 6.2(xxii). Upon any

Removal Event, the U.S. Manager or its successor-in-interest shall promptly cause, upon demand of Regency or MCW LLC, the execution and delivery to the Company, Regency and MCW LLC of all documents that may be necessary or appropriate, in the opinion of counsel for Regency or MCW LLC, as the case may be, to effect such substitution. Notwithstanding such substitution, U.S. Manager shall remain liable for all liabilities, duties and obligations of the U.S. Manager as managing member of the Company arising prior to the Removal Event. The rights, liabilities, duties and obligations of such substituted managing member or manager shall be set forth in an amendment to this Agreement.

Section 6.2 Major Decisions. Notwithstanding anything to the contrary contained in this Agreement, no act shall be taken or sum expended or obligation incurred by the Company or any Member, or anyone on their behalf, with respect to any of the following matters, unless such matter has received the prior written approval of all Members (each, a "Major Decision"):

(i) the acquisition of any New Project or any other real property;

(ii) the Sale of all or a material part of a Project or any other real property or any interest therein;

(iii) the adoption of or any modification to the Debt Financing Policy or the Investment Criteria;

(iv) any Financing, or increasing or extending any Financing;

(v) any hedging that does not comply with the Debt Financing Policy;

(vi) except as permitted by Section 6.1(b) or Section 6.1(c), any expenditure not provided for in the then current Budget;

(vii) any Anchor Lease or any amendment to or extension of an Anchor Lease;

(viii) any lease other than an Anchor Lease that is less favorable to the Company than the range of acceptable lease rates and other significant terms set forth in the then current Budget (a "Non-Conforming Lease") if the Non-Conforming Lease, together with any other non-Anchor Leases for the same Project entered into on behalf of the Company during the same Fiscal Year, would result in a reduction in annual revenue of at least 10% in the aggregate compared to the then current Budget for the Project;

(ix) the admission of a new Member to the Company, other than a transferee of Membership Interests permitted by Section 9.1, or the appointment of a successor or an additional Manager;

(x) terminating or dissolving the Company except in accordance with Article VII hereof or merging, consolidating or converting the Company;

(xi) entering into any contract (or any amendment or waiver thereof) or transaction with a Member or an Affiliate of a Member;

(xii) confessing a judgment against the Company;

(xiii) entering into a joint venture or other co-ownership relationship with respect to the ownership of a Project;

(xiv) making any tax election on behalf of the Company;

(xv) changing any accounting method adopted by the Company unless required by generally accepted accounting principles in the United States;

(xvi) causing the Company to enter into any agreement, other than real property leases or construction agreements, that is not cancelable without penalty on 30 days notice or less;

(xvii) forming, dissolving, merging, consolidating or converting a Project Level Entity or any other direct or indirect subsidiaries of the Company;

(xviii) making any election pursuant to Treasury Regulation Section 301.7701-3 to classify the Company for federal income tax purposes as anything other than a partnership or to classify a Project Level Entity for federal income tax purposes as anything other than a disregarded entity;

(xix) granting any lien, security interest, pledge, mortgage, deed of trust or other encumbrance on any asset of the Company (other than easements or similar rights that do not adversely affect the use or value of the Project);

(xx) any zoning change adverse to or any subdivision of any Project;

(xxi) instituting, defending, prosecuting, settling or otherwise taking any action on behalf of the Company with respect to any lawsuit or other legal action where the amount claimed exceeds $100,000;

(xxii) appointing a replacement managing member or manager of the Company following a Removal Event;

(xxiii) increasing the rates and fees schedules of any agreement between the Company and a Member or an Affiliate of a Member, except as specifically provided in the applicable agreement;

(xxiv) electing to maintain in the Company all or a portion of the Net Proceeds from Capital Transactions in accordance with Section 5.1(b) hereof;

(xxv) performing any act in contravention of this Agreement;

(xxvi) except as otherwise provided herein, taking any action which would make it impossible to carry on the ordinary business of the Company or substantially change the nature or scope of the business of the Company;

(xxvii) except as set forth in Section 3.2, make any additional Capital Contributions to the capital of the Company; or

(xxviii) on behalf of any direct or indirect subsidiary of the Company, making any decision or election, or taking any action, that would require the approval of all of the Members (pursuant to this Section 6.2 or otherwise) if such decision, election or action were made or taken by the Company itself.

Section 6.3 Dispute Resolution.

(a) Mediation. If the parties are unable to agree within fifteen Business Days on any Major Decision involving approval of either:

(i) a Financing, or any action to be taken with respect to any default under a Financing,

(ii) a Capital Expenditure or other unbudgeted expenditure requiring Capital Contributions from the Members (including a judgment against the Company),

(iii) an Anchor Lease or any amendment to or extension of an Anchor Lease, or

(iv) electing to maintain in the Company all or a portion of the Net Proceeds from Capital Transactions in accordance with Section 5.1(b) hereof,

the disagreement must be submitted to non-binding mediation conducted in Chicago pursuant to the Commercial Mediation Rules of the American Arbitration Association and the Members agree to try in good faith to settle such disagreement. Mediation shall be initiated by one Member providing Notification of mediation to the other. Regency and MCW LLC shall select a mutually acceptable mediator within ten Business Days of the date of such Notification. If such Members fail to agree on a mediator within such ten Business Day period, then the mediation shall be administered by a mediator selected by the American Arbitration Association. Whether selected by the Members or the American Arbitration Association, such mediator shall be a real estate professional, experienced with the management, leasing and operation of grocery-anchored shopping centers. The mediation proceedings shall be completed within 15 days after the selection of the mediator. The Members shall bear the costs of the mediation equally, other than the costs of their own experts, evidence and legal counsel, which each Member shall bear separately.

Section 6.4 Member Representatives

(a) Initial Representatives. Lisa Palmer shall serve as Regency's initial representative, Kylie K. Rampa shall serve as MCW LLC's initial representative and both of Lisa Palmer and Kylie K. Rampa shall serve as U.S. Manager's initial representatives, each of whom shall coordinate Member communications with respect to the Company's affairs. Each Member may designate a new Member representative upon Notification to the other Member. The Member representatives shall meet quarterly (either in person or by telephone) to review the Company's operations and more frequently as needed to address matters on an interim basis.

Member representative meetings may be called by either Member representative with at least three Business Days' prior Notification. Either Member representative may appoint another individual to act for such representative at any Member representative meeting by a proxy executed in writing and presented to the other Member representative at or before such meeting. Member representatives shall not be managers of the Company under the Act.

(b) Actions Binding on Members. Any written approval signed on behalf of MCW LLC by Kylie K. Rampa shall be binding on MCW LLC, any written approval signed on behalf of Regency by Lisa Palmer shall be binding on Regency and any written approval signed on behalf of U.S. Manager by each of Kylie K. Rampa and Lisa Palmer shall be binding on U.S. Manager. Any Member may change the individuals whose signature may bind the Member hereunder effective upon Notification to the other Member.

Section 6.5 Fees to U.S. Manager and Its Affiliates. From time to time, U.S. Manager may be required to perform certain acquisition, disposition or debt placement services for the Company. All fees outlined in this Section 6.5 shall be reviewed annually (other than the fees payable under the Property Management Agreement, which shall be reviewed every three years) commencing on the first anniversary date hereof by all of the Members to confirm that each fee is a Market Rate with respect to the services provided. Regency shall assist in the determination of the applicable fee; provided, that each such fee subject to review hereunder must be approved by all of the Members; provided, further, that in the event that the Members cannot agree on any such fee, MCW LLC shall determine such fee. In the event that the Company is unable to obtain any of the services for the fees determined by MCW LLC, the other Members may present evidence of amounts paid to unaffiliated third parties in comparable markets with respect to such services to MCW LLC, and MCW LLC may re-determine such fee. The Company shall pay the following fees to U.S. Manager for performing the services set forth below:

(a) Acquisition Fee. U.S. Manager shall receive an acquisition fee for arranging the purchase of any Project by the Company as provided in this Section 6.5(a); provided, the members of U.S. Manager may perform such services on behalf of the Company, in which case, the acquisition fee shall be payable directly to such member of U.S. Manager performing such services. The Members acknowledge that the acquisition fee payable with respect to purchase of the First Washington Portfolio by the Company shall be paid directly to Regency or its designee because Regency performed all services in arranging the purchase thereof. Except as set forth in clauses (ii) and (v) below, the acquisition fee shall be equal to one percent (1.0%) of the purchase price of such Project (excluding transaction expenses and costs associated with financing such transaction), which acquisition fee shall be payable by the Company to the U.S. Manager at the closing of such acquisition transaction by the Company.

(i) U.S. Manager shall be entitled to receive an acquisition fee for arranging the purchase of any Project from a third party that is not a Member or an Affiliate of a Member equal to one percent (1.0%) of the purchase price of such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by the Company, but which will not include expenses and costs in connection with completing or financing the acquisition by the Company), plus the reimbursement of its third-party acquisition costs for the payment of services that can be relied on by the Company, including legal due diligence and Project level compliance expenses incurred in conjunction with the acquisition of such Project.

(ii) U.S. Manager shall be entitled to receive an acquisition fee for arranging the purchase of any Project from any Affiliated Joint Venture and in an amount equal to the product of (A) one percent (1.0%) of the purchase price of such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by the Company, but which will not include expenses and costs in connection with completing or financing the acquisition by the Company) multiplied by (B) the percentage of the equity ownership interests in such Affiliated Joint Venture that are not directly or indirectly owned by a Member or its Affiliate, plus the reimbursement of its third-party acquisition costs for the payment of services that can be relied on by the Company, including legal due diligence and Project level compliance expenses incurred in conjunction with the acquisition of such Project.

(iii) U.S. Manager shall be entitled to receive an acquisition fee with respect to any Project acquired by the Company from Regency or its Affiliates if such Project is acquired by the Company at a purchase price (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by the Company, but which will not include expenses and costs in connection with completing or financing the acquisition by the Company) equal to the price paid by Regency or such Affiliate for such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by Regency or such Affiliate, but which will not include expenses and costs in connection with completing the acquisition by Regency or such Affiliate), plus the reimbursement of its third-party acquisition costs for the payment of services that can be relied on by the Company, including legal due diligence and Project level compliance expenses incurred in conjunction with the acquisition of such Project. Such acquisition fee shall be equal to one percent (1.0%) of the purchase price of such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by the Company, but which will not include expenses and costs in connection with completing or financing the acquisition by the Company).

(iv) U.S. Manager shall be entitled to receive an acquisition fee with respect to any Project acquired by the Company from Regency or its Affiliate if (A) such Project was owned by Regency or such Affiliate for at least ninety (90) days, but in no event longer than one (1) year, (B) Regency has elected to have the price at which such Property will be transferred to the Company from Regency or such Affiliate determined by a Qualified Appraiser and (C) (i) the purchase price paid for such Project by Regency or such Affiliate (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of the acquisition by Regency or such Affiliate, but which will not include expenses and costs in connection with completing the acquisition by Regency or such Affiliate) is greater than the purchase price at which the Project is transferred to the Company (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of transfer to the Company, but which will not include expenses and costs in connection with completing the acquisition by the Company) or (ii) Regency contributes or sells such Project to the Company at its cost for

such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of the acquisition by Regency or such Affiliate, but which will not include expenses and costs in connection with completing the acquisition by Regency or such Affiliate), plus the reimbursement of its third-party acquisition costs for the payment of services that can be relied on by the Company, including legal due diligence and Project level compliance expenses incurred in conjunction with the acquisition of such Project. Such acquisition fee shall be equal to one percent (1.0%) of the purchase price of such Project (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition by the Company, but which will not include expenses and costs in connection with completing or financing the acquisition by the Company).

(v) U.S. Manager shall be reimbursed for its third-party acquisition costs for the payment of services that can be relied on by the Company, including legal due diligence and Project level compliance expenses incurred in conjunction with the acquisition of any Project acquired by the Company from Regency or its Affiliate if (A) such Project was owned by Regency or such Affiliate for at least ninety (90) days, (B) Regency has elected to have the price at which such Property will be transferred to the Company from Regency or such Affiliate determined by a Qualified Appraiser and (C) the purchase price paid for such Project by Regency or such Affiliate (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of the acquisition by Regency or such Affiliate, but which will not include expenses and costs in connection with completing the acquisition by Regency or such Affiliate) is less than the purchase price at which the Project is transferred to the Company (which shall include the principal amount of and accrued and unpaid interest on debt assumed at the time of transfer to the Company, but which will not include expenses and costs in connection with completing the acquisition by the Company), but shall not be entitled to an acquisition fee with respect to such Project.

(vi) For purposes of the foregoing clauses (iv) and (v) and Section 6.6(a)(i), a Project shall be deemed "owned" by Regency or its Affiliate during the period commencing on the date on which Regency's or such Affiliate's earnest money deposit with respect to such Project becomes non-refundable (subject only to the failure to perform by the seller of such Project) to the earlier of (A) the date of acquisition of such Project by the Company or (B) the date on which the Company's earnest money deposit with respect to such Project becomes non-refundable (subject only to the failure to perform by the seller of such Project).

(b) Disposition Fee. U.S. Manager or its designee shall be entitled to receive a disposition fee for arranging the Sale of any Project to a third party that is not a Member or an Affiliate of a Member. The disposition fee shall be based on Market Rates and shall not exceed one percent (1.0%) of the sale price (including the principal amount of the debt assumed by the purchaser, but excluding interest on such assumed debt, expenses and costs in connection with completing the transaction) of such Project reduced by any amount paid to a third party for providing any such disposition services in connection therewith. Such fee shall be payable by the Company to the U.S. Manager or its designee at the closing of such disposition transaction by the Company.

(c) Capital Restructuring and Consulting Fees. The U.S. Manager shall be entitled to receive a fee for capital restructuring and consulting services provided in connection with any new Financing (excluding a Financing in place less than twelve (12) months) for the Company (but not the assumption of any Financing). The capital restructuring and consulting fee shall be equal to fifty (50) basis points of the total amount of the original principal amount of such Financing. Such fee shall be payable by the Company to the U.S. Manager at the closing of such Financing transaction by the Company. The capital restructuring and consulting fee shall be reduced by any amount paid to a third party for any debt placement services in connection with any such Financing.

(d) Construction Management Fee. The Company shall pay a construction management fee to RRG or an Affiliate of RRG as provided in the Property Management Agreement.

(e) Property Management and Leasing Fees. The Company shall pay to RRG or an Affiliate of RRG property management and leasing or leasing oversight fees as provided in the Property Management Agreement.

(f) Due Diligence Fee. U.S. Manager shall provide due diligence services to the Company in connection the Company's acquisition or disposition of Projects from time to time. For providing such due diligence services, U.S. Manager shall be entitled to receive a due diligence fee. Such due diligence fee shall equal twenty-five (25) basis points of the purchase price or sale price, as the case may be, of any such Project (including the principal amount of and accrued and unpaid interest on debt assumed at the time of acquisition or disposition, but excluding expenses and costs in connection with completing the transaction). A portion of the due diligence fee payable in connection with the acquisition of the First Washington Portfolio shall be used by the U.S. Manager to make its Capital Contribution to the Company pursuant to Section 3.1(c) hereof. In addition, U.S. Manager shall be reimbursed for its third-party costs, which shall include without limitation travel expenses, appraisals, market research and other reasonable third-party costs associated with the due diligence process.

Section 6.6 Costs and Expenses.

(a) Dead Deal Costs and Expenses.

(i) In the event that an acquisition of a Project is approved by the Members, the acquisition fails to close and such Project was not owned by Regency or its Affiliate for at least ninety (90) days at the time of such failure, all third party costs and incurred due diligence costs relating to such failed acquisition will be paid by the Company (and shared proportionately by its Members in accordance with their respective Percentage Interests); provided, that such third party costs are for the payment of services for the benefit of the Company.

(ii) All third party costs relating to a failed acquisition of Project other than with respect to such failed acquisitions set forth in clause (i) of this Section 6.6(a) will be paid by the U.S. Manager.

(b) Other Third Party Costs and Expenses. At the time of the closing of any transaction that generates a fee under Section 6.5(a), (b) or (c) above, the Company shall reimburse the U.S. Manager for any costs related to the payment of services performed by a third party in connection with any such transaction, including legal due diligence and Project level compliance expenses.

Section 6.7 Hedging Activities. The Debt Financing Policy includes criteria approved by the Members for hedging the Company's interest rate risk. U.S. Manager shall be responsible for carrying out all hedging activities on behalf of the Company in accordance with the Debt Financing Policy and shall provide prompt Notification to the Members each time that it wishes to execute a hedge on behalf of the Company, together with such information with respect to such hedging activities as the Members may reasonably request; provided, however, that hedging activities shall only be engaged in to the extent that they hedge indebtedness incurred or to be incurred by the Company to acquire or carry real estate assets. U.S. Manager shall clearly and unambiguously identify each hedging transaction (and related item hedged) as such to tax purposes in the Company's books and records (pursuant to Code Section 1221(a)(7) and the Treasury Regulations thereunder) before the close of the day on which it was acquired, originated, or entered into (or at such other time as the Internal Revenue Service may by Treasury Regulations prescribe). For the avoidance of doubt under the Debt Financing Policy, U.S. Manager hereby designates for tax purposes all future interest rate swap and derivative transactions as hedges of indebtedness incurred or to be incurred by the Company to acquire or carry real estate assets.

Section 6.8 Matters Relating to Regency Agreements. Any action to be taken by the Company as a party to a Regency Agreement, including but not limited to any amendment to or a notice of a default or waiver under or termination of any Regency Agreement shall be decided by MCW LLC.

Section 6.9 Expenses. Nothing herein shall be construed to require the U.S. Manager to advance its own funds to pay any Company costs or expenses except for any costs and expenses incurred by the U.S. Manager by reason of any violation by U.S. Manager of the standard of care set forth in Section 6.15(b). To the extent not paid for by a Project, the Company shall be responsible for and shall pay or shall reimburse U.S. Manager for (i) all out-of-pocket expenses that are incurred by it in the conduct of the business of the Company and its subsidiaries in accordance with the Budget or as permitted in excess of the Budget by Section 6.1(b), or are expressly approved in writing by the Members, but excluding U.S. Manager Expenses. "U.S. Manager Expenses" as used herein means:

(a) all compensation of officers, members, partners and employees of the managing member of U.S. Manager; and

(b) all general office overhead and related expenses of the managing member of the U.S. Manager, including rent, utilities, telecommunications, office furniture, equipment, accounting, legal, salaries and benefit expenses.

The Company shall not be responsible for payment of U.S. Manager Expenses. U.S. Manager Expenses shall not be treated as expenses of the Company and the payment thereof shall not be accounted for as contributions to or income of the Company and shall in no way affect the Members' Capital Contributions or the Capital Account of any Member.

The expenses described above shall also include reimbursement to the U.S. Manager at hourly rates set forth in the Budget or as otherwise approved by all of the Members for the actual time reasonably incurred by only those professional employees of either member of the U.S. Manager or its Affiliate listed in the Budget or otherwise approved by all of the Members in providing professional services in connection with the Company or the Projects that the U.S. Manager would otherwise be authorized hereunder to obtain from third party professionals, such as the services of in-house legal counsel in handling tenant disputes.

Section 6.10 Compensation of Members and their Affiliates.

(a) Except as may be expressly provided in this Article VI or elsewhere in this Agreement, or as may be approved by the Members, no Member nor any of their Affiliates shall receive, or shall be entitled to receive, any compensation, salaries, commissions (including, without limitation, for any Sale or Refinancing of the Projects), fees, profits, reimbursements or distributions from the Company.

(b) The Company shall pay reasonable legal costs incurred by the Members in connection with forming the Company and drafting this Agreement, upon presentation of itemized invoices therefor, including the fees of Mayer, Brown, Rowe & Maw LLP and Foley & Lardner LLP. The Company shall pay all legal fees and expenses in connection with drafting this Agreement (including exhibits, the Property Management Agreement and any agreements entered into in connection with the acquisition or divestiture of a Project), together with other expenses (including filing fees) of forming the Company and any Project Level Entity, all due diligence expenses with respect to Projects considered for acquisition by the Company, all closing costs incurred in connection with the acquisition of Projects, and all debt financing expenses. Each Member shall be responsible for all other costs and expenses incurred by such Member in connection with this Agreement, including their own organizational costs, if any. Unless expressly authorized for reimbursement under this Agreement, all other fees and expenses incurred by the Members in connection with carrying out their obligations under this Agreement shall be paid by the Members on their own account and shall not be reimbursed to the Members or treated as Capital Contributions by them.

Section 6.11 Property Management. With the approval of all the Members, the U.S. Manager may hire an independent contractor to manage a Project pursuant to a property management agreement (the "Managing Agent"); provided, however, if the Managing Agent is paid a fee less than the fee agreed to be paid to RRG or another Regency Affiliate for the same service, the cost savings will inure to the benefit of the Company and not RRG or such other Regency Affiliate. Nothing herein is intended to preclude RRG from retaining a portion of the duties it performs for such a Project, e.g., accounting, in return for a portion of the fees that would otherwise be payable to the Managing Agent if it performed the same services. The Members hereby acknowledge that First Washington Realty, Inc. will manage a portion of the First Washington Portfolio and provide accounting services to the Company pursuant to the Property Management and Leasing Agreement and Accounting Services Agreement between the Company and First Washington Realty, Inc.

Section 6.12 Other Activities of Members. Subject to complying with its express obligations set forth in this Agreement and the U.S. Manager LLC Agreement, each Member, in such Member's individual capacity or otherwise, shall be free to engage in, to conduct or to participate in any business or activity whatsoever, including, without limitation, the acquisition, development, management, rental, sale and exploitation of real property, even if such business or activity competes with or is enhanced by the business of the Company or the U.S. Manager.

Section 6.13 Project Level Entity. If all the Members determine that for legal, tax or regulatory reasons it is in the best interests of the Company that the Company acquire a Project through an alternative investment structure, U.S. Manager shall structure such acquisition through a Project Level Entity that is directly or indirectly owned 100% by the Company and that will acquire such Project in lieu of the Company. If U.S. Manager structures such acquisition using a Project Level Entity, each Member shall make Capital Contributions directly to the Company which will in turn make Capital Contributions to the Project Level Entity to the same extent, for the same purposes and on the same terms and conditions as Members are required to make Capital Contributions to the Company. For purposes of this Agreement, the formation documents of each Project Level Entity and any agreements to which a Project Level Entity is a party, any Project and other assets owned by a Project Level Entity shall be deemed held by the Company, and any action with respect to the Project, including but not limited to a Major Decision, that would require the approval of any Member if the Project were owned directly by the Company shall require such approval even though such approval is not required by such formation documents or other agreements. The forms of formation documents to be used by a Project Level Entity shall not be materially amended without the approval of the Members. The Project Level Entity to be used for each Project is set forth on Exhibit B or in the contribution or purchase agreement for a Project acquired after the acquisition of the First Washington Portfolio.

Section 6.14 Property Appraisals.

(a) Periodic Appraisals. U.S. Manager shall cause each Project to be appraised by a Qualified Appraiser once every three years after their acquisition. The cost of each appraisal shall be paid by the Company. New Projects acquired after the date of this Agreement shall be first appraised in the third year after their acquisition. The appraisals obtained under this Section 6.13(a) shall be conclusive as to Fair Market Value or Net Asset Value, as applicable, until a new appraisal is obtained under this Section 6.13(a). An appraisal shall be performed for a Project more often than once every three years if a Member believes that Fair Market Value of the Project has increased or decreased by 10% or more since it was last appraised.

(b) Disputed Appraisals. If any Member disagrees with an appraisal of a Project, it shall have 15 days after the Members have received the appraisal to appoint its own Qualified Appraiser, and that appraiser shall have 45 days after the date of its appointment to render its own appraisal of the Project and to select, together with the Company's appraiser, a third Qualified Appraiser. If the two appraisers are not able to agree on the appointment of a third Qualified Appraiser, the third Qualified Appraiser shall be selected by the American Arbitration Association, or any successor organization thereto. The third appraiser shall have 45 days from the date of its appointment to select either one of the two appraisals (and not an

average) as the one that most closely approximates the Fair Market Value of the Project in question, and such appraised value shall be conclusive. If the third appraiser selects the appraisal by the Company's appraiser, the Member who requested the additional appraisal shall pay the cost of the two additional appraisers. Otherwise, the cost of the two additional appraisers shall be born by the Company.

Section 6.15 Scope of Authority. Except as otherwise expressly and specifically provided in this Agreement, no Member, in its capacity as such or in any other capacity, shall have any authority to bind or act for, or assume any obligations or responsibility on behalf of, the Company or any other Member. Neither the Company nor any Member shall by virtue of executing this Agreement be responsible or liable for any indebtedness or obligation of, or claim against, any other Member.

Section 6.16 Liability of Members and Others; Indemnification.

(a) Notwithstanding anything contained herein to the contrary, the liability of each Member for any of the debts, losses or obligations of the Company (including, without limitation the obligations under (c) below) shall be limited to the sum of such Member's Capital Contributions required pursuant to Article III hereof. Accordingly, except as may be provided in the Act, (i) no Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company, (ii) no Member shall be required or obligated to provide additional capital to the Company or its creditors by way of contribution, loan or otherwise beyond the amount of the Capital Contributions required of such Members pursuant to Article III hereof; and (ii) no Member shall have any personal liability whatsoever, whether to the Company, any other Member or any third party, for the debts of the Company or any of its losses beyond the amount of the Member's Capital Contributions.

(b) No Member (or any partner, director, member, shareholder, officer or employee of any Member, direct or indirect) shall be liable to the other Members or to the Company for any act or omission performed or omitted by it in respect of this Agreement or the Company unless such action or omission constitutes gross negligence, fraud or willful misconduct or a breach of such Member's obligations under this Agreement or any other agreement with the Company.

(c) The Company shall defend, protect, indemnify and hold harmless each Member, and their respective partners, officers, members, officers, directors, shareholders, agents and employees (collectively, "Indemnitees") harmless from and against any third party claims, demands, losses, damages, liabilities or costs and expenses, including, without limitation, reasonable attorneys' fees and court costs (collectively, "Claims") suffered or incurred by any of them by reason of their actions or omissions pursuant to this Agreement or by reason of their being a Member of the Company, other than those suffered or incurred by reason of such Indemnitee's willful misconduct, fraud, gross negligence or breach of such Member's obligations under this Agreement or any other agreement with the Company. If an Indemnitee shall be made, or is threatened to be made, a party to any claim, action or proceeding arising out of conduct by such Indemnitee on behalf of the Company, such Indemnitee shall immediately give the other Member(s) written notice of such claim, action or proceeding, and the other Member(s) shall have the right to join the resisting and defending of such claim, action or

proceeding. The Company shall, for all Claims indemnifiable by the Company under this Section 6.15(c), pay all attorneys' fees and other expenses incurred by the indemnified party so long as such party provides to the Company a reasonably satisfactory undertaking to reimburse the Company in the event the Claim at issue turns out not to be a Claim indemnifiable by the Company under this Section 6.15(c). Each Member shall cooperate, and shall cause its Indemnitees to cooperate, in connection with the defense of any claim, action or proceeding involving an Indemnitee which is indemnifiable under this Section 6.15(c). Any indemnification pursuant to this Section 6.15(c) shall be made only from the assets of the Company.

Section 6.17 REIT Status. U.S. Manager shall at all times use commercially reasonable efforts to conduct the business of the Company such that the nature of its assets and gross revenues (as determined pursuant to Section 856(c)(2), (3) and (4) of the Code) would permit the Company (determined as if the Company were a "real estate investment trust" (a "REIT")) to qualify as a REIT under Section 856 of the Code and would permit the Company to avoid incurring any tax on prohibited transactions under Section 857(b)(6) of the Code and any tax on redetermined rents, redetermined deductions, and excess interest under Section 857(b)(7) of the Code (determined as if the Company was a REIT). U.S. Manager hereby agrees that subsequent to the acquisition by the Company of the First Washington Portfolio, U.S. Manager (i) will take commercially reasonable steps (including, without limitation, completing property questionnaires for each property in the First Washington Portfolio) to confirm that the First Washington Portfolio assets and income will permit the Company (determined as if the Company were a REIT) to qualify as a REIT under the Code and (ii) will take commercially reasonable steps, if necessary, in the event the First Washington Portfolio assets and income do not permit it to so qualify. Notwithstanding anything to the contrary in this Agreement, U.S. Manager shall, to the fullest extent possible consistent with the distribution provisions of Article V and Article VII, cause the Company to distribute to MCW LLC by the end of the Fiscal Year no less than 100% of the taxable income allocable to MCW LLC for such Fiscal Year so that MCW LLC may satisfy the requirements of Section 857(a)(1) of the Code for its taxable year (determined as if MCW LLC were a REIT).

ARTICLE VII
WITHDRAWAL; DISSOLUTION AND TERMINATION

Section 7.1 Withdrawal. The Members shall not at any time withdraw, retire or resign from the Company. Withdrawal, retirement or resignation by a Member in contravention of this Section 7.1 shall subject such Member to liability for all damages caused by such retirement, withdrawal or resignation.

Section 7.2 Events of Default by Members; Change of Control.

(a) The occurrence of any of the following events with respect to a Member (other than U.S. Manager) ("Defaulting Member") shall constitute an event of default ("Event of Default") under this Agreement on the part of such Member:

(i) the making by such Member of a warranty or representation under this Agreement that was false in any material respect when made, as a result of which the Company and the other Member, or either of them was or may be materially and

adversely affected, and if such Member fails to cure such breach within 30 days after receipt of Notification thereof from the other Member, or if the breach is not susceptible of cure within such 30 days, failure to institute prompt action and prosecute with diligence and continuity the curing of the breach and failure to cure the breach within 90 days after receipt of such Notification;

(ii) any failure by a Member to make an additional Capital Contribution as required by Section 3.2(b) within ten days after payment is due;

(iii) any other material breach by such Member of the terms of this Agreement applicable to such Member and failure to cure such breach within 30 days after receipt of Notification thereof from the other Member, or if the breach is not susceptible of cure within such 30 days, failure to institute prompt action and prosecute with diligence and continuity the curing of the breach and failure to cure the breach within 90 days after receipt of such Notification; or

(iv) any material breach by Regency or any Affiliate of Regency under any Regency Agreement and failure to cure such breach within 30 days after receipt of Notification thereof from MCW LLC or U.S. Manager, or if the breach is not susceptible of cure within such 30 days, failure to institute prompt action and prosecute with diligence and continuity the curing of the breach and failure to cure the breach within 90 days after receipt of such Notification, or if longer, within the applicable cure period in such Regency Agreement; or

(v) any Transfer in violation of Article IX.

(b) Upon the occurrence of an Event of Default by a Defaulting Member that continues beyond any applicable cure period, the non-defaulting Non-Managing Member shall have the right, in addition to all other rights and remedies available hereunder, at law or in equity, to (i) require that the Company either (x) dissolve and distribute the assets of the Company in kind to the Members, or (y) distribute in kind certain of the Company's assets to the Defaulting Member in liquidation of its Membership Interest (less any actual damages caused to the Company by the Defaulting Member's default), each in accordance with the procedures described in Section 7.5, or (ii) purchase the Projects (or the Project Level Entities) or the Defaulting Member's Membership Interest in the Company in accordance with Section 9.2.

(c) Within six months following a Change of Control of MCW LLC, Regency may send Notification to MCW LLC of Regency's election to (i) require that the Company dissolve and distribute the assets of the Company in kind to the Members in accordance with the procedures described in Section 7.5 or (ii) purchase, or cause its designee to purchase, the Projects or the Membership Interests of MCW LLC pursuant to Section 9.2 hereof.

(d) Within six months following a Change of Control of Regency, MCW LLC may send Notification to Regency of MCW LLC's election to (i) require that the Company dissolve and distribute the assets of the Company in kind to the Members in accordance with the procedures described in Section 7.5, or (ii) terminate the Property Management Agreement.

Section 7.3 Dissolution of the Company. The Company shall be dissolved upon the first to occur of any of the following events:

(a) the agreement of the Members that the Company should be dissolved;

(b) (i) delivery by MCW LLC of Notification to Regency and the U.S. Manager, within six months following the Change of Control of Regency, of MCW LLC's election to dissolve the Company pursuant to Section 7.2(d)(i) or (ii) delivery by Regency of Notification to MCW LLC and the U.S. Manager, within six months following the Change of Control of MCW LLC, of Regency's election to dissolve the Company pursuant to Section 7.2(c)(i);

(c) the election by a non-defaulting Non-Managing Member to dissolve the Company pursuant to Section 7.2(b);

(d) delivery by one Non-Managing Member to the other Members at any time of the sending Non-Managing Member's election to dissolve the Company after the receiving Non-Managing Member files in any court pursuant to any statute of the United States or any state thereof a petition in bankruptcy or insolvency or for a reorganization, or for the appointment of a receiver or trustee of all or a substantial portion of such Non-Managing Member's property, or if such Non-Managing Member makes an assignment for or petitions for or enters into an arrangement for the benefit of creditors, or if any such a petition in bankruptcy or insolvency is filed against such Member which is not discharged within 60 days thereafter;

(e) delivery by one Non-Managing Member to the other Members at any time of the sending Non-Managing Member's election to dissolve the Company after a change in the Code, or any case law, regulations or IRS rulings or interpretations thereunder that would cause Regency's general partner (if the Notification is delivered by Regency) or MCW LLC's sole member (if the Notification is delivered by MCW LLC) to cease to qualify as a real estate investment trust under the Code; or

Dissolution of the Company shall be effective on the day on which the event giving rise to the dissolution occurs. Immediately upon dissolution, the Members shall proceed to wind up the affairs of the Company, and, upon completion of such winding up, liquidate the Company's assets as provided in Section 7.4 and Section 7.5. Notwithstanding the dissolution of the Company prior to the winding up of the affairs of the Company, as aforesaid, the business of the Company and the affairs of the Members as such, shall continue to be governed by this Agreement.

Section 7.4 Liquidation.

(a) Upon the dissolution of the Company pursuant to Section 7.3, U.S. Manager shall wind up the business and affairs of the Company in an orderly manner. The management of the Company shall continue to be governed by the provisions of Article VI while the U.S. Manager winds up the Company.

(b) The proceeds of liquidation shall be paid in the following order:

(i) First, to the payment of and discharge of all of the Company's debts and liabilities to Persons including Members (other than in respect of their Membership Interests) and the expenses of liquidation;

(ii) Second, to the establishment of any reserves, such reserves to be paid over by U.S. Manager to a bank or other third party acceptable to the Members, as escrow agent, to be held for disbursement in payment of any liabilities and, at the expiration of such reasonable time as may be determined by U.S. Manager for distribution of the balance in the manner hereafter provided in this Section 7.4; and

(iii) The balance, if any, shall be distributed to the Members in accordance with the priorities set forth in Section 5.1(b); provided that the entire Cumulative Excess Performance Amount shall be distributed to the U.S. Manager.

(c) Any distributions under this Article VII to Members upon liquidation (whether in cash, cash equivalents, or in kind) shall be made by the end of the taxable year in which the liquidation of the Company occurs (or, if later, within 90 days after the date of such liquidation).

(d) It is intended that the distributions set forth in this Section 7.4 comply with the intention of Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2) that liquidating distributions be made in accordance with positive Capital Accounts. However, if the distributions set forth in this Section 7.4 would not be the same as distributions made in accordance with positive Capital Accounts, no change in the amounts of distributions pursuant to this Section shall be made, but rather, items of income, gain, loss, deduction and credit will be reallocated among the Members so as to cause the balances in the Capital Accounts to be in the amounts necessary so that, to the extent possible, distributions set forth in this Section 7.4 shall be in accordance with positive Capital Accounts.

Section 7.5 Distribution in Kind.

(a) Upon the dissolution of the Company following the election of the applicable Non-Managing Member pursuant to Section 7.2(b), 7.2(c)(i) or 7.2(d)(i) hereof, all (or in the case of clause (y) of Section 7.2(b) hereof, a portion) of the assets of the Company remaining after distribution pursuant to Section 7.4(b)(i) and (ii) shall be distributed pursuant to Section 7.4(b)(iii) (i) in cash to the U.S. Manager and (ii) in kind to MCW LLC and Regency, in lieu of cash in accordance with the procedures described below. Distribution of any Projects in kind to a MCW LLC and Regency shall be considered for purposes of Section 7.4 a distribution of an amount equal to the Project's Fair Market Value, less the amount of any liabilities secured by the distributed Project which such Member is considered to assume or take subject to (but not in excess of the Fair Market Value of the Project if the Member takes subject to but does not assume such liabilities).

(b) In preparation for distributing the assets of the Company in kind to MCW LLC and Regency on liquidation of the Company, the Fair Market Value of the Projects shall be determined by appraisal by a Qualified Appraiser. Within thirty (30) days after receipt by U.S. Manager of the appraisals, U.S. Manager shall make an initial determination of the amount that each Member would be entitled to receive if the Company's assets were sold for Fair Market Value and the cash proceeds distributed to the Members as set forth in Section 7.4(b) hereof.

The amount distributable to MCW LLC pursuant to this Section 7.5 shall equal the sum of the amounts distributable to MCW LLC pursuant to Section 7.4(b)(iii) (such amount is herein called "MCW LLC's Liquidation Amount"). The amount distributable to Regency pursuant to this Section 7.5 shall equal the sum of the amounts distributable to Regency pursuant to Section 7.4(b)(iii) (such amount is herein called "Regency's Liquidation Amount").

(c) A "Liquidation Percentage" (herein so called) shall be determined for each of MCW LLC and Regency based on MCW LLC's Liquidation Amount and Regency's Liquidation Amount, respectively. The Liquidation Percentage shall be an amount stated as a percentage, equal to a fraction, (i) the numerator of which is MCW LLC's Liquidation Amount, or Regency's Liquidation Amount, as the case may be and (ii) the denominator of which is the sum of MCW LLC's and Regency's Liquidation Amounts.

(d) Projects will be selected by the Non-Managing Members for distribution to them based on their Liquidation Percentages. If a Non-Managing Member has elected to cause the dissolution pursuant to Section 7.3(b), (c) or (d), such Non-Managing Member shall be the first to select which Projects shall be distributed to it. If a Non-Managing Member has elected to cause the dissolution pursuant to Section 7.3(e), the Non-Managing Member who did not elect to cause the dissolution shall be the first to select which Project shall be distributed to it. If the dissolution has been triggered by mutual agreement of the Members, the first to select shall be determined by coin toss unless otherwise agreed by the parties.

By way of example, if Regency's Liquidation Percentage is 35% and Regency selects first, then the process will proceed as follows:

(i) Regency will select its first Project;

(ii) MCW LLC will then select its first Project;

(iii) The foregoing process will be repeated until all Projects have been selected or neither Non-Managing Member wishes to receive a distribution in kind of any of the remaining Projects, or until a Non-Managing Member, with its next selection, would exceed such Non-Managing Member's Liquidation Amount. If a Non Managing Member, with its next selection, would exceed such Non-Managing Member's Liquidation Amount, such Non-Managing Member will then make its last selection, and that portion of the Net Asset Value of the selected Project that exceeds such Non-Managing Member's remaining Liquidation Amount shall be paid to the Company in cash within 30 days if such excess amount represents less than 50% of the Net Asset Value of the Project in question. If such excess amount represents 50% or more of the Net Asset Value of the Project, such Non-Managing Member may not make such selection, and the Company shall pay such remaining Liquidation Amount to such Non-Managing Member in cash as promptly as practicable. All remaining Projects shall be allocated to the Non-Managing Member whose remaining Liquidation Amount has not yet been exceeded to the extent that such Non-Managing Member so elects.

MCW LLC's and Regency's respective Capital Accounts shall be charged or credited, as the case may be, as if the Project had been sold for cash at such Fair Market Value and the Profits or Losses recognized thereby had been allocated to and among the Non-Managing Members in accordance with Section 4.2.

(e) In connection with the distribution in kind of a Project to a Non-Managing Member under this Section 7.5, at a closing to be held as promptly as practicable after the completion of the selection process under Section 7.5(d), the Company or the applicable Project Level Entity, as applicable, shall execute and deliver all documents that may be necessary or appropriate and customary, in the reasonable opinion of counsel to the Non-Managing Member receiving the distribution and as determined by a title company selected by the receiving Non-Managing Member, to convey good, marketable and indefeasible fee simple title to the applicable Project by special warranty deed, free and clear of all liens and encumbrances (other than (i) liens securing any mortgage debt that the receiving Non-Managing Member has agreed to assume, (ii) liens for taxes not yet delinquent, (iii) easements, rights-of-way, covenants and restrictions which are customary and typical for properties similar to the subject Project or (iv) those title matters affecting the Project existing at the time the Project was acquired by the Company and disclosed on the title insurance commitment issued to the Company at that time), together with all documents customarily required in similar transactions or as reasonably required by the receiving Non-Managing Member or the title company, including owner's title policy and survey. The receiving Non-Managing Member shall execute and deliver all documents reasonably required by the Company to evidence the receiving Non-Managing Member's assumption of debt which the receiving Non-Managing Member has agreed to assume. All items of income and expenses, charges, escrows, deposits and fees customarily prorated and adjusted in similar transactions shall be so prorated and adjusted. In the event that accurate prorations and adjustments cannot be made at such closing because current bills are not obtainable, the Company and the receiving Non-Managing Member shall prorate on the best available information, subject to adjustment upon receipt of the final bills. The Company shall pay all closing costs normally and customarily paid by a seller of a real property interest in the area where the applicable Project is located, and the receiving Non-Managing Member shall pay all closing costs normally and customarily paid by a buyer of a real property interest; provided, however, that the receiving Non-Managing Member and the Company shall each pay the fees and expenses of its own legal counsel.

(f) Any remaining Projects shall immediately be marketed for sale by the Company. The net proceeds from all such Sales shall be distributable to the Non-Managing Members as Net Proceeds from Capital Transactions in the order set out in Section 7.4(b).

Section 7.6 Right of First Offer.

(a) If either MCW LLC or Regency decides to offer for sale a Project that it has received pursuant to Section 7.5 within 180 days after the date that the Project has been distributed to it, MCW LLC or Regency, as applicable ("Selling Member"), shall first Notify the other Non-Managing Member ("Buying Member") and give the Buying Member 30 days in which to make a written offer to purchase the Project (the "Offer") and the Selling Member shall not sell such Project for a price less than the price offered by the Buying Member for such Project for 180 days after the date of the Offer, but may sell such Project for more than such price at any time after receipt of the Offer.

(b) Unless otherwise set forth in the Offer, within five Business Days after the Selling Member's acceptance of the Offer, the Buying Member shall deposit Earnest Money equal to five percent (5%) of the Offer price with an independent and neutral party reasonably satisfactory to the Selling Member. The Earnest Money shall be applied against the purchase price at the closing referenced below, or shall be paid as liquidated damages in the event of default by the Buying Member. In the event the Buying Member fails to deposit timely such Earnest Money, then the Selling Member shall be free to sell the subject Project at any price at any time without further reference to this Section 7.6.

(c) Unless otherwise set forth in the Offer, if the Selling Member accepts the Offer, the Buying Member shall pay (or cause its designee to pay) to the Selling Member, at a closing to be held at the Selling Member's principal offices no later than 90 days after the Selling Member's acceptance of the Offer, an amount equal to the price set forth in the Offer. Simultaneously with the receipt of such payment, the Selling Member shall execute and deliver all documents that may be necessary or appropriate and customary, in the reasonable opinion of counsel to the Buying Member and as determined by a title company selected by the Buying Member, to convey good, marketable and indefeasible fee simple title to the Project, free and clear of all liens and encumbrances (other than (i) liens securing any mortgage debt that the Buying Member has agreed to assume, (ii) liens for taxes not yet delinquent, (iii) easements, rights-of-way, covenants and restrictions which are customary and typical for properties similar to the subject Project or (iv) those title matters affecting the Project existing at the time the Project was acquired by the Selling Member and disclosed on the title insurance commitment issued to the Selling Member at that time), together with all documents customarily required in similar transactions or as reasonably required by the Buying Member or the title company, including owner's title policy and survey. The Buying Member shall execute and deliver all documents reasonably required by the Selling Member to evidence the Buying Member's assumption of debt which the Buying Member has agreed to assume. All items of income and expenses, charges, escrows, deposits and fees customarily prorated and adjusted in similar transactions shall be so prorated and adjusted. In the event that accurate prorations and adjustments cannot be made at such closing because current bills are not obtainable, the Selling Member and the Buying Member shall prorate on the best available information, subject to adjustment upon receipt of the final bills. The Selling Member shall pay all closing costs normally and customarily paid by a seller of a real property interest in the area where the applicable Project is located, and the Buying Member shall pay all closing costs normally and customarily paid by a buyer of a real property interest; provided, however, that the Buying Member and the Selling Member shall each pay the fees and expenses of its own legal counsel. In the event of the Buying Member's default of its obligation to purchase under this Section 7.6(c), then the Selling Member shall be free to sell the subject Project at any price at any time without further reference to this Section 7.6.

Section 7.7 Certificate of Cancellation. Upon the completion of the distribution of Company assets as provided in this Article VII, the Company shall be terminated and cancelled, and U.S. Manager, shall cause a Certificate of Cancellation to be filed in the office of the Secretary of State of Delaware, and shall take such other actions as may be necessary or appropriate to terminate and wind up the Company.

ARTICLE VIII
BOOKS AND RECORDS, ACCOUNTING, REPORTS

Section 8.1 Books and Records. U.S. Manager shall keep just and true books of account with respect to the operations of the Company. The books and records (including leases and other contracts) of the Company shall be maintained at the principal office of the Company and such other locations as may be designated by U.S. Manager, and shall be available for examination and copying at all times by the Members during ordinary business hours. The Members shall have the right to inspect any Project at any time during ordinary business hours.

Section 8.2 Accounting Basis and Fiscal Year. The Company's books and records shall be closed and balanced at the end of each Fiscal Year. For financial reporting purposes, the books and records of the Company shall be kept on the accrual method of accounting and applied in a consistent manner in accordance with generally accepted accounting principles in the United States. The accrual method of accounting shall be used for both Company and tax accounting purposes. The Fiscal Year of the Company shall be the 12-month period ending December 31.

Section 8.3 Reports.

(a) U.S. Manager shall have prepared and shall deliver to the Members within three Business Days after the end of each month unaudited operating statements for each of the Company's Projects, and within 15 days after the end of each month such additional information, including narrative information concerning operations, as any Member may reasonably request.

(b) Within 45 days after the end of each Fiscal Quarter, U.S. Manager shall have prepared and shall deliver to the Members such quarterly reports as any Member may reasonably request, which may include a balance sheet and operating statements for each Project and for the Company, together with a written analysis of operations of each of the Projects and a reasonably detailed estimate of Net Operating Cash and a summary of all distributions during such Fiscal Quarter, all of which shall be certified by U.S. Manager, but which may be unaudited. Such quarterly report shall be in a form acceptable to each of the Members.

(c) U.S. Manager shall prepare or cause to be prepared, at the expense of the Company, all federal, state and local income tax returns required of the Company. U.S. Manager shall submit or cause the submission of such returns to the Members in draft form for each of their review and approval which shall not be unreasonably withheld, and after receiving such approval, shall file or cause the filing of the tax returns and shall furnish or cause to be furnished to the Members all necessary information concerning the Members' distributive share of the Company items shown on the Company's tax returns to enable the Members to prepare their federal, state and local income tax returns, with such information for each Fiscal Year to be furnished to the Members by March 31 of the next year. The Members shall provide all comments, and their approval and consent to the filing of the returns subject to the implementation of their comments at least five (5) days prior to the due date of the applicable return; otherwise, the Members shall be deemed to have approved and consented to the filing of the return submitted to the Members by U.S. Manager.

(d) Within 90 days after the end of each Fiscal Year, U.S. Manager shall send to the Members (i) the balance sheet of the Company and the Members' Capital Account balances as of the end of such year and statement of income (loss), statement of Members' equity and statement of cash flow of the Company for such year, and (ii) a statement of Net Operating Cash and actual cash distributions for such year, all of which shall be audited by the Accountant.

(e) U.S. Manager shall provide to the Members or any of their respective Affiliates promptly upon any such Member's request, any information as may be reasonably necessary to conform the information provided pursuant to this Section 8.3 to the generally accepted accounting principles prevalent in Australia.

(f) U.S. Manager shall, within 5 Business Days after U.S. Manager receives knowledge of the following matters, give notice (i) to the Members of (x) any default under any Financing or breach of or default under any other material agreement of which the Company is a party, (y) nonpayment of property taxes with respect to a Project, or (ii) any matter that will likely result in a loss greater than $100,000 to the Company, and (iii) copies to the Members of any material notices given under any Regency Agreement by (x) the Company or (y) Regency or any Affiliate of Regency.

(g) Within forty-five (45) days after the end of the third quarter of each calendar year, the Company shall provide to the Members an estimate of the amount and nature of the Members' respective distributive shares of Company items of taxable income, gain, loss and deduction realized or incurred by the Company during the first three quarters of such calendar year, the amounts of ordinary income and capital gain and the amount of earnings and profits (within the meaning of Section 312 of the Code) attributable thereto. When providing this information, U.S. Manager should also inform the Members of any significant transactions that are contemplated to occur during the fourth quarter of such Fiscal Year. The Company shall also provide such information for the entire calendar year within twenty-five (25) days after the close of such calendar year. In developing such information and fulfilling its obligations hereunder, the Company shall retain its regular nationally recognized accounting firm to review such information. In providing such estimates, the Company shall also make available to the Members and their respective tax advisors the supporting computations underlying such estimates. The Company shall also provide information to the Members on a quarterly basis within twenty (20) days after the end of each quarter, or at such other times as any Member may reasonably request, regarding the nature and amount of the Company's assets and gross income that is sufficient to permit such Member to ascertain its compliance with the REIT income and asset tests and to comply with the REIT recordkeeping requirements under the Code and the applicable Regulations.

(h) U.S. Manager agrees to Notify the Members promptly after the Company first receives percentage rent under an Anchor Lease or after U.S. Manager has knowledge that the tenant under an Anchor Lease has entered into a sublease for any space thereunder.

(i) Additionally, U.S. Manager shall provide MCW LLC with information necessary for MCW LLC and its Affiliates to comply with Australian securities laws upon a reasonable request from MCW LLC.

Section 8.4 Independent Audit or Review.

(a) At Company expense, U.S. Manager shall cause the Accountant to conduct an annual audit of the Company's financial statements in accordance with generally accepted accounting principles in the United States, consistently applied. A copy of the audit report and the accompanying financial statements shall be provided to the Members.

(b) Any Member shall have the absolute right to undertake a periodic audit review of the Company or its Projects, the fees payable hereunder to U.S. Manager or Regency (or its Affiliates) and U.S. Manager's or Regency's (or its Affiliates') compliance with the provisions of this Agreement or the Property Management Agreement. Such audit review may be undertaken directly by any Member or by third parties engaged by any Member, including accountants, consultants and appraisers. U.S. Manager or Regency (or its Affiliate), as the case may be, shall cooperate fully with such Member or any such third party in connection with such audit review. All adjustments, payments and reimbursements to the fees payable hereunder to U.S. Manager or to Regency or Regency (or its Affiliate) under the Property Management Agreement determined by such Member or its representatives to be appropriate by such audit review shall be effected promptly by U.S. Manager; provided, however, that if U.S. Manager or Regency (or its Affiliate), as the case may be, disputes any of such adjustments, payments or reimbursements, then the matters in dispute shall be submitted to a mutually acceptable firm of nationally recognized independent certified public accountants (other than the Accountant), who shall determine which party's determination is correct and whose decision shall be binding. If the audit for any given annual period discloses that aggregate adjustments, payments and reimbursements in favor of the Company exceed either a percentage in excess of 3% of the total distributions made to the Members in the year under audit or (with respect to U.S. Manager's or Regency (or its Affiliates) fees only) in an adjustment in excess of 3% of the fees payable to U.S. Manager or Regency (or its Affiliates), as the case may be, the cost of such audit shall be paid by U.S. Manager or Regency (or its Affiliates), as the case may be, out of its own funds. Otherwise, the cost of the audit shall be paid by the Member who initiated the review from its own funds.

Section 8.5 Bank Accounts. U.S. Manager shall be responsible for causing one or more bank accounts of the Company to be maintained in an FDIC-insured bank (or banks), which accounts shall be used for the payment of the expenditures incurred in connection with the business of the Company. All deposits and funds shall be swept daily to interest-bearing Company accounts approved by each of the Members as part of the Company's cash management system, subject to any lock-box requirements imposed by lenders. All amounts in Company accounts shall be and remain the property of the Company, and shall be received, held and disbursed for the purposes specified in this Agreement.

ARTICLE IX
TRANSFER OF MEMBERSHIP INTERESTS

Section 9.1 General Restrictions. No Member may sell, assign, transfer, pledge or otherwise encumber (for purposes of this Article IX, the foregoing may be collectively referred to as a "Transfer") any of its rights or interests in the Company, including its Membership Interest and its interest in Company allocations or distributions, except (i) to an Affiliate provided that the Transferring Member shall remain liable for its obligations hereunder in connection with a merger, consolidation or other business combination in which such Member is the surviving entity, (ii) in connection with a merger, consolidation or other business combination involving the Member's general partner or parent company and an unrelated third party in which the Member is not the surviving entity (for example, a merger of Regency's general partner into an unrelated third party that also involves the merger of Regency into the operating partnership of such unrelated third party), or (iii) as provided in this Article IX. Any attempted Transfer in violation of this Article IX shall be void ab initio and shall constitute an Event of Default hereunder.

Section 9.2 Purchase Option.

(a) If a Non-Managing Member elects by written notice to purchase the Projects, or at its election the other Non-Managing Member's Membership Interests, pursuant to Sections 7.2(b), 7.2(c) or 7.2(d) hereof (the "Purchase Option Purchaser"), then the Purchase Option Purchaser shall purchase the Projects (or the Project Level Entities) from the Company, or the Membership Interests from the other Non-Managing Member, in accordance with this Section 9.2 (such purchase being the "Purchase Option").

(b) Fair Market Value. The Projects shall be appraised by a Qualified Appraiser and valued at Fair Market Value as of the time of the exercise of the Purchase Option (the "Appraised FMV"). In the event Membership Interests are being purchased, the valuation of the Membership Interests shall be based on the Appraised FMV and shall be determined as if the Company was being liquidated pursuant to Section 7.4(b).

(c) Earnest Money; Default. Within five (5) Business Days after the date of the exercise of the Purchase Option, the Purchase Option Purchaser shall deposit in cash an aggregate amount equal to five percent (5%) of the Appraised FMV multiplied by the other Non-Managing Member's Percentage Interest (or if such Appraised FMV has not then been finally determined, then an amount equal to five percent (5%) of the Fair Market Value established by reference to the most recent independent appraisal, obtained pursuant to Section 6.13 multiplied by other Non-Managing Member's Percentage Interest) (the "Earnest Money") with an independent and neutral party reasonably satisfactory to the non-acquiring Non-Managing Member. The Earnest Money shall be applied against the purchase price at the closing referenced below, or shall be paid to the Company or applicable Project Level Entity (if Projects (or the Project Level Entities) were to be purchased) or the other Non-Managing Member (if Membership Interests were to be purchased) as liquidated damages in the event of default by the Purchase Option Purchaser. In the event that the Earnest Money is not deposited as provided above, the election of the Purchase Option Purchaser shall be deemed ineffective, and such Non-Managing Member shall have no rights to the Projects (or the Project Level Entities) or the other

Non-Managing Member's Membership Interest unless another Purchase Option is triggered by such Non-Managing Member due to an Event of Default or Change of Control that occurs after the last election made and not closed in accordance with the preceding sentence with respect to such a Non-Managing Member.

(d) Purchase Option Closing. The Purchase Option shall be closed and consummated on that date (the "Purchase Option Closing Date") designated by the Purchase Option Purchaser, which date shall be within sixty (60) calendar days after the exercise of the Purchase Option. All Net Operating Cash, if any (after establishment of a reasonable Reserve, which Reserve or so much thereof as exists after payment of all liabilities of the Company and/or its subsidiaries shall be released after a reasonable period of time), shall be distributed to the Members in accordance with the applicable provisions of Section 5.1(b) on the Purchase Option Closing Date and prior to consummation of the purchase pursuant to this Section 9.2 as if such distribution date were the last day of a Fiscal Year. An amount equal to the Appraised FMV (less the amount of any debt on the Projects assumed or retained by the Purchase Option Purchaser in connection with the acquisition of such Projects (or the Project Level Entities), multiplied by (if Membership Interests are to be purchased) the other Non-Managing Member's Percentage Interest, shall be paid to the Company or applicable Project Level Entities (if Projects (or the Project Level Entities) were to be purchased) or to the other Non-Managing Member (if Membership Interests were to be purchased), by the Purchase Option Purchaser or its designee, in cash on the Purchase Option Closing Date. The non-acquiring Non-Managing Member agrees to indemnify the Purchase Option Purchaser for its respective portions of liabilities incurred by the Company prior to the Purchase Option Closing Date, to the extent that no adjustment for such liabilities has been made to the amount paid by the Purchase Option Purchaser on the Option Closing Date. As of the Purchase Option Closing Date, the non-acquiring Non-Managing Member shall have no further obligations with respect to the Company. In the event that the non-acquiring Non-Managing Member or the Company defaults in the performance of their respective obligations under this Section 9.2, the Purchase Option Purchaser shall have the right to exercise all rights and remedies against the non-acquiring Non-Managing Member and the Company available at law or in equity, including, without limitation, the remedy of specific performance. Upon the Purchase Option Purchaser's election to exercise the Purchase Option following a Change of Control, the Company (if Projects were to be purchased) or the non-acquiring Non-Managing Member (if Membership Interests were to be purchased) shall pay all closing costs incurred in connection with the implementation of the Purchase Option under this Section 9.2 normally and customarily paid by a seller of a real property interest and the Purchase Option Purchaser shall pay all closing costs incurred in connection with the implementation of the Purchase Option under this Section 9.2 normally and customarily paid by a buyer of a real property interest; provided, however, that the Company, the non-acquiring Non-Managing Member and the Purchase Option Purchaser shall each pay the fees and expenses of their respective legal counsels. Upon the Purchase Option Purchaser's election to exercise the Purchase Option pursuant to Section 7.2(b), the Defaulting Member shall pay all closing costs incurred in connection with the implementation of the Purchase Option under this Section 9.2.

(e) Deliveries with respect to Acquisition of Projects. As part of such Purchase Option if Projects were to be purchased, the Company and/or the applicable Project Level Entities shall execute and deliver all documents that may be necessary or appropriate and customary, in the reasonable opinion of counsel to the Purchase Option Purchaser and as

determined by a title company selected by the Purchase Option Purchaser, to convey good, marketable and indefeasible fee simple title to the Project(s) by special warranty deed, free and clear of all liens and encumbrances (other than (i) liens securing any mortgage debt that the Purchase Option Purchaser has agreed to assume or retain, (ii) liens for taxes not yet delinquent, (iii) easements, rights-of-way, covenants and restrictions which are customary and typical for properties similar to the subject Project or (iv) those title matters affecting the Project existing at the time the Project was acquired by the Company or the applicable Project Level Entity and disclosed on the title insurance commitment issued to the Company or the applicable Project Level Entity at that time), together with all documents customarily required in similar transactions or as reasonably required by the Purchase Option Purchaser or the title company, including owner's title policy and survey. The Purchase Option Purchaser shall execute and deliver all documents reasonably required by the Company or the applicable Project Level Entity to evidence the Purchase Option Purchaser's assumption or retention of debt which the Purchase Option Purchaser has agreed to assume or retain. All items of income and expenses, charges, escrows, deposits and fees customarily prorated and adjusted in similar transactions shall be so prorated and adjusted. In the event that accurate prorations and adjustments cannot be made at such closing because current bills are not obtainable, the Company or the applicable Project Level Entity and the Purchase Option Purchaser shall prorate on the best available information, subject to adjustment upon receipt of the final bills. The Company shall apply the proceeds of any closing under this Section 9.2 to the outstanding balance under any debt of the Company or the applicable Project Level Entity as to which the sale of the Project may result in an event of default.

(f) Deliveries with respect to Acquisition of Membership Interests. As part of such Purchase Option if Membership Interests were to be purchased, the Company and all of the Members shall execute, seal, swear to, and deliver for and on its or their behalf, all documents that may be necessary or appropriate, in the reasonable opinion of counsel to the Purchase Option Purchaser, to effect such Purchase Option and transfer the selling Non-Managing Member's Membership Interest free and clear of all liens and encumbrances (other than liens for taxes not yet delinquent) including, but not limited to an assignment of such selling Non-Managing Member's Membership Interest and a withdrawal by such selling Non-Managing Member as a Member of the Company, each in a form reasonably acceptable to the Purchase Option Purchaser. All items of income and expenses, charges, escrows, deposits and fees customarily prorated and adjusted in similar transactions shall be so prorated and adjusted. In the event that accurate prorations and adjustments cannot be made at such closing because current bills are not obtainable, the selling Non-Managing Member and the Purchase Option Purchaser shall prorate on the best available information, subject to adjustment upon receipt of the final bills.

(g) Releases. As part of such Purchase Option, the Purchase Option Purchaser shall deliver a full and unconditional release of the applicable Project Level Entities (if Projects (or the Project Level Entities) were to be purchased) or the other Non-Managing Member's (if Membership Interests were to be purchased) guaranty ("Guaranty") of the Company's debt to any lender (the "Release"). The Purchase Option Purchaser (and in the event that the Purchase Option Purchaser is MCW LLC, then also MCW) shall indemnify, hold harmless and defend the Company or the applicable Project Level Entities (if Projects (or the Project Level Entities) were to be purchased) or the other Non-Managing Member (if

Membership Interests were to be purchased) in the event the Purchase Option Purchaser is unable to obtain the Release, from and against any and all amounts which may become due under the Guaranty.

(b) Remedies. Without limiting the remedies available to the Company or either of the Non-Managing Members, as the case may be, as a result of the breach of either Non-Managing Member's obligations under this Section 9.2, the non-acquiring Non-Managing Member shall have the option, within 60 days of default by the Purchase Option Purchaser in its obligation to purchase under this Section 9.2, of substituting itself as the Purchase Option Purchaser under this Section 9.2 (such non-acquiring Non-Managing Member being then referred to as a "Substituted Buyer"). Such option shall be exercised by giving Notice to the defaulting Purchase Option Purchaser of such exercise and by depositing, within five days after such Notice, Earnest Money equal to five percent (5%) of the Appraised FMV, multiplied by (if purchasing the Purchase Option Purchaser's Membership Interest) the Purchase Option Purchaser's Percentage Interest, with an independent and neutral party selected by the Substituted Buyer, whereupon, for purposes of this Section 9.2, the Substituted Buyer shall become the Purchase Option Purchaser and the defaulting Purchase Option Purchaser shall become the non-acquiring Non-Managing Member.

ARTICLE X
REDEMPTION OR CONVERSION

Section 10.1 Redemption or Conversion. At any time after the fifth anniversary of the date of this Agreement, Regency may elect to have the Company redeem for cash its Membership Interest, in whole or in part. Within thirty (30) days of such election, U.S. REIT may elect (such election to be irrevocable), in its sole and absolute discretion, to purchase, for cash or Class C common stock, par value $0.01 per share, of U.S. REIT (the "Class C Shares"), that portion of any Regency's Membership Interest to be redeemed. If Regency receives Class C Shares and exchanges them for MCW units pursuant to the Exchange Agreement, Regency may sell the MCW units on the open market, subject to applicable sale restrictions under Australian securities laws. Macquarie CountryWide Management Limited agrees to use its best efforts to obtain waivers from the ASX, allowing Regency to sell the MCW units without restriction. In the event that U.S. REIT elects to purchase Regency's Membership Interest to be redeemed, such purchase shall occur within five (5) Business Days of the completion of the appraisal obtained in accordance with Section 10.2. In the event that U.S. REIT does not elect to purchase Regency's Membership Interest to be redeemed, such redemption by the Company shall occur within sixty (60) Business Days of, but not less than thirty (30) days after, the delivery of written notice by Regency to the Company and U.S. REIT of its election to redeem all or such portion of its Membership Interest. U.S. REIT may elect to purchase Regency's Membership Interest for Class C Shares only to the extent that U.S. REIT then qualifies as a REIT under Section 856 of the Code. In the event of a purchase for Class C Shares, Regency, at its sole cost and expense, shall be entitled to conduct reasonable due diligence on U.S. REIT's qualification as a REIT under the Code and may condition such exchange upon the opinion of counsel to U.S. REIT or other nationally recognized tax counsel that U.S. REIT qualifies as a REIT under Section 856 of the Code.

Section 10.2 Valuation. At the time of the election of redemption pursuant to Section 10.1 hereof, the Projects shall be appraised by a Qualified Appraiser to determine their Fair Market Value. Based on such Fair Market Value, Regency's Membership Interest shall be valued as if the Company was being liquidated pursuant to Section 7.4(b) and Regency was distributed its share of such proceeds in cash, taking into account prorations and adjustments for all items of income and expenses, charges, escrows, deposits and fees customary in similar transactions. In the event that accurate prorations and adjustments cannot be made at such closing because current bills are not obtainable, U.S. REIT and Regency shall prorate on the best available information, subject to adjustment upon receipt of the final bills. If U.S. REIT elects to purchase Regency's Membership Interest with Class C Shares pursuant to Section 10.1, the proceeds that Regency would have received for its entire Membership Interest (as determined by the immediately preceding sentence) shall be divided by the Trust Index (as determined for the ten (10) trading days immediately prior to Regency's notice of redemption) to determine the number of MCW units to which Regency would be entitled if Regency's entire Membership Interest was being offered for redemption, U.S. REIT elected to purchase such Membership Interest for Class C Shares and such Class C Shares were immediately exchanged for MCW units (such number of MCW units being the "Exchange Units"). Upon such purchase, Regency shall receive that number of Class C Shares in U.S. REIT which, upon exchange into MCW units pursuant to the Exchange Agreement, shall result in Regency obtaining the Exchange Units multiplied by the percentage of the total Membership Interest held by Regency being redeemed.

Section 10.3 Closing Deliveries. As part of the U.S. REIT's acquisition of all or any portion of Regency's Membership Interest for Class C Common Shares, the Company and all of the Members shall execute, seal, swear to, and deliver for and on its or their behalf, all documents that may be necessary or appropriate, in the reasonable opinion of counsel to U.S. REIT, to effect such acquisition and transfer all or such portion of Regency's Membership Interest free and clear of all liens and encumbrances (other than liens for taxes not yet delinquent) including, but not limited to an assignment of such Regency's Membership Interest and a withdrawal by Regency as a Member of the Company, each in a form reasonably acceptable to the U.S. REIT.

ARTICLE XI
MISCELLANEOUS PROVISIONS

Section 11.1 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware applicable to agreements to be performed solely within the State of Delaware.

Section 11.2 Attorneys' Fees. Should any litigation be commenced between the parties hereto or their representatives or should any party institute any proceeding in a bankruptcy or similar court that has jurisdiction over any other party hereto or any or all of such party's or parties' property or assets concerning any provision of this Agreement or the rights and duties of any person or entity in relation thereto, the prevailing party shall be entitled to the payment of its own attorneys' fees and court costs from the losing party.

Section 11.3 No Partition. No Member shall have the right to partition any of the Company's Projects or interests in any Project nor shall a Member make application to any court

or authority to commence or prosecute any action or proceeding for a partition thereof, and upon any breach of the provisions of this Section 11.3 by a Member, the other Members shall be entitled to a decree or order restraining or enjoining such application, actions, or proceedings in addition to all other rights and remedies afforded by law or equity.

Section 11.4 Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the respective parties hereto. No other Person shall have any rights or remedies hereunder.

Section 11.5 Complete Agreement: Amendment. This Agreement, together with each of the exhibits which are incorporated as if expressly set forth herein, the Property Management Agreement, and any agreements entered into in connection with the acquisition or divestiture of Projects, constitutes the entire agreement between the parties and supersedes all agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof, and neither party hereto shall be bound by nor charged with any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or the exhibits hereto. This Agreement may not be amended, altered or modified except by a writing signed by all the Members.

Section 11.6 Confidentiality and Nondisclosure. All confidential information which shall have been furnished or disclosed by the Company or a Member to any other Member pursuant to this Agreement or the negotiations leading to this Agreement that has been furnished prior to the execution of this Agreement or is hereafter furnished, and is identified in writing as confidential shall be held in confidence and shall not be disclosed to any Person other than their respective Affiliates, employees, directors, legal counsel, accountants or financial advisers with a need to have access to such information, except as reasonably necessary to comply with any disclosure obligations under any foreign, federal or state securities laws or the rules of any securities exchange on which the shares of a Member or one of its Affiliates are listed or as otherwise required by law. The obligations of this Section do not apply to information that (a) is or becomes part of the public domain, (b) is disclosed by the disclosing party to third parties without restrictions on disclosure or (c) is received by the receiving party from a third party without breach of a nondisclosure obligation.

Section 11.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties may not have signed the same counterpart.

Section 11.8 Fees and Commissions. Except as may be separately disclosed in writing to the other Member, each Member hereby represents and warrants that, as of the date of this Agreement there are no known claims for brokerage or other commissions or finder's or other similar fees in connection with the transactions covered by the Original Agreement or this Agreement insofar as such claims shall be based on actions, arrangements or agreements taken or made by or on such Member's behalf, and each Member hereby agrees to indemnify and hold harmless the other Members from and against any liabilities, costs, damages and expenses from any party making any such claims through such Member. Regency shall be responsible for all compensation payable to Macquarie Capital Partners LLC in connection with the negotiation of this Agreement and acquisition of the First Washington Portfolio.

Section 11.9 Execution of Other Documents. Each party hereto agrees to do all acts and things and to make, execute and deliver such written instruments, as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

Section 11.10 Severability. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be illegal or invalid and contrary to any existing or future law, such illegality or invalidity shall not impair the operation of, or affect, those portions of this Agreement which are legal and valid.

Section 11.11 Survival of Indemnity Obligations. Except as expressly limited in this Agreement, any and all indemnity obligations of any party hereto shall survive any termination of the Company or a Member's interest therein.

Section 11.12 Waiver. No consent or waiver, express or implied, by a Member to or of any breach or default by any other Member in the performance by such other Member of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such Member of the same or any other obligations of such other Member hereunder. Failure on the part of a Member to complain of any act or failure to act of any other Member or to declare such other Member in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member of its rights hereunder. The giving of consent by a Member in any one instance shall not limit or waive the necessity to obtain such Member's consent in any future instance. A matter that is neither approved nor disapproved within the time period set forth herein for such approval or disapproval to be given shall be deemed disapproved by the non-responding party.

Section 11.13 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Titles of Articles and Sections are for convenience only, and neither limit nor amplify the provisions of this Agreement itself. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. If any deadline falls on a day that is not a Business Day, the deadline shall be the first Business Day thereafter.

Section 11.14 Equitable Remedies. Any Member hereto shall, in addition to all other rights provided herein or as may be provided by law, and subject to the limitations set forth herein, be entitled to all equitable remedies, including those of specific performance and injunction, to enforce such Member's rights hereunder.

Section 11.15 Remedies Cumulative. Each right, power, and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative

and concurrent and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise, and the exercise or beginning of the exercise or the forbearance of exercise by any party of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers, or remedies.

Section 11.16 Press Relations. Except as required by law or the rules of any securities exchange on which the shares of a Member or any of its Affiliates are listed, no Member shall make any public announcements with respect to this Agreement or the Company or its business without the Consent of the other Members.

Section 11.17 Notices. Notification shall be sent as follows:

If to Regency:

Regency Centers, L.P.
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Lisa Palmer
E-mail: Lpalmer@regencycenters.com
Facsimile: (904) 354-1832

If to MCW LLC:

Macquarie CountryWide (US) No. 2 LLC
c/o Macquarie CountryWide Management Limited
Level 13, No. 1 Martin Place
Sydney NSW 2000
Australia
Attention: Kylie K. Rampa
E-mail: kylie.rampa@macquarie.com
Facsimile: 011 61 2 8232 6510

If to U.S. Manager:

Macquarie-Regency Management, LLC
c/o Regency Centers, L.P.
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Lisa Palmer
E-mail: Lpalmer@regencycenters.com
Facsimile: (904) 354-1832

Section 11.18 Construction. This Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against either party is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties.

Section 11.19 Limitation of Liability.

(a) MCML enters into this Agreement only in its capacity as responsible entity of MCW and in no other capacity.

(b) A liability arising under or in connection with this Agreement can be enforced against MCML, only to the extent to which it can be satisfied out of the assets of MCW out of which MCML is actually indemnified for the liability.

(c) This limitation of MCML's liability applies notwithstanding any other provision of this Agreement and extends to all liabilities and obligations of MCML in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Agreement.

(d) Any party to this Agreement may not sue MCML in any capacity other than as responsible entity of MCW, including seeking the appointment to MCML of a receiver (except in relation to MCW's assets), liquidator, administrator or any similar Person.

(e) The provisions of this Section 11.19 shall not apply to any obligation or liability of MCML to the extent that it is not satisfied because there is a reduction in the extent of MCML's indemnification out of the assets of MCW, as a result of MCML's fraud, negligence or breach of trust.

(f) MCML is not obliged to do or refrain from doing anything under this Agreement (including incurring any liability) unless MCML's liability as responsible entity is limited in the same manner as set out in this Section 11.19.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

REGENCY CENTERS, L.P., a Delaware limited partnership

By: Regency Centers Corporation, a Florida corporation, its general partner

By: /s/ Kathy D. Miller

Name: Kathy D. Miller
Its: Vice President

MACQUARIE-REGENCY MANAGEMENT, LLC, a Delaware limited liability company

By: Regency Centers, L.P., a Delaware limited partnership, its managing member

By: Regency Centers Corporation, a Florida corporation, its general partner

By: /s/ Kathy D. Miller

Name: Kathy D. Miller
Its: Vice President

MACQUARIE COUNTRYWIDE (US) NO. 2 LLC, a Delaware limited liability company

By: Macquarie-Regency Management, LLC, a Delaware limited liability company, its manager

By: Regency Centers, L.P., a Delaware limited partnership, its managing member

By: Regency Centers Corporation, a Florida corporation, its general partner

By: /s/ Kathy D. Miller

Name: Kathy D. Miller
Its: Vice Presidnet

Accepted and Agreed solely for the
purposes of Article X:

MACQUARIE COUNTRYWIDE MANAGEMENT LIMITED, an Australian corporation, as the responsible entity of Macquarie CountryWide Trust

By: /s/ Mark. W. Baillie

Name: Mark W. Baillie
Its duly authorized attorney under power of attorney dated 27 May 2005, in the present of Ian Richardson

MACQUARIE COUNTRYWIDE (US) NO. 2 CORPORATION, a Maryland corporation

By: /s/ Mark W. Baillie

Name: Mark W. Baillie
Its

SCHEDULE 1

Base Amount

First, multiply the aggregate Fair Market Value (without giving effect to all Reserves and liabilities for money borrowed) of the Projects and other assets owned by the Company or its subsidiaries by the Percentage Interests of the MCW LLC (such product shall be referred to as the "MCW FMV").

Second, the "Base Amount Rate" shall equal forty (40) basis points (0.4%) per annum.

Third, the Base Amount for each Half Year is equal to the MCW FMV at the end of the Half Year multiplied by the Base Amount Rate multiplied by the proportion that the number of days in the Half Year bears to 365.

The Base Amount is payable in installments at the end of each Fiscal Quarter in U.S. dollars. Payments in respect of the Fiscal Quarters ending March 31 and September 30 will be calculated as the MCW FMV at the end of the previous Half Year (December 31 and June 30, respectively) multiplied by the Base Amount Rate multiplied by the proportion that the number of days in the Fiscal Quarter bears to 365 and will represent part payment on account for the Base Amount for the Half Year in which the end of that Fiscal Quarter ends.

If any portion of the Base Amount for a Half Year is not distributed when payable, such unpaid but payable amount shall accumulate and shall be payable in accordance with Section 5.1(b)(ii)(1) whenever Net Operating Cash is available therefor.

SCHEDULE 2

Performance Amount

The Performance Amount ("PA") in respect of a Half Year shall be an amount calculated in accordance with the following formula:

$$PA = (E \times Z \times P \times C) + (O \times Z \times P \times C)$$

In respect of a Half Year the Company shall accrue in accordance with Section 5.1(a)(ii)(2) an Excess Performance Amount ("EPA") calculated in accordance with the following formula:

$$EPA = (AE \times Z \times P \times C)$$

The Company shall maintain a Cumulative Excess Performance Amount which shall be increased (decreased) in respect of a Half Year in accordance with the following formula:

$$\text{Increase (decrease)} = EPA - \text{(after the first Half Year)} (E \times Z \times P \times C)$$

Where:

"AE" equals the total number of Performance Units and "Excess Performance Units" to which MCML is entitled, and accrued by MCW, but not immediately issuable to MCML, under clause 19 of the MCW Constitution in respect of such Half Year.

"E" equals the total number of Performance Units and "Excess Performance Units" issuable to MCML under clause 19 of the MCW Constitution in respect of such Half Year, but to which MCML became entitled, and were accrued by MCW, in a previous Half Year.

"O" equals the total number of Performance Units immediately issuable to MCML under clause 19 of the MCW Constitution in respect of such Half Year.

"Z" equals the proportion that the MCW FMV (calculated in accordance with the methodology outlined in Schedule 1) bears to the total gross assets of MCW determined on a consolidated basis .

"P" equals the price per MCW unit used for the purposes of calculating the number of Performance Units and Excess Performance Units to be issued pursuant to clause 19.4 of the MCW Constitution (i.e., the term Pc in such clause of the MCW Constitution).

"C" equals the published rate at which one Australian dollar can be exchanged for one United States dollar as at the end of the relevant Half Year.

The above calculations of numbers of Performance Units and Excess Performance Units to which MCML becomes entitled in accordance with clause 19 of the MCW Constitution are to be made disregarding any reduction in the number of Performance Units or Excess Performance Units it is to receive as a consequence of any payment of the Performance Amount or accruals of any Excess Performance Amount to the US Manager.

If MCML becomes entitled to receive payment of cash from MCW in lieu of Performance Units or Excess Performance Units the above formulae are to be adjusted accordingly.

SCHEDULE 3

Trust Index

"**VWAP**" is the daily volume weighted average sale price for MCW units sold on ASX during the preceding 10 trading days, but does not include any transaction defined in the ASX market rules as a "special", crossings prior to the commencement of normal trading, crossings during the after hours adjust phase, crossings during the closing phase, overnight crossings or any overseas trades or trades pursuant to the exercise of options over MCW units.

For the purposes of calculating VWAP, if, on some or all of the trading days in the relevant period, MCW units have been quoted on ASX as cum any distribution or entitlement, but MCW units will be issued under this Agreement ex such distribution or entitlement, then the VWAP on the trading days on which those MCW units have been quoted cum distribution or entitlement shall be reduced by an amount equal to:

(a) in the case of a distribution, the amount of that distribution including, if the distribution is franked, the amount that would be included in the assessable income of the recipient of the distribution who is both a resident of Australia and a natural person under the "tax act" (as defined in the MCW Constitution);

(b) in the case of an entitlement which is traded on ASX on any of those trading days, the average of the daily volume weighted average sale price for such entitlement sold on ASX during the relevant period on the trading days on which those entitlements were traded; or

(c) in the case of an entitlement not traded on ASX during the relevant period, the value of the entitlement as reasonably determined by the responsible entity of MCW

Conversely, where on some or all of the trading days in the relevant period, MCW units have been quoted on ASX as ex any distribution or entitlement, but MCW units will be issued under this Agreement cum such distribution or entitlement, then the VWAP on the trading days on which those MCW units have been quoted ex distribution or entitlement shall be increased in accordance with clauses (a), (b) and (c) above in this definition of VWAP (with the necessary changes).

Where a specified period is stated in relation to the determination of VWAP and on any of the trading days during that period MCW Units were subject to a trading halt or suspended, the period shall be extended by the number of trading days on which the MCW units were not able to be traded or were suspended.

Where MCW units are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities during the period over which the VWAP is calculated, the VWAP will be adjusted by MCML as it considers appropriate and the terms of this Agreement will be construed accordingly.

EXHIBIT A

Capital Contributions; Percentage Interests

Name and Address	Capital Account	Percentage Interest
Macquarie CountryWide (US) No. 2 LLC c/o Macquarie CountryWide Management Limited Level 13, No. 1 Martin Place Sydney NSW 2000 Australia	$735,818,550.00	64.95%
Regency Centers, L.P. 121 West Forsyth Street, Suite 200 Jacksonville, Florida 32202	$395,948,550.00	34.95%
Macquarie-Regency Management, LLC 121 West Forsyth Street, Suite 200 Jacksonville, Florida 32202	$ 1,132,900.00	0.1%

EXHIBIT B

Projects

Property	Address	City	State	Project Level Entity
Auburn Village	2222 Grass Valley Hwy	Auburn	CA	FW CA-Auburn Village, LLC
Bayhill Shopping Center	851 Cherry Ave	San Bruno	CA	FW CA-Bay Hill Shopping Center, LLC
Brea Marketplace	835 East Birch Street	Brea	CA	FW CA-Brea Marketplace, LLC
Five Points Shopping Center	3943 State Street	Santa Barbara	CA	FW CA-Five Points Shopping Center, LLC
Granada Village Shopping Center	10823 Zelzah Ave	Granada Hills	CA	FW CA-Granada Village, LLC
Laguna Niguel Plaza	29941 Alicia Parkway	Laguna Niguel	CA	FW CA-Laguna Niguel Plaza, LLC
Lake Forest Village	24251 Muirlands Blvd	Lake Forest	CA	FW CA-Lake Forest Village, LLC
Mariposa Shopping Center	2760 Homestead Rd	Santa Clara	CA	FW CA-Mariposa Gardens Shopping Center, LLC
Navajo Shopping Center	8650 Lake Murray Blvd	San Diego	CA	FW CA-Navajo Shopping Center, LLC
Pleasant Hill Shopping Center	560 Contra Costa Blvd	Pleasant Hill	CA	FW CA-Pleasant Hill Shopping Center, LLC
Point Loma Plaza	3645 Midway Drive	San Diego	CA	FW CA-Point Loma Plaza, LLC
Rancho San Diego Village	3681 Avocado Blvd	La Mesa	CA	FW CA-Rancho San Diego Village, LLC
Silverado Plaza	611 Trancas St	Napa	CA	FW CA-Silverado Plaza, LLC
Snell & Branham Plaza	179 Branham Lane	San Jose	CA	FW CA-Snell & Branham Plaza, LLC
Stanford Ranch Village	2341 Sunset Blvd	Rocklin	CA	FW CA-Stanford Ranch Village, LLC
Twin Oaks Shopping Center	5727 Kanan Road	Agoura Hills	CA	FW CA-Twin Oaks Shopping Center, LLC

Property	Address	City	State	Project Level Entity
Ygnacio Plaza	1881 Ygnacio Valley Road	Walnut Creek	CA	FW CA-Ygnacio Plaza, LLC
Applewood Shopping Center	3400 Youngfield Street	Wheat Ridge	CO	U.S. Retail Partners, LLC
Arapahoe Village	2798 Arapahoe Ave	Boulder	CO	U.S. Retail Partners, LLC
Cherrywood Square Shopping Center	7575 South University Blvd	Littleton	CO	U.S. Retail Partners, LLC
Ralston Square Shopping Center	12350 West 64th Street	Arvada	CO	U.S. Retail Partners, LLC
Corbin’s Corner	1445 New Britain Avenue	West Hartford	CT	FW CT-Corbins Corner Shopping Center, LLC
Spring Valley Shopping Center	4851 Massachusetts Avenue	Washington	DC	USRP I, LLC
First State Plaza	1600 West Newport Pike	Stanton	DE	USRP I, LLC
Newark Shopping Center	107 Newark Shopping Center	Newark	DE	FW Newark, LLC
Shoppes of Graylyn	1732 Marsh Road	Wilmington	DE	USRP I, LLC
Village Commons	711 Village Blvd.	West Palm Beach	FL	USRP I, LLC
Brentwood Commons	1145 South York Rd	Bensenville	IL	FW IL-Brentwood Commons, LLC
Civic Center Plaza	7801 North Waukegan Rd	Niles	IL	FW IL-Civic Center Plaza, LLC
Mallard Creek Shopping Center	750 East Rollins Rd	Round Lake Beach	IL	FW IL-Mallard Creek, LLC
McHenry Commons Shopping Center	2000 North Richmond Rd	McHenry	IL	FW IL-McHenry Commons Shopping Center, LLC
Riverside Square & River’s Edge	3145 South Ashland Ave	Chicago	IL	FW IL-Riverside/Rivers Edge, LLC
Riverview Plaza	3330 North Western Ave	Chicago	IL	FW IL-Riverview Plaza, LLC
Stonebrook Plaza Shopping Center	3243 West 115th Street	Merrionette Park	IL	FW IL-Stonebrook Plaza, LLC

Property	Address	City	State	Project Level Entity
The Oaks Shopping Center	1555 Lee Street	Des Plaines	IL	FW IL-The Oaks Shopping Center, LLC
Willow Lake Shopping Center	2550 Lake Circle Lane	Indianapolis	IN	USRP Willow East, LLC
Willow Lake Shopping Center	2902 West 86th Street	Indianapolis	IN	USRP Willow West, LLC
Bowie Plaza	6824 Laurel-Bowie Rd	Bowie	MD	Capital Place I Investment Limited Partnership
Clinton Square	6415 Old Alexander Ferry Road	Clinton	MD	FW MD-Clinton Square, LLC
Cloppers Mill Village Shopping Center	18066 Mateny Rd	Germantown	MD	Cloppers Mill Village Center, LLC
Elkridge Corners Shopping Center	7280 Montgomery Rd	Elkridge	MD	L&M Development Company Limited Partnership
Festival at Woodholme	1809 Reisterstown Road	Baltimore,	MD	Woodholme Properties Limited Partnership
Firstfield Shopping Center	505 Quince Orchard RD	Gaithersburg	MD	USRP I, LLC
Goshen Plaza	9140 Rothbury Drive	Gaithersburg	MD	USRP I, LLC
Mitchellville Plaza	12100 Central Ave	Mitchellville	MD	Enterprise Associates
Northway Shopping Center	670 Old Mill Road	Millersville	MD	Northway Limited Partnership
Parkville Shopping Center	7709 Harford Rd	Baltimore	MD	Parkville Shopping Center, LLC
Penn Station Shopping Center	5730 Silver Hill Rd	District Heights	MD	S&P Associates Limited Partnership
Rosecroft Shopping Center	3201 Brinkley Rd	Temple Hills	MD	FW MD-Rosecroft Shopping Center, LLC
Southside Marketplace	857 East Fort Ave	Baltimore	MD	Southside Marketplace Limited Partnership
Takoma Park Shopping Center	6875 New Hampshire Ave	Takoma Park	MD	USRP I, LLC

Property	Address	City	State	Project Level Entity
Valley Centre	9616 Reisterstown Road	Owings Mills	MD	Greenspring Associates Limited Partnership
Watkins Park Plaza	50 Watkins Park Drive	Mitchellville	MD	USRP I, LLC
Woodmoor Shopping Center	10141 Colesville Rd	Silver Springs	MD	US Retail Partners Limited Partnership
Colonial Square	1151 Wayzata Blvd	Wayzata	MN	U.S. Retail Partners, LLC
Rockford Road Plaza	4190 Vinewood Lane North	Plymouth	MN	U.S. Retail Partners, LLC
Shoppes of Kildaire	1394 Kildaire Farm Road	Cary	NC	FW NC-Shoppes of Kildaire, LLC
Plaza Square	625 Hamburg Turnpike	Wayne	NJ	USRP I, LLC
Westmont Shopping Center	400 Cuthbert Rd	Westmont	NJ	FW NJ-Westmont Shopping Center, LLC
Greenway Town Center	12220 Southwest Scholls Ferry Rd	Tigard	OR	FW OR-Greenway Town Center, LLC
Allen Street Shopping Center	1401 Allen Street	Allentown	PA	Allenbeth Associates Limited Partnership
City Avenue Shopping Center	7720 City Line Avenue	Philadelphia	PA	City Line Shopping Center Associates
Colonial Sq/PA	928 South George Street	York	PA	USRP I, LLC
Kenhorst Plaza	1895 New Holland Rd	Kenhorst	PA	USRP I, LLC
Mayfair Shopping Center	6499 Sackett Street	Philadelphia	PA	USRP I, LLC
Mercer Square Shopping Center	73 Old Dublin Pike	Doylestown	PA	USRP I, LLC
Newtown Square Shopping Center	3590 West Chester Pike	Newtown Square	PA	USRP I, LLC
Stefko Boulevard Shopping Center	1880 Stefko Blvd	Bethlehem	PA	Allenbeth Associates Limited Partnership
Towamencin Village Square	1758 Allentown Road	Lansdale	PA	USRP Towamencin, LLC

Property	Address	City	State	Project Level Entity
Warwick Square Shopping Center	2395 York Road	Warwick	PA	USRP I, LLC
First Colony Marketplace	4610 Highway 6 South	Sugar Land	TX	FW TX-First Colony Marketplace, L.P.
Memorial Collection Shopping Center	14610 Memorial Drive	Houston	TX	FW TX-Memorial Collection, L.P.
Weslayan Plaza East & West	5586 Weslayan St	Houston	TX	FW TX-Weslyan Plaza, L.P.
Westheimer Marketplace	12555 Westheimer Rd	Houston	TX	FW TX-Westheimer Marketplace, L.P.
Woodway Collection	1407 South Voss Road	Houston	TX	FW TX-Woodway Collection, L.P.
601 King Street	601 King Street	Alexandria	VA	FW VA-601 King Street, LLC
Ashburn Farm Village Center	43761 Parkhurst Plaza	Ashburn	VA	FW VA-Ashburn Farm Village, LLC
Brafferton	385 Garrisonville Road	Garrisonville	VA	FW VA-Brafferton Shopping Center, LLC
Centre Ridge Marketplace	6335 Multiplex Drive	Centreville	VA	FW VA-Centre Ridge Marketplace, LLC
Festival at Manchester Lakes	7005 Manchester Blvd	Franconia	VA	USRP I, LLC
Fox Mill Shopping Center	2551 John Milton Drive	Reston	VA	FW VA-Fox Mill Shopping Center, LLC
Gayton Crossing	9782 Gayton Road	Richmond	VA	FW VA-Gayton Crossing Shopping Center, LLC
Glen Lea Centre	3808 Mechanicsville Pike	Richmond	VA	USRP I, LLC
Greenbriar Town Center	13043 Lee Jackson Memorial Hwy	Chantilly	VA	USRP I, LLC
Hanover Village Shopping Center	7047 Mechanicsville Turnpike	Mechanicsville	VA	USRP I, LLC

Property	Address	City	State	Project Level Entity
Kamp Washington Shopping Center	11054 Lee Highway	Fairfax	VA	USRP I, LLC
Kings Park Shopping Center	8970 Burke Lake Road	Burke	VA	FW VA-Kings Park Shopping Center, LLC
Laburnum Park Shopping Center	4346 South Laburnum Ave	Richmond	VA	USRP I, LLC
Laburnum Square Shopping Center	4816 South Laburnum Ave	Richmond	VA	FW VA-Laburnum Square, LLC
Saratoga Shopping Center	8074 Rolling Road	Springfield	VA	FW VA-Saratoga Shopping Center, LLC
Town Center at Sterling Shopping Center	21800 Town Center Plaza	Sterling	VA	US Retail Partners Limited Partnership
Village Shopping Center	7029 Three Chopt Road	Richmond	VA	FW VA-The Village Shopping Center, LLC
Willston Centre I	6164 Arlington Blvd	Falls Church	VA	US Retail Partners Limited Partnership
Willston Centre II	6118 Arlington Blvd	Falls Church	VA	US Retail Partners Limited Partnership
Aurora Marketplace	23632 Highway 99	Edmonds	WA	FW WA-Aurora Marketplace, LLC
Eastgate Plaza	15100 Southeast 38th Street	Bellevue	WA	FW WA-Eastgate Plaza, LLC
Overlake Fashion Plaza	2150 148th Avenue Northeast	Redmond	WA	FW WA-Overlake Fashion Plaza, LLC
Cudahy Center Shopping Center	5851 South Packard Ave	Cudahy	WI	FW WI-Cudahy Center, LLC
Racine Centre Shopping Center	5201 Washington Ave	Racine	WI	FW WI-Racine Centre, LLC
Whitnall Square Shopping Center	4698 South Whitnall Ave	Milwaukee	WI	FW WI-Whitnall Square, LLC

Exhibit 10.4

EXECUTION COPY

Regency Centers, L.P.

5.25% Notes due August 1, 2015

Guaranteed by Regency Centers Corporation

Purchase Agreement

July 13, 2005

Wachovia Capital Markets, LLC
One Wachovia Center
301 South College Street
Charlotte, North Carolina 28288

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

As Representatives of the Several Purchasers
named in Schedule I hereto

Ladies and Gentlemen:

Regency Centers, L.P., a Delaware limited partnership (the "Partnership"), proposes subject to the terms and conditions stated herein, to issue and sell to the Purchasers named in Schedule I hereto (the "Purchasers") an aggregate of $350,000,000 principal amount of the Notes specified above (the "Securities"). The Securities are unconditionally guaranteed by the guarantees (the "Guarantees") of Regency Centers Corporation, a Florida corporation (the "Guarantor").

1. The Partnership and the Guarantor jointly and severally represent and warrant to, and agree with, each of the Purchasers that:

(a) An offering circular, dated July 13, 2005 (the "Offering Circular"), has been prepared in connection with the offering of the Securities and the Guarantees. Any reference to the Offering Circular shall be deemed to refer to and include the Guarantor's most recent Annual Report on Form 10-K and all subsequent documents filed with the United States Securities and Exchange Commission (the "Commission") pursuant to Section 13(a), 13(c) or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or prior to the date of the Offering Circular and any reference to the Offering Circular, as amended or supplemented, as of any

specified date, shall be deemed to include (i) any documents filed with the Commission pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act after the date of the Offering Circular, and prior to such specified date and (ii) any Additional Issuer Information (as defined in Section 5(f)) furnished by the Guarantor or the Partnership prior to the completion of the distribution of the Securities; and all documents filed under the Exchange Act and so deemed to be included in the Offering Circular, or any amendment or supplement thereto, are hereinafter called the "Exchange Act Reports". The Exchange Act Reports, when they were or are filed with the Commission, conformed or will conform in all material respects to the applicable requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder. The Offering Circular and any amendments or supplements thereto and the Exchange Act Reports did not and will not, as of their respective dates, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Guarantor and the Partnership by a Purchaser through you expressly for use therein;

(b) The financial statements and the related notes thereto included in the Offering Circular and the Exchange Act Reports comply in all material respects with the applicable requirements of the Act and the Exchange Act, as applicable, and fairly present the financial position of the Guarantor and its subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby, and the supporting schedules included in the Offering Circular and the Exchange Act Reports fairly present the information required to be stated therein; and the other financial information included in the Offering Circular and the Exchange Act Reports, including any selected financial data and summary financial information, has been derived from the accounting records of the Guarantor and its subsidiaries and fairly presents the information shown thereby on a basis consistent with that of the audited financial statements included in the Offering Circular and the Exchange Act Reports;

(c) None of (i) the Guarantor, (ii) any subsidiary of the Guarantor (including the Partnership), the revenues or assets of which, when multiplied by the Guarantor's ownership interest expressed as a percentage, exceed 3% of the consolidated revenues or assets, respectively, of the Guarantor, or (iii) any entity listed under "Investments in Real Estate Partnerships" in Note 4 to the Guarantor's consolidated financial statements included in its most recent Annual Report on Form 10-K (or a corresponding note to Exchange Act Reports filed thereafter) (each subsidiary or entity covered under (ii) or (iii), a "Material Subsidiary") has sustained since the date of the latest audited financial statements included or incorporated by reference in the Offering Circular any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Circular; and, since the respective dates as of which information is given in Offering Circular, there has not been any change in the capital stock or partnership interests of

the Guarantor or any of its Material Subsidiaries (including the Partnership) (other than issuances of capital stock or partnership interests in connection with employee benefit plans, dividend reinvestment plans, the exercise of options, the exchange of Partnership units and the payment of earn-outs pursuant to contractual commitments) or in the partners' capital of the Partnership or any of its Material Subsidiaries, any change in mortgage loans payable or long-term debt of the Guarantor or any of its Material Subsidiaries (including the Partnership) in excess of $20,000,000 or in the mortgage loans payable or long-term debt of the Partnership or any of its Material Subsidiaries (except as set forth on Exhibit B hereto) or any material adverse change in excess of $20,000,000, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, partners' capital or results of operations of the Guarantor and its Material Subsidiaries (including the Partnership), otherwise than as set forth or contemplated in the Offering Circular;

(d) Since the respective dates as of which information is given in the Offering Circular, except as otherwise stated therein, there have been no transactions entered into by the Guarantor or any of its Material Subsidiaries (including the Partnership), other than those in the ordinary course of business, which are material with respect to the Guarantor and its Material Subsidiaries considered as one enterprise;

(e) The Guarantor and its Material Subsidiaries (including the Partnership) have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Offering Circular or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Guarantor and its Material Subsidiaries (including the Partnership); and any real property and buildings held under lease by the Guarantor and its Material Subsidiaries (including the Partnership) are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Guarantor and its Material Subsidiaries (including the Partnership);

(f) The Partnership has been duly organized and is validly existing in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Offering Circular, and has been duly qualified as a foreign partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; the Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Circular, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each Material Subsidiary of the Guarantor has been duly incorporated or organized and is validly existing as a corporation or other entity in good standing under the laws of its jurisdiction of incorporation or organization;

(g) The Partnership has an authorized capitalization as set forth in the Offering Circular, and all of the issued partnership interests of the Partnership have been duly authorized and validly issued and are fully paid and non-assessable; all of the issued shares of capital stock of the Guarantor have been duly authorized and validly issued and are fully paid and non-assessable; and, except as set forth on Exhibit A, all of the issued shares of capital stock or other equity interests of each Material Subsidiary of the Guarantor have been duly authorized and validly issued, are fully paid and non-assessable and (except as set forth on Exhibit A and for directors' qualifying shares) are owned directly or indirectly by the Guarantor, free and clear of all liens, encumbrances, equities or claims;

(h) This Agreement has been duly authorized, executed and delivered by the Partnership and the Guarantor; the Securities have been duly authorized and, when issued and delivered pursuant to this Agreement and authenticated pursuant to the Indenture (as hereinafter defined), will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Partnership enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; entitled to the benefits provided by the indenture to be dated as of July 18, 2005 (the "Indenture"), among the Partnership, the Guarantor and Wachovia Bank, National Association, as Trustee (the "Trustee"), under which they are to be issued, which is substantially in the form previously delivered to you; the Indenture has been duly authorized and, when executed and delivered by the Partnership, the Guarantor and the Trustee, the Indenture will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Guarantees have been duly authorized and, when the Securities are issued and delivered pursuant to this Agreement, the Guarantees will have been duly executed, issued and delivered and will constitute valid and legally binding obligations of the Guarantor, enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Securities, the Guarantees and the Indenture will conform to the descriptions thereof in the Offering Circular and will be in substantially the form previously delivered to you;

(i) None of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Securities) will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated thereunder, including, without limitation, Regulations G, T, U, and X of the Board of Governors of the Federal Reserve System;

(j) Prior to the date hereof, neither the Guarantor nor any of its affiliates (including the Partnership) has taken any action which is designed to or which has

constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Partnership or the Guarantor in connection with the offering of the Securities and the Guarantees;

(k) The issue and sale of the Securities, the issue of the Guarantees and the compliance by the Partnership and the Guarantor with all of the provisions of the Securities, the Guarantees, the Indenture, this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (i) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Guarantor or any of its Material Subsidiaries (including the Partnership) is a party or by which the Guarantor or any of its Material Subsidiaries (including the Partnership) is bound or to which any of the property or assets of the Guarantor or any of its Material Subsidiaries is subject, (ii) the provisions of the Articles of Incorporation or By-laws of the Guarantor, the Certificate of Limited Partnership or partnership agreement of the Partnership or (iii) any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Guarantor or any of its Material Subsidiaries (including the Partnership) or any of their properties other than, in the case of clauses (i) and (iii), such breaches or violation which, if determined adversely to the Guarantor or any of its Material Subsidiaries, would not reasonably be expected to have a material adverse effect on the current or future consolidated financial position, shareholders' equity or results of operations of the Guarantor and its Material Subsidiaries taken as a whole or on the consummation of the transactions contemplated herein; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities, the issue of the Guarantees or the consummation by the Partnership and the Guarantor of the transactions contemplated by this Agreement or the Indenture, except for the filing of a registration statement by the Partnership or the Guarantor with the Commission pursuant to the United States Securities Act of 1933, as amended (the "Act"), pursuant to Section 5(k) hereof, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchasers;

(l) Neither the Guarantor nor any of its Material Subsidiaries (including the Partnership) is in violation of its Articles of Incorporation, By-laws, Certificate of Limited Partnership or partnership agreement or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(m) The statements set forth in the Offering Circular under the caption "Description of the Notes", insofar as they purport to constitute a summary of the terms of the Securities and the Guarantees, under the caption "Certain Federal Income Tax Considerations", insofar as they purport to describe the provisions of the laws and documents referred to therein, and under the caption "Plan of Distribution", insofar as they purport to describe the documents referred to therein, are accurate and complete in all material respects;

(n) Other than as set forth in the Offering Circular, there are no legal or governmental proceedings pending to which the Guarantor or any of its Material Subsidiaries (including the Partnership) is a party or of which any property of the Guarantor or any of its Material Subsidiaries (including the Partnership) is the subject which, if determined adversely to the Guarantor or any of its Material Subsidiaries (including the Partnership), would individually or in the aggregate have a material adverse effect on the current or future financial position, stockholders' equity, partners' capital or results of operations of the Guarantor and its Material Subsidiaries (including the Partnership) (a "Material Adverse Effect"); and, to the best of the Partnership's knowledge and the Guarantor's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(o) The Guarantor and its Material Subsidiaries (including the Partnership) possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure so to possess could not, singly or in the aggregate, be reasonably expected to result in a Material Adverse Effect; the Guarantor and its Material Subsidiaries (including the Partnership) are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply could not, singly or in the aggregate, be reasonably expected to result in a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect could not, singly or in the aggregate, be reasonably expected to result in a Material Adverse Effect; and neither the Guarantor nor any of its Material Subsidiaries (including the Partnership) has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, could be reasonably expected to result in a Material Adverse Effect;

(p) Each of the Guarantor and its Material Subsidiaries (including the Partnership) is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are adequate and customary in the businesses in which they are engaged, except where the failure to be so insured could not be reasonably expected to have a Material Adverse Effect;

(q) The assets of the Partnership do not constitute "plan assets" under the Employee Retirement Income Security Act of 1974, as amended;

(r) The Guarantor has qualified to be taxed as a real estate investment trust pursuant to Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), for each of the fiscal years from its inception through the most recently completed fiscal year, and the Guarantor's present and contemplated organization, ownership, method of operation, assets and income, taking into account the consummation of the transactions contemplated herein, are such that the Guarantor is in a position under present law to so qualify for the current fiscal year and in the future; the Partnership and each subsidiary that is a partnership or a limited liability company under state law (each a "Subsidiary Partnership") are properly classified as partnerships or disregarded entities, and not as corporations or as associations taxable as

corporations, for Federal income tax purposes throughout the period from inception through the date hereof, or, in the case of any Subsidiary Partnerships that have terminated, through the date of termination of such Subsidiary Partnerships; the Guarantor and each of its subsidiaries (including the Partnership) have filed or caused to be filed all federal, state, local and foreign tax returns, reports, information returns and statements which have been required to be filed by them (except for the failure to file such returns, reports, information returns and statements that could not be reasonably expected to have a Material Adverse Effect) and have paid all taxes required to be paid and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except, in all cases, for any such tax, assessment, fine or penalty that is being contested in good faith and in respect of which adequate reserves are being maintained and except to the extent any such failure to pay could not be reasonably expected to have a Material Adverse Effect;

(s) Neither the Guarantor nor the Partnership has knowledge of (a) the presence of any hazardous substances, hazardous materials, toxic substances or waste materials (collectively, "Hazardous Materials") on any of the properties owned by it in violation of law or in excess of regulatory action levels or (b) any unlawful spills, releases, discharges or disposal of Hazardous Materials that have occurred or are presently occurring on or off such properties as a result of any construction on or operation and use of such properties, which presence or occurrence would materially adversely affect the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Guarantor or the Partnership; and in connection with the construction on or operation and use of the properties owned by the Guarantor and the Partnership, neither has any knowledge of any material failure to comply with all applicable local, state and federal environmental laws, regulations, agency requirements, ordinances and administrative and judicial orders;

(t) When the Securities are issued and delivered pursuant to this Agreement, the Securities will not be of the same class (within the meaning of Rule 144A under the Act) as securities which are listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system;

(u) The Partnership and the Guarantor are subject to Section 13 or 15(d) of the Exchange Act;

(v) Neither the Partnership nor the Guarantor is, and after giving effect to the offering and sale of the Securities and the issuance of the Guarantees will be, an "investment company", or an entity "controlled" by an "investment company", as such terms are defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act");

(w) None of the Partnership, the Guarantor nor any person acting on their behalf has offered or sold the Securities or the Guarantees by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Act or, with respect to Securities sold and Guarantees issued outside the United States to non-U.S. persons (as defined in Rule 902 under the Act), by means of any directed selling efforts within the meaning of Rule 902 under the Act, and the Guarantor, any affiliate of

the Guarantor (including the Partnership) and any person acting on its or their behalf has complied with and will implement the "offering restriction" within the meaning of such Rule 902;

(x) Within the preceding six months, none of the Partnership, the Guarantor nor any other person acting on their behalf has offered or sold to any person any Securities, or any securities of the same or a similar class as the Securities or the Guarantees, other than Securities and the Guarantees offered or sold to the Purchasers hereunder. The Partnership and the Guarantor will take reasonable precautions designed to insure that any offer or sale, direct or indirect, in the United States or to any U.S. person (as defined in Rule 902 under the Act) of any Securities, any Guarantees or any substantially similar security issued by the Partnership or the Guarantor, within six months subsequent to the date on which the distribution of the Securities has been completed (as notified to the Partnership and the Guarantor by you), is made under restrictions and other circumstances reasonably designed not to affect the status of the offer and sale of the Securities and the issuance of the Guarantees in the United States and to U.S. persons contemplated by this Agreement as transactions exempt from the registration provisions of the Act;

(y) KPMG LLP, who have certified certain financial statements of the Partnership and its subsidiaries and the Guarantor and its subsidiaries and have audited the Partnership's and the Guarantor's internal control over financial reporting and management's assessment thereof, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder;

(z) The Partnership and the Guarantor each maintain a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by, or under the supervision of, the principal executive officer and the principal financial officer of the Partnership and the Guarantor, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Partnership's and the Guarantor's internal control over financial reporting are effective and neither the Partnership nor the Guarantor is aware of any material weaknesses in its internal control over financial reporting;

(aa) Since the date of the latest audited financial statements included or incorporated by reference in the Offering Circular, there has been no change in the Partnership's and the Guarantor's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Partnership's and the Guarantor's internal control over financial reporting; and

(bb) The Partnership and the Guarantor maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Partnership, the Guarantor and their subsidiaries is made known to the Partnership's and the Guarantor's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective.

2. Subject to the terms and conditions herein set forth, the Partnership agrees to issue and sell to each of the Purchasers, and each of the Purchasers agrees, severally and not jointly, to purchase from the Partnership, at a purchase price of 99.208% of the principal amount thereof, plus accrued interest, if any, from July 18, 2005 to the Time of Delivery hereunder, the principal amount of Securities set forth opposite the name of such Purchaser in Schedule I hereto. The Securities shall be issued with the Guarantees.

3. Upon the authorization by you of the release of the Securities, the several Purchasers propose to offer the Securities for sale upon the terms and conditions set forth in this Agreement and the Offering Circular, and each Purchaser hereby represents and warrants to, and agrees with the Partnership and the Guarantor that:

(a) It will offer and sell the Securities only to: (i) persons whom it reasonably believes are "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A under the Act in transactions meeting the requirements of Rule 144A, (ii) institutions which it reasonably believes are "accredited investors" ("Institutional Accredited Investors") within the meaning of Rule 501 under the Act or (iii) upon the terms and conditions set forth in Annex I to this Agreement;

(b) It is an Institutional Accredited Investor; and

(c) It will not offer or sell the Securities by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Act.

4. (a) The Securities to be purchased by each Purchaser hereunder will be represented by one or more definitive global Securities in book-entry form which will be deposited by or on behalf of the Partnership with The Depository Trust Company ("DTC") or its designated custodian. The Partnership will deliver the Securities to you, for the account of each Purchaser, against payment by or on behalf of such Purchaser of the purchase price therefor by wire transfer of Federal (same-day) funds, by causing DTC to credit the Securities to the account of Wachovia Capital Markets, LLC at DTC. The Partnership will cause the certificates representing the Securities to be made available to you for checking at least twenty-four hours prior to the Time of Delivery (as defined below) at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be 9:30 a.m., New York City time, on July 18, 2005 or such other time and date as you and the Partnership may agree upon in writing. Such time and date are herein called the "Time of Delivery".

(a) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross-receipt for the Securities and any additional documents requested by the Purchasers pursuant to Section 7(g) hereof, will be delivered at such time and date at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Securities will be delivered at the Designated Office, all at the Time of Delivery. A meeting will be held at the Closing Location at 3:00 p.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Partnership and the Guarantor jointly and severally agree with each of the Purchasers:

(a) To prepare the Offering Circular in a form approved by you; to make no amendment or any supplement to the Offering Circular which shall be disapproved by you after reasonable notice thereof; and to furnish you with copies thereof;

(b) Promptly from time to time to take such action as you may reasonably request to qualify such Securities and the Guarantees for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of such Securities and the Guarantees; *provided*, that in connection therewith neither the Partnership nor the Guarantor shall be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Purchasers with copies of the Offering Circular in such quantities as you may reasonably request in New York City and each amendment or supplement thereto, and additional written and electronic copies thereof in such quantities as you may from time to time reasonably request, and if, at any time prior to the earlier of the effective date of a Resale Registration (as defined in the Registration Rights Agreement dated as of the Time of Delivery) or the completion by the Purchasers of the initial distribution of the Securities, any event shall have occurred as a result of which the Offering Circular as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Offering Circular is delivered, not misleading, or, if for any other reason it shall be necessary or desirable during such same period to amend or supplement the Offering Circular, to notify you and upon your request to prepare and furnish without charge to each Purchaser and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Offering Circular or a supplement to the Offering Circular which will correct such statement or omission or effect such compliance;

(d) During the period beginning from the date hereof and continuing until the date six months after the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Partnership or the Guarantor that are substantially similar to the Securities;

(e) Not to be or become, at any time prior to the expiration of three years after the Time of Delivery, an open-end investment company, unit investment trust, closed-end investment company or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act;

(f) At any time when the Partnership or the Guarantor is not subject to Section 13 or 15(d) of the Exchange Act, for the benefit of holders from time to time of Securities, to furnish at its expense, upon request, to holders of Securities and prospective purchasers of Securities, information (the "Additional Issuer Information") satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the Act;

(g) To make available to the holders of the Securities as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, partners' equity and cash flows of the Guarantor and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the date of the Offering Circular), consolidated summary financial information of the Guarantor and its subsidiaries for such quarter in reasonable detail;

(h) During a period of five years from the date of the Offering Circular, to furnish to you copies of all reports or other communications (financial or other) furnished to partners of the Partnership or stockholders of the Guarantor, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any securities exchange on which the Securities or any class of securities of the Partnership or the Guarantor is listed; and (ii) such additional information concerning the business and financial condition of the Partnership or the Guarantor as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Partnership and its subsidiaries are consolidated in reports furnished to its partners generally or to the Commission or to the extent the accounts of the Guarantor and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(i) During the period of two years after the Time of Delivery, not to, and not to permit any of its "affiliates" (as defined in Rule 144 under the Act), including, for the Guarantor, the Partnership to, resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them;

(j) To file and to use their reasonable best efforts to cause to be declared or become effective under the Act, on or prior to 180 days after the Time of Delivery, a registration statement on Form S-4 providing for the registration of another series of debt securities of the Partnership, with terms identical to the Securities (the "Exchange Securities"), and the exchange of the Securities for the Exchange Securities, all in a manner which will permit persons who acquire the Exchange Securities to resell the Exchange Securities pursuant to Section 4(1) of the Act; and

(k) To use the net proceeds received by it from the sale of the Securities pursuant to this Agreement in the manner specified in the Offering Circular under the caption "Use of Proceeds".

6. The Partnership and the Guarantor jointly and severally covenant and agree with the several Purchasers that the Partnership or the Guarantor will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Partnership's and the Guarantor's counsel and accountants in connection with the issuance of the Securities and the Guarantees

and all other expenses in connection with the preparation and printing of the Offering Circular and any amendments and supplements thereto and the mailing and delivering of copies thereof to the Purchasers and dealers; (ii) the cost of printing or producing any Agreement among Purchasers, this Agreement, the Indenture, the Blue Sky and Legal Investment Memoranda, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Securities and the Guarantees; (iii) all expenses in connection with the qualification of the Securities and the Guarantees for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Purchasers in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost of preparing the Securities and the Guarantees; (vi) the fees and expenses of the Trustee and any agent of any Trustee and the reasonable fees and disbursements of counsel for the Trustee in connection with the Indenture, the Securities and the Guarantees; and (vii) all other costs and expenses incident to the performance of their obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Purchasers will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Purchasers hereunder shall be subject, in your discretion, to the condition that all representations and warranties and other statements of the Partnership and the Guarantor herein are, at and as of the Time of Delivery, true and correct, the condition that each of the Partnership and the Guarantor shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) Sullivan & Cromwell LLP, counsel for the Purchasers, shall have furnished to you such written opinion or opinions, dated the Time of Delivery, with respect to the matters covered in paragraphs (i) (with respect to Delaware entities), (vi), (vii) (with respect to the Securities and the Guarantees), (viii) and (xiv) of subsection (b) below as well as such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(b) Foley & Lardner LLP, counsel for the Partnership and the Guarantor, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) The Partnership has been duly organized and is validly existing as a limited partnership in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Offering Circular; and the Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Circular;

(ii) The Partnership has an authorized capitalization as set forth in the Offering Circular, and all of the issued partnership interests of the Partnership have been duly authorized and validly issued and are fully paid and

non-assessable; and all of the issued shares of capital stock of the Guarantor have been duly authorized and validly issued and are fully paid and non-assessable;

(iii) Each of the Partnership and the Guarantor has been duly qualified as a foreign corporation or other organization for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Partnership or the Guarantor, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(iv) Each other Material Subsidiary has been duly incorporated and is validly existing as a corporation or other organization in good standing under the laws of its jurisdiction of incorporation or organization; and all of the issued shares of capital stock or partnership interests of each such Material Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable, and (except for directors' qualifying shares or as set forth on Exhibit A hereto) are owned directly or indirectly by the Guarantor, free and clear of all perfected security interests and, to the knowledge of such counsel, after due inquiry, free and clear of any other liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Partnership or the Guarantor or its Material Subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(v) To the best of such counsel's knowledge and other than as set forth in the Offering Circular, there are no legal or governmental proceedings pending to which the Guarantor or any of its Material Subsidiaries (including the Partnership) is a party or of which any property of the Guarantor or any of its Material Subsidiaries (including the Partnership) is the subject which, if determined adversely to the Guarantor or any of its Material Subsidiaries (including the Partnership), would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position, partners' capital, stockholders' equity or results of operations of the Guarantor and its Material Subsidiaries (including the Partnership); and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(vi) This Agreement has been duly authorized, executed and delivered by the Partnership and the Guarantor;

(vii) The Securities have been duly authorized, executed, issued and delivered and constitute valid and legally binding obligations of the Partnership entitled to the benefits provided by the Indenture enforceable in accordance with

their terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Guarantees have been duly authorized, executed, issued and delivered by the Guarantor and, when the Securities have been issued and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Purchasers pursuant to this Agreement, the Guarantees will constitute valid and legally binding obligations of the Guarantor enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Securities, the Guarantees and the Indenture conform to the descriptions thereof in the Offering Circular;

(viii) The Indenture has been duly authorized, executed and delivered by the parties thereto and constitutes a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, fraudulent transfer, equitable subordination, fair dealing, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(ix) The issue and sale of the Securities, the issue of the Guarantees and the compliance by the Partnership and the Guarantor with all of the provisions of the Securities, the Guarantees, the Indenture, and this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Guarantor or any of its Material Subsidiaries (including the Partnership) is a party or by which the Guarantor or any of its Material Subsidiaries (including the Partnership) is bound or to which any of the property or assets of the Guarantor or any of its Material Subsidiaries (including the Partnership) is subject, nor will such actions result in any violation of the provisions of the Articles of Incorporation or By-laws of the Guarantor, the Certificate of Limited Partnership or partnership agreement of the Partnership or any statute or any order, rule or regulation of any court or governmental agency or body known to such counsel having jurisdiction over the Guarantor or any of its Material Subsidiaries (including the Partnership) or any of their properties;

(x) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities, the issue of the Guarantees or the consummation by the Partnership and the Guarantor of the transactions contemplated by this Agreement or the Indenture, except for the filing of a registration statement by the Partnership or the Guarantor with the Commission pursuant to the Act, pursuant to Section 5(k) hereof and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchasers;

(xi) Neither the Guarantor nor any of its Material Subsidiaries (including the Partnership) is in violation of its Articles of Incorporation or By-laws, its Certificate of Limited Partnership or partnership agreement or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument known to such counsel to which it is a party or by which it or any of its properties may be bound;

(xii) The statements set forth in the Offering Circular under the caption "Description of the Notes", insofar as they purport to constitute a summary of the terms of the Securities and the Guarantees and under the captions "Certain Federal Income Tax Considerations" and "Plan of Distribution", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate and complete in all material respects;

(xiii) The Exchange Act Reports (other than the financial statements and related schedules therein, as to which such counsel need express no opinion), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder; and such counsel has no reason to believe that any of such documents, when they were so filed, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such documents were so filed, not misleading;

(xiv) No registration of the Securities or the Guarantees under the Act, and no qualification of an indenture under the United States Trust Indenture Act of 1939 with respect thereto, is required for the offer, sale and initial resale by the Purchasers of the Securities and the Guarantees by the Purchasers in the manner contemplated by this Agreement, it being understood that no opinion is expressed as to any subsequent resale of any Securities;

(xv) Such counsel have no reason to believe that the Offering Circular and any further amendments or supplements thereto made by the Partnership and the Guarantor prior to the Time of Delivery (other than the financial statements therein, as to which such counsel need express no opinion) contained as of its date or contains as of the Time of Delivery an untrue statement of a material fact or omitted or omits, as the case may be, to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xvi) The Guarantor has qualified to be taxed as a real estate investment trust pursuant to Sections 856 through 860 of the Code for each taxable year since its inception through the most recently completed fiscal year, and based on assumptions set forth in the Offering Circular and certain representations of the Guarantor, including but not limited to those set forth in an

Officer's Certificate, the Guarantor's present and contemplated organization, ownership, method of operation, assets and income, taking into account the consummation of the transactions contemplated herein, are such that the Guarantor is in a position under present law to so qualify for the current fiscal year and in the future; and

(xvii) Neither the Partnership nor the Guarantor is an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act;

(c) On the date of the Offering Circular prior to the execution of this Agreement and at the Time of Delivery KPMG LLP shall have furnished to you a letter, dated the respective dates of delivery thereof, to the effect set forth in Statement of Auditing Standards No. 72, and with respect to such letter dated such Time of Delivery, as to such other matters as you may reasonably request and in form and substance satisfactory to you;

(d) (i) Neither the Guarantor nor any of its Material Subsidiaries (including the Partnership) shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Offering Circular any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Circular, and (ii) since the respective dates as of which information is given in the Offering Circular there shall not have been any change in the capital stock, mortgage loans payable or long-term debt of the Guarantor or any of its Material Subsidiaries (including the Partnership) or in the partners' capital, mortgage loans payable or long-term debt of the Partnership or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, partners' capital, stockholders' equity or results of operations of the Guarantor and its Material Subsidiaries (including the Partnership) otherwise than as set forth or contemplated in the Offering Circular, the effect of which, in any such case described in Clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Securities on the terms and in the manner contemplated in this Agreement and in the Offering Circular;

(e) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Partnership's or the Guarantor's debt securities or preferred stock by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Partnership's or the Guarantor's debt securities or preferred stock;

(f) On or after the date hereof there shall not have occurred any of the following: (i) trading generally on the New York Stock Exchange (the "NYSE") or in the Nasdaq National Market ("Nasdaq") has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by the NYSE or Nasdaq or by order of the Commission, the

National Association of Securities Dealers, Inc. or any other governmental authority; (ii) trading in any securities of the Guarantor or the Partnership has been suspended or materially limited by the Commission or the NYSE, (iii) a banking moratorium has been declared by either Federal or New York authorities; (iv) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States; or (v) any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, if the effect of any such event specified in this clause (v) in your judgment makes it impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities; and

(g) The Partnership and the Guarantor shall have furnished or caused to be furnished to you at the Time of Delivery certificates of officers of the Partnership and the Guarantor satisfactory to you as to the accuracy of the representations and warranties of the Partnership and the Guarantor herein at and as of the Time of Delivery, as to the performance by the Partnership and the Guarantor of all of their obligations hereunder to be performed at or prior to the Time of Delivery, as to the matters set forth in subsection (d) of this Section and as to such other matters as you may reasonably request.

8. (a) The Guarantor and the Partnership jointly and severally will indemnify and hold harmless each Purchaser against any losses, claims, damages or liabilities, joint or several, to which such Purchaser may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Offering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Purchaser for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Partnership and the Guarantor shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Offering Circular, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Partnership and the Guarantor by any Purchaser through you expressly for use therein.

(b) Each Purchaser will indemnify and hold harmless the Partnership and the Guarantor against any losses, claims, damages or liabilities to which the Partnership or the Guarantor may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Offering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Offering Circular, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Partnership and the Guarantor by such

Purchaser through you expressly for use therein; and will reimburse the Partnership or the Guarantor for any legal or other expenses reasonably incurred by the Partnership or the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Partnership and the Guarantor on the one hand and the Purchasers on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Partnership or the Guarantor on the one hand and the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Partnership or the Guarantor on the one hand and the Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Partnership or the Guarantor bear to the total underwriting discounts and commissions received by the Purchasers, in each case as set forth in the Offering Circular. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue

statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Partnership or the Guarantor on the one hand or the Purchasers on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Partnership, the Guarantor and the Purchasers agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to investors were offered to investors exceeds the amount of any damages which such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The obligations of the Purchasers in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Partnership and the Guarantor under this Section 8 shall be in addition to any liability which the Partnership or the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Purchaser within the meaning of the Act; and the obligations of the Purchasers under this Section 8 shall be in addition to any liability which the respective Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Partnership or the Guarantor and to each person, if any, who controls the Partnership or the Guarantor within the meaning of the Act.

9. (a) If any Purchaser shall default in its obligation to purchase the Securities which it has agreed to purchase hereunder you may in your discretion arrange for you or another party or other parties to purchase such Securities on the terms contained herein. If within thirty-six hours after such default by any Purchaser you do not arrange for the purchase of such Securities, then the Partnership shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Securities on such terms. In the event that, within the respective prescribed period, you notify the Partnership that you have so arranged for the purchase of such Securities, or the Partnership notifies you that it has so arranged for the purchase of such Securities, you or the Partnership shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Offering Circular, or in any other documents or arrangements, and the Partnership agrees to prepare promptly any amendments to the Offering Circular which in your opinion may thereby be made necessary. The term " Purchaser" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Purchaser or Purchasers by you and the Partnership as provided in subsection (a) above, the aggregate principal amount of such Securities which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the

Partnership shall have the right to require each non-defaulting Purchaser to purchase the principal amount of Securities which such Purchaser agreed to purchase hereunder and, in addition, to require each non-defaulting Purchaser to purchase its pro rata share (based on the principal amount of Securities which such Purchaser agreed to purchase hereunder) of the Securities of such defaulting Purchaser or Purchasers for which such arrangements have not been made; but nothing herein shall relieve a defaulting Purchaser from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Purchaser or Purchasers by you and the Partnership as provided in subsection (a) above, the aggregate principal amount of Securities which remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Partnership shall not exercise the right described in subsection (b) above to require non-defaulting Purchasers to purchase Securities of a defaulting Purchaser or Purchasers, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Purchaser or the Partnership, except for the expenses to be borne by the Partnership and the Purchasers as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Purchaser from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Partnership, the Guarantor and the several Purchasers, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Purchaser or any controlling person of any Purchaser, or the Partnership or the Guarantor, or any officer or director or controlling person of the Partnership or the Guarantor, and shall survive delivery of and payment for the Securities.

11. If this Agreement shall be terminated pursuant to Section 7(f) or 9 hereof, the Partnership and the Guarantor shall not then be under any liability to any Purchaser except as provided in Sections 6 and 8 hereof; but, if for any other reason the Securities are not delivered by or on behalf of the Partnership as provided herein, the Partnership or the Guarantor will reimburse the Purchasers through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Purchasers in making preparations for the purchase, sale and delivery of the Securities, but the Partnership and the Guarantor shall then be under no further liability to any Purchaser except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Purchasers, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Purchaser made or given by you.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Purchasers shall be delivered or sent by mail, telex or facsimile transmission to you at Wachovia Capital Markets, LLC, One Wachovia Center, 301 South College Street, Charlotte, North Carolina 28288, Attention: Investment Grade Syndicate (fax no.: (704) 383-9165) and J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017, Attention: High Grade Syndicate Desk (fax no. (212) 834-6081); and if to the Partnership or the Guarantor shall be delivered or sent by mail, telex or facsimile transmission to the address of the Partnership and the Guarantor set forth in the Offering Circular: Attention: Secretary; *provided*, *however*, that any notice to a Purchaser pursuant to Section 8(c) hereof shall be delivered or sent by mail,

telex or facsimile transmission to such Purchaser at its address set forth in its Purchasers' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Partnership and the Guarantor by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Purchasers, the Partnership and the Guarantor and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Partnership and the Guarantor and each person who controls the Partnership or the Guarantor or any Purchaser, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Purchaser shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement.

15. The Partnership and the Guarantor acknowledge and agree that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Partnership and the Guarantor, on the one hand, and the several Purchasers, on the other, (ii) in connection therewith and with the process leading to such transaction each Purchaser is acting solely as a principal and not the agent or fiduciary of the Partnership or the Guarantor, (iii) no Purchaser has assumed an advisory or fiduciary responsibility in favor of the Partnership or the Guarantor with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Purchaser has advised or is currently advising the Partnership or the Guarantor on other matters) or any other obligation to the Partnership or the Guarantor except the obligations expressly set forth in this Agreement and (iv) the Partnership and the Guarantor have consulted their own legal and financial advisors to the extent they deemed appropriate. The Partnership and the Guarantor agree that they will not claim that the Purchasers, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Partnership or the Guarantor, in connection with such transaction or the process leading thereto.

16. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Partnership and the Guarantor, on the one hand, and the Purchasers, or any of them, on the other, with respect to the subject matter hereof.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. The Partnership, the Guarantor and each of the Purchasers hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us six counterparts hereof.

Very truly yours,

Regency Centers, L.P.

By: Regency Centers Corporation,
general partner

By: /s/ Bruce M. Johnson

Name: Bruce M. Johnson
Title: Managing Director and
Chief Financial Officer

Regency Centers Corporation

By: /s/ Bruce M. Johnson

Name: Bruce M. Johnson
Title: Managing Director and
Chief Financial Officer

Accepted as of the date hereof:

Wachovia Capital Markets, LLC

By: /s/ Teresa Hee

Name: Teresa Hee
Title: Director

J. P. Morgan Securities Inc.

By: /s/ Stephen L. Scheiner

Name: Stephen L. Scheiner
Title: Vice President

On behalf of each of the Purchasers

SCHEDULE I

Purchaser	Principal Amount of Securities to Be Purchased
J.P. Morgan Securities Inc.	$ 122,500,000
Wachovia Capital Markets, LLC	122,500,000
Wells Fargo Securities, LLC	35,000,000
PNC Capital Markets, Inc.	17,500,000
SunTrust Capital Markets, Inc.	17,500,000
Commerzbank Capital Markets Corp.	13,125,000
ING Financial Markets LLC	13,125,000
Piper Jaffray & Co.	8,750,000
Total	$ 350,000,000

Annex I

1. The Securities have not been and will not be registered under the Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Act or pursuant to an exemption from the registration requirements of the Act. Each Purchaser represents that it has offered and sold the Securities, and will offer and sell the Securities, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Time of Delivery, only in accordance with Rule 903 of Regulation S or Rule 144A under the Act. Accordingly, each Purchaser agrees that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Purchaser agrees that, at or prior to confirmation of sale of Securities (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph have the meanings given to them by Regulation S.

Each Purchaser further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Guarantor.

2. Notwithstanding the foregoing, Securities in registered form may be offered, sold and delivered by the Purchasers in the United States and to U.S. persons pursuant to Section 3 of this Agreement without delivery of the written statement required by paragraph (1) above.

3. Each Purchaser further represents and agrees that (a) it has not offered or sold and, prior to the expiry of a period of six months from the time of delivery, will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to the Partnership, and (c) it has complied, and will comply, with the applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom

4. Each Purchaser agrees that it will not offer, sell or deliver any of the Securities in any jurisdiction outside the United States except under circumstances that will result in

compliance with the applicable laws thereof, and that it will take at its own expense whatever action is required to permit its purchase and resale of the Securities in such jurisdictions. Each Purchaser understands that no action has been taken to permit a public offering in any jurisdiction where action would be required for such purpose. Each Purchaser agrees not to cause any advertisement of the Securities to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to the Securities, except in any such case with the Representatives' express written consent and then only at its own risk and expense.

Exhibit A

REGENCY CENTERS CORPORATION

Material Subsidiaries and Equity Ownership Thereof

Entity	Jurisdiction	Owner(s)	Nature of Interest	% of Ownership
Regency Centers, L.P.	Delaware	Regency Centers Corporation	General Partner	1.0%
		Regency Centers Texas, LLC[1]	Limited Partner	96.3%
		Outside Investors	Limited Partners	2.7%
Columbia Cameron Village SPE, LLC	Delaware	Regency Centers, L.P.	Member	30%
		Columbia Perfco Partners, L.P.	Member	70%
Columbia Regency Retail Partners, LLC	Delaware	Regency Centers, L.P.	Member	20%
		Columbia Perfco Partners, L.P.	Member	80%
Columbia Regency Partners II, LLC	Delaware	Regency Centers, L.P.	Member	20%
		Columbia Perfco Partners, L.P.	Member	80%
Macquarie CountryWide-Regency, LLC	Delaware	Regency Centers, L.P. Macquarie CountryWide (US) Corporation	Member	25%
			Member	75%
Macquarie CountryWide Regency II, LLC[2]	Delaware	Macquarie CountryWide (US) No. 2 Corporation	Member	65%
		Regency Centers, L.P.	Member	35%
MCW/MDP-Regency, LLC	Delaware	Regency Centers, L.P.	Member	25%
		MCW/MDP, LLC	Member	75%
RegCal, LLC	Delaware	California State Teachers Retirement System	Member	75%
		Regency Centers, L.P.	Member	25%
Regency Realty Group, Inc.	Florida	Regency Centers, L.P. RRG Holdings, LLC[3]	Preferred Stock	100%
			Common Stock	7%
			Common Stock	93%

(1) 100%-owned by Regency Centers Corporation.

(2) This entity has pledged interests in certain of its subsidiaries to secure its obligations under a bridge loan facility from Wachovia Bank, National Association and JPMorgan Chase Bank, N.A.

(3) 100%-owned by Regency Centers, L.P.

Exhibit B

Changes Since March 31, 2005

1. Since March 31, 2005, the Partnership has increased its outstanding borrowings under its line of credit by $90 million (and will increase the borrowings by an additional $100 million to repay its 7-1/8% notes due July 15, 2005).

2. Macquarie CountryWide-Regency II, LLC has been borrowing under mortgage loans to refinance debt incurred under the Credit Agreement dated as of June 1, 2005, among Macquarie CountryWide-Regency II, LLC, Wachovia Bank, National Association and JPMorgan Chase Bank, N.A.

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Martin E. Stein, Jr.,** certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** ("registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2005

/s/ Martin E. Stein, Jr.

Martin E. Stein, Jr.
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Bruce M. Johnson**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** ("registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2005

/s/ Bruce M. Johnson

Bruce M. Johnson
Chief Financial Officer

Exhibit 31.3

Certification of Chief Operating Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Mary Lou Fiala**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** ("registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2005

/s/ Mary Lou Fiala

Mary Lou Fiala
Chief Operating Officer

EXHIBIT 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Chairman and Chief Executive Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **June 30, 2005** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2005

/s/ Martin E. Stein, Jr.

Martin E. Stein, Jr.
Chief Executive Officer

Exhibit 32.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Managing Director and Chief Financial Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **June 30, 2005** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2005

/s/ Bruce M. Johnson

Bruce M. Johnson
Chief Financial Officer

Exhibit 32.3

Written Statement of the Chief Operating Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned President and Chief Operating Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **June 30, 2005** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2005

/s/ Mary Lou Fiala

Mary Lou Fiala
Chief Operating Officer