

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(AMENDMENT No. 1)

Regency Realty Corporation  
(Name of Issuer)

Common Stock, \$0.01 Par Value  
(Title of Class of Securities)

758939 10 2  
(CUSIP Number)

Paul E. Szurek  
SECURITY CAPITAL U.S. REALTY  
69, route d'Esch  
L-1470 Luxembourg  
(352) 48 78 78  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

July 10, 1996  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /.

Check the following box if a fee is being paid with this statement / /. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

(Continued on following pages)  
Page 1 of 8 Pages

CUSIP No. 758939 10 2                      13D                      Page 2 of 8 Pages

1     NAME OF PERSON  
       Security Capital U.S. Realty  
       S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2     CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) / /

(b) /x/

3     SEC USE ONLY

- 4 SOURCE OF FUNDS\*  
BK, 00
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Luxembourg
- |  |    |   |
|--|----|---|
| NUMBER OF<br>SHARES<br>BENEFICIALLY<br>OWNED BY<br>EACH<br>REPORTING<br>PERSON<br>WITH | 7  | SOLE VOTING POWER<br>7,618,500 (See Item 5) |
|  | 8  | SHARED VOTING POWER<br>-0-                  |
|  | 9  | SOLE DISPOSITIVE POWER<br>7,618,500         |
|  | 10 | SHARED DISPOSITIVE POWER<br>-0-             |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
7,618,500 (See Item 5)
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\* / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
53.1% (See Item 5)
- 14 TYPE OF PERSON REPORTING\*  
CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

- 1 NAME OF PERSON  
Security Capital Holdings S.A.  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
  
(a) / /  
(b) /x/
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
BK, 00
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Luxembourg
- |  |    |   |
|--|----|---|
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53.1% (See Item 5)
- 14 TYPE OF PERSON REPORTING\*  
CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

This Amendment is filed by Security Capital U.S. Realty ("Security Capital U.S. Realty"), a corporation organized and existing under the laws of Luxembourg, and by Security Capital Holdings S.A. ("Holdings"), a corporation organized and existing under the laws of Luxembourg and a wholly owned subsidiary of Security Capital U.S. Realty (together with Security Capital U.S. Realty, "USRealty"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in Schedule 13D.

As previously reported, pursuant to a Stock Purchase Agreement, dated as of June 11, 1996, by and among Regency Realty Corporation, a Florida corporation ("Regency"), Security Capital U.S. Realty and Holdings (the "Stock Purchase Agreement"), subject to the terms and conditions thereof, Regency has agreed to sell and USRealty has agreed to purchase up to 7,499,400 shares of common stock, par value \$0.01 per share, of Regency (the "Common Stock"). USRealty previously filed a Schedule 13D with respect to its investment in Regency, in which it disclosed that USRealty may be deemed to beneficially own up to 7,618,500 shares of Common Stock because of its right to acquire such shares of Common Stock and because of its ownership of an additional 119,100 shares of Common Stock.

On July 10, 1996 pursuant to the Stock Purchase Agreement, USRealty purchased 934,400 shares of Common Stock (such shares, the "Initial Shares") at a price of \$17.625 per share at an initial closing. The aggregate purchase price paid to Regency for the Initial Shares was \$16,468,800. Security Capital U.S. Realty advanced to Holdings the funds necessary to purchase the Initial Shares as required by the Stock Purchase Agreement. These funds were obtained by USRealty from cash on hand and from draw downs under the Facility Agreement.

In addition to the purchase of additional shares as contemplated by the Stock Purchase Agreement, USRealty intends to review on a continuing basis its investment in Regency and may increase such investment to up to 45.0% of the outstanding Common Stock of Regency, on a fully diluted basis (including all of the shares to be acquired pursuant to the Stock Purchase Agreement). Such increase in USRealty's investment in Regency could be accomplished by USRealty's acquisition of securities of Regency in the open market or otherwise. The extent of any such increase would depend upon the price and availability of Regency's securities, subsequent developments affecting Regency, Regency's business and prospects, other investment and business opportunities available to USRealty, general stock market and economic conditions, tax considerations, and other factors, including the obtaining of any necessary regulatory approvals. In addition, USRealty may decide to decrease its

investment in Regency, depending upon its continuing review of such investment and various other factors including those mentioned above.

Item 1. Security and Issuer.

No material change.

Item 2. Identity and Background.

No material change.

Item 3. Source and Amount of Funds or Other Consideration.

No material change except as described above.

Item 4. Purpose of Transaction.

No material change except as described above.

Item 5. Interest in Securities of the Issuer.

No material change except as describe above and below.

As of July 10, 1996 USRealty may be deemed to beneficially own up to 7,618,500 shares of Common Stock because of USRealty's acquisition of 934,400 of such shares on July 10, 1996, because of its right to acquire an additional 6,565,000 of such shares pursuant to and subject to the terms and conditions of the Stock Purchase Agreement and because of USRealty's ownership of an additional 119,100 shares of Common Stock.

Except as set forth in this Item 5, to the best knowledge and belief of USRealty, no transactions involving Common Stock have been effected during the past 60 days by USRealty or by its directors, executive officers or controlling persons.

Item 6. Contracts, Arrangements, Understanding or Relationships with Respect to Securities of the Issuer.

No material change.

Item 7. Material to be filed as Exhibits.

The following Exhibit is filed as part of this Amendment No. 1 to Schedule 13D:

Exhibit 2.1 Stockholders Agreement, dated July 10, 1996, by and among Regency Realty Corporation, Security Capital Holdings S.A., Security Capital U.S. Realty and The Regency Group, Inc.

Exhibit 2.2 Registration Rights Agreement, dated July 10, 1996, by and among Regency Realty Corporation, Security Capital Holdings S.A. and Security Capital U.S. Realty

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

SECURITY CAPITAL U.S. REALTY

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director

SECURITY CAPITAL HOLDINGS S.A.

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director

July 15, 1996

EXHIBIT INDEX

Exhibit	Description	Sequential Page No.
2.1	Stockholders Agreement, dated July 10, 1996, by and among Regency Realty Corporation, Security Capital Holdings S.A., Security Capital U.S. Realty and The Regency Group, Inc.	
2.2	Registration Rights Agreement, dated July 10, 1996, by and among Regency Realty Corporation, Security Capital Holdings S.A. and Security Capital U.S. Realty	



STOCKHOLDERS AGREEMENT  
by and among  
REGENCY REALTY CORPORATION  
SECURITY CAPITAL HOLDINGS S.A.  
SECURITY CAPITAL U.S. REALTY  
and  
THE REGENCY GROUP, INC.

dated as of  
July 10, 1996

TABLE OF CONTENTS

	Page
ARTICLE 1	
Definitions	
Section 1.1 "Affiliate".....	1
Section 1.2 "Affiliate Arrangements".....	2
Section 1.3 "Agreement".....	2
Section 1.4 "Beneficially Own".....	2
Section 1.5 "Board".....	2
Section 1.6 "Buyer".....	2
Section 1.7 "Code".....	2
Section 1.8 "Company".....	2
Section 1.9 "Company Common Stock".....	2
Section 1.10 "Conflict of Interest Policies".....	2

Section 1.11	"Corporate Action Covenants".....	2
Section 1.12	"Covered Transaction".....	2
Section 1.13	"Director".....	2
Section 1.14	"Early Termination Event".....	2
Section 1.15	"Excess Shares".....	2
Section 1.16	"Exercise Notice".....	2
Section 1.17	"Extraordinary Transaction".....	2
Section 1.18	"15% Termination Date".....	3
Section 1.19	"fully diluted".....	3
Section 1.20	"Geographic Region".....	3
Section 1.21	"Government Authority".....	3
Section 1.22	"Group".....	3
Section 1.23	"Investor".....	4
Section 1.24	"Investor Nominees".....	4
Section 1.25	"Investor Restricted Person".....	4
Section 1.26	"Key Committees".....	4
Section 1.27	"1933 Act".....	4
Section 1.28	"1934 Act".....	4
Section 1.29	"Participation Notice".....	4
Section 1.30	"person".....	4
Section 1.31	"SCGI".....	4
Section 1.32	"SCGI Restricted Person".....	4
Section 1.33	"Securities Filings".....	4
Section 1.34	"Shareholder Approval".....	4
Section 1.35	"Shareholder Approval Date".....	4
Section 1.36	"Shopping Center Company".....	5
Section 1.37	"Shopping Center Property".....	5
Section 1.38	"Standstill Extension Term".....	5
Section 1.39	"Standstill Period".....	5

Section 1.40	"Stock Purchase Agreement".....	5
Section 1.41	"13D Group".....	5
Section 1.42	"Transfer".....	5
Section 1.43	"TRG".....	5
Section 1.44	"TRG Restricted Person".....	5
Section 1.45	"20% Termination Date".....	5
Section 1.46	"USREALTY".....	6
Section 1.47	"Voting Securities".....	6

ARTICLE 2

Board of Directors

Section 2.1	Investor Nominees.....	6
Section 2.2	Committee Representation; Subsidiary Boards.....	7
Section 2.3	Vacancies.....	8

ARTICLE 3

Information Rights

Section 3.1	Strategic Advice; Operating Statements; Public Company Status.....	8
Section 3.2	Advice of Actions.....	9

ARTICLE 4

Voting and Participation Rights

Section 4.1	Voting Rights.....	10
Section 4.2	Participation Rights.....	11

ARTICLE 5

Standstill Provisions

Section 5.1	Standstill Periods.....	14
Section 5.2	Restrictions During Standstill Period and Standstill Extension Term.....	16
Section 5.3	Investments in Shopping Center Properties and Purchases of Interests in Shopping Center Companies.....	17
Section 5.4	Notice to Company.....	19

Section 5.5	Compliance with Insider Trading Policy....	20
Section 5.6	Compliance with Section 5.2 of the Company Charter.....	20
Section 5.7	Investment Company Matters.....	20
Section 5.8	Waiver of Restrictions and Limits.....	20
Section 5.9	REIT Qualification.....	21

#### ARTICLE 6

##### Limitations on Corporate Actions, Etc.

Section 6.1	Limitations on Corporate Actions.....	21
Section 6.2	Provision of Information.....	23
Section 6.3	Compliance with Conflicts of Interest Policy.....	23
Section 6.4	Maintenance of Affiliate and Joint Venture Arrangements.....	24
Section 6.5	Sales of Assets.....	24
Section 6.6	Investments in Shopping Center Properties and Purchases of Interests in Shopping Center Companies.....	24

#### ARTICLE 7

##### Miscellaneous

Section 7.1	Counterparts.....	26
Section 7.2	Governing Law.....	26
Section 7.3	Entire Agreement.....	26
Section 7.4	Expenses.....	26
Section 7.5	Notices.....	26
Section 7.6	Successors and Assigns.....	27
Section 7.7	Headings.....	27
Section 7.8	Amendments and Waivers.....	27
Section 7.9	Interpretation; Absence of Presumption....	28
Section 7.10	Severability.....	28
Section 7.11	Further Assurances.....	28
Section 7.12	Specific Performance.....	28
Section 7.13	Investor Breach.....	28
Section 7.14	Confidentiality.....	28
Section 7.15	Public Releases and Announcements.....	29

THIS STOCKHOLDERS AGREEMENT (the "Agreement"), dated as of July 10, 1996, is made by and among Regency Realty Corporation, a Florida corporation (the "Company"), Security Capital U.S. Realty, a Luxembourg corporation ("USREALTY"), Security Capital Holdings S.A., a Luxembourg corporation and a wholly owned subsidiary of USREALTY ("Buyer"), and The Regency Group, Inc., a Florida corporation ("TRG"). Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Stock Purchase Agreement (as hereinafter defined).

RECITALS:

WHEREAS, the Company, USREALTY and Buyer have entered into a Stock Purchase Agreement, dated as of June 11, 1996 (the "Stock Purchase Agreement"), pursuant to which the Company is selling, conveying, assigning and transferring, and Buyer is purchasing, certain shares of the common stock, par value \$.01 per share, of the Company (the "Company Common Stock") on the date hereof, and pursuant to which the Company has agreed to sell, and Buyer has agreed to purchase, certain additional shares of Company Common Stock, upon the terms and subject to the conditions set forth therein; and

WHEREAS, it is a condition to the transactions contemplated by the Stock Purchase Agreement and the parties believe it to be in their best interests that they enter into this Agreement and provide for certain rights and restrictions with respect to the investment by Investor (as hereinafter defined) in the Company and the corporate governance of the Company; and

WHEREAS, the Company and Buyer believe that the combination in a strategic partnership of the leadership, expertise and experience in the retail shopping center industry of the Company and the unique market knowledge, operating experience, research capabilities and access to capital of Buyer and its Affiliates will significantly enhance the Company's ability to pursue its growth and operating strategies;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

## ARTICLE 1

### Definitions

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

Section 1.1 "Affiliate" shall have the meaning ascribed thereto in Rule 12b-2 promulgated under the 1934 Act, and as in effect on the date hereof.

Section 1.2 "Affiliate Arrangements" shall mean the agreements and arrangements described in Schedule 3.9(f) of the Stock Purchase Agreement or which are disclosed in public filings of the Company.

Section 1.3 "Agreement" shall have the meaning set forth in the first paragraph hereof.

Section 1.4 "Beneficially Own" shall mean, with respect to any security, having direct or indirect (including through any Subsidiary or Affiliate) "beneficial ownership" of such security, as determined pursuant to Rule 13d-3 under the 1934 Act, including pursuant to any agreement, arrangement or understanding, whether or not in writing.

Section 1.5 "Board" shall mean the board of directors of the Company.

Section 1.6 "Buyer" shall have the meaning set forth in the first paragraph hereof.

Section 1.7 "Code" shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto, including all of the rules and regulations promulgated thereunder.

Section 1.8 "Company" shall have the meaning set forth in the first paragraph hereof.

Section 1.9 "Company Common Stock" shall have the meaning set forth in the second paragraph hereof.

Section 1.10 "Conflict of Interest Policies" shall have the meaning set forth in Section 6.3.

Section 1.11 "Corporate Action Covenants" shall have the meaning set forth in Section 6.1.

Section 1.12 "Covered Transaction" shall have the meaning set forth in Section 5.1(a)(iv).

Section 1.13 "Director" shall mean a member of the Board.

Section 1.14 "Early Termination Event" shall have the meaning set forth in Section 5.1(a).

Section 1.15 "Excess Shares" shall have the meaning set forth in Section 5.1(a)(ii).

Section 1.16 "Exercise Notice" shall have the meaning set forth in Section 4.2(b).

Section 1.17 "Extraordinary Transaction" shall mean (a) any merger, consolidation, sale of a material portion of the Company's assets, recapitalization, other business combination, liquidation, or other similar action out of the ordinary course of business of the Company, or (b) any issuance of securities to any person or Group requiring shareholder approval in accordance with the guidelines of the New York Stock Exchange as to such matters, as in effect as of the date of the Stock Purchase Agreement.

Section 1.18 "15% Termination Date" shall mean the first date, if any, following the date on which the Remaining Equity Commitment shall have been reduced to zero on which Investor's ownership of Company Common Stock, on a fully diluted basis, shall have been below 15% of the outstanding shares of Company Common Stock for a continuous period of 180 days; provided, that, if Investor's ownership of Company Common Stock shall, following the date on which the Remaining Equity Commitment shall have been reduced to zero, have fallen below 15% by number of the outstanding shares of Company Stock, on a fully diluted basis, as a result of the redemption of limited partnership or other interests in partnerships or other entities for shares of Company Common Stock, then the 15% Termination Date shall mean the first date, if any, following the date on which Investor's ownership of Company Common Stock shall have been below 15% by number of the outstanding shares of Company Stock, on a fully diluted basis, for a continuous period of 450 days; provided, however, that if Investor's ownership of Company Common Stock shall, following the date on which the Remaining Equity Commitment shall have been reduced to zero, have fallen below 15% of the outstanding shares of Company Common Stock as a result of a Transfer by Investor of Company Common Stock or a failure of Investor to exercise its rights under Section 4.2 during the 60 days immediately prior to the expiration of such 180-day period, if any such rights are exercisable during such period, to the extent necessary to (and provided that it shall be possible by such exercise to) raise its ownership of the outstanding Company Common Stock above such 15%

threshold, then the 15% Termination Date shall occur immediately upon such Transfer or failure to exercise its rights under Section 4.2, as the case may be.

Section 1.19 "fully diluted" shall mean, with respect to the Company Stock, the total number of outstanding shares of Company Stock (for such purposes, treating as Company Stock all shares of Company Preferred Stock and Class B Common Stock and all options or warrants to purchase and securities convertible into (or exchangeable or redeemable for) Company Common Stock, in each case outstanding as of the date of the Stock Purchase Agreement and that remain outstanding as of the relevant measurement date, assuming conversion of all such shares of Company Preferred Stock and Class B Common Stock and assuming exercise, conversion, exchange or redemption of such other securities).

Section 1.20 "Geographic Region" shall mean the states of Florida, Alabama, Mississippi, Georgia, North Carolina, South Carolina, Tennessee, Kentucky, Virginia, West Virginia, Maryland and the District of Columbia, and the southern regions of the states of Indiana and Ohio (including the cities of Indianapolis and Columbus, respectively).

Section 1.21 "Government Authority" shall mean any government or state (or any subdivision thereof) of or in the United States, or any agency, authority, bureau, commission, department or similar body or instrumentality thereof, or any governmental court or tribunal.

Section 1.22 "Group" shall mean a "group" as such term is used in Section 13(d)(3) of the 1934 Act.

Section 1.23 "Investor" shall mean, collectively, as the context may require, USREALTY and Buyer, and shall also include any Affiliate of USREALTY or Buyer of which USREALTY and/or Buyer collectively, directly or indirectly, Beneficially Own 98% or more of the voting power and economic interests, or, for purposes only of (i) Section 5.8 with regard to ownership of shares of Company Common Stock by such Person and (ii) the provisions of the Registration Rights Agreement, any bona fide financial institution to which any Investor has Transferred (including upon foreclosure of a pledge) shares of Company Stock for the purpose of securing bona fide indebtedness of any Investor and which has agreed to be bound by this Agreement.

Section 1.24 "Investor Nominees" shall have the meaning set forth in Section 2.1(a).



Section 1.25 "Investor Restricted Person" shall have the meaning set forth in Section 5.3(a).

Section 1.26 "Key Committees" shall have the meaning set forth in Section 2.2(a).

Section 1.27 "1933 Act" shall mean the Securities Act of 1933, as amended.

Section 1.28 "1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.29 "Participation Notice" shall have the meaning set forth in Section 4.2(b).

Section 1.30 "person" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, other form of business or legal entity or Government Authority.

Section 1.31 "SCGI" shall have the meaning set forth in Section 5.3(a).

Section 1.32 "SCGI Restricted Person" shall have the meaning set forth in Section 5.3(a).

Section 1.33 "Securities Filings" shall have the meaning set forth in Section 3.1(b)(iii).

Section 1.34 "Shareholder Approval" shall have the meaning set forth in Section 5.3(d).

Section 1.35 "Shareholder Approval Date" shall mean the date on which a duly called and held meeting of shareholders of the Company is held at which meeting (i) a quorum is present and (ii) the transactions (including the issuance of the Company Common Stock and the amendments to the Company Charter) contemplated by the Stock Purchase Agreement are approved by the affirmative vote of the holders of the requisite number of shares of Company Stock.

Section 1.36 "Shopping Center Company" shall have the meaning set forth in Section 5.3(b).

Section 1.37 "Shopping Center Property" shall have the meaning set forth in Section 5.3(a).

Section 1.38 "Standstill Extension Term" shall have the meaning set forth in Section 5.1(b).

Section 1.39 "Standstill Period" shall have the meaning set forth in Section 5.1(a).

Section 1.40 "Stock Purchase Agreement" shall have the meaning set forth in the second paragraph hereof.

Section 1.41 "13D Group" shall mean any group of persons acquiring, holding, voting or disposing of Voting Securities which would be required under Section 13(d) of the 1934 Act and the rules and regulations thereunder (as in effect, and based on legal interpretations thereof existing, on the date hereof) to file a statement on Schedule 13D with the Securities and Exchange Commission as a "person" within the meaning of Section 13(d)(3) of the 1934 Act if such group beneficially owned Voting Securities representing more than 5% of any class of Voting Securities then outstanding.

Section 1.42 "Transfer" shall have the meaning set forth in Section 5.2(a)(ii).

Section 1.43 "TRG" shall have the meaning set forth in the first paragraph hereof.

Section 1.44 "TRG Restricted Person" shall have the meaning set forth in Section 6.6.

Section 1.45 "20% Termination Date" shall mean the first date, if any, following the date on which the Remaining Equity Commitment shall have been reduced to zero on which Investor's ownership of Company Common Stock, on a fully diluted basis, shall have been below 20% of the outstanding shares of Company Common Stock for a continuous period of 180 days; provided, that, if Investor's ownership of Company Common Stock shall, following the date on which the Remaining Equity Commitment shall have been reduced to zero, have fallen below 20% by number of the outstanding shares of Company Stock, on a fully diluted basis, as a result of the redemption of limited partnership or other interests in partnerships or other entities for shares of Company Common Stock, then the 20% Termination Date shall mean the first date, if any, following the date on which Investor's ownership of Company Common Stock shall have been below 20% by number of the outstanding shares of Company Stock, on a fully diluted basis, for a continuous period of 450 days; provided, however, that if Investor's ownership of Company Common Stock shall, following the date on which the Remaining Equity Commitment shall have been reduced to zero, have fallen below 20% of the outstanding shares of Company Common Stock as a result of a Transfer by Investor of Company Common Stock or a failure of Investor to exercise its rights under

Section 4.2 during the 60 days immediately prior to the expiration of such 180-day period, if any such rights are exercisable during such period, to the extent necessary to (and provided that it shall be possible by such exercise to) raise its ownership of the outstanding Company Common Stock above such 20% threshold, then the 20% Termination Date shall occur immediately upon such Transfer or failure to exercise its rights under Section 4.2, as the case may be.

Section 1.46 "USREALTY" shall have the meaning set forth in the first paragraph hereof.

Section 1.47 "Voting Securities" shall mean at any time shares of any class of capital stock of the Company which are then entitled to vote generally in the election of Directors.

## ARTICLE 2

### Board of Directors

Section 2.1 Investor Nominees. (a) From and after the Shareholder Approval Date, if any, and until the next annual or special meeting of shareholders of the Company at, or the next taking of action by written consent of shareholders of the Company with respect to, which any Directors are to be elected, the Investor shall have the right (but not the obligation) to have on the Board two Directors (such Directors, the "Investor Nominees"), and the Company shall cause such Investor Nominees to become members of the Board. If necessary to effectuate the placement of such Investor Nominees on the Board, the Company shall, at its sole option, (i) expand the size of the Board or (ii) solicit the resignations of the appropriate number of Directors, in either case, to the extent necessary to permit the Investor Nominees to serve. Thereafter and until the earlier of the 20% Termination Date, if any, and the expiration of the Standstill Period or any Standstill Extension Term (other, in either case, as a result of an Early Termination Event), at each annual or special meeting of shareholders of the Company at, or the taking of action by written consent of shareholders of the Company with respect to, which any Directors are to be elected, Investor shall have the right (but not the obligation) pursuant to this Agreement (i) to nominate for election to the Board that number of Directors which, when added to the number of Directors (such Directors also, "Investor Nominees") who are then Investor Nominees and who will continue to serve as Directors without regard to the outcome of the election at such meeting or by such consent, represent the greater of (x) two and (y) the same proportion of the total

number of Directors as is represented by the number of shares of Company Common Stock which Investor then owns relative to the outstanding Company Common Stock (but in no event more than 49% of the Board), and (ii) to be entitled to the benefits of the agreements of the Company contained in Subsection 2.1(c) with respect to the Investor Nominees described in clause (i) of this sentence. Following the expiration of the Standstill Period or any Standstill Extension Term (other, in either case, as a result of an Early Termination Event), if such expiration of the Standstill Period or any Standstill Extension Term shall be prior to the 20% Termination Date, and until the 20% Termination Date, at each annual or special meeting of shareholders of the Company at, or the taking of action by written consent of shareholders of the Company with respect to, which any Directors are to be elected, Investor shall have the right (but not the obligation) pursuant to this Agreement (i) to nominate for election to the Board that number of Directors which, when added to the number of Directors who are then Investor Nominees and who will continue to serve as Directors without regard to the outcome of the election at such meeting or by such consent, represent the lesser of (x) two and (y) the same proportion of the total number of Directors as is represented by the number of shares of Company Common Stock which Investor then owns relative to the outstanding Company Common Stock (such Directors also, "Investor Nominees") and (ii) to be entitled to the benefits of the agreements of the Company contained in Subsection 2.1(c) with respect to the Investor Nominees described in clause (i) of this sentence. In computing the number of Investor Nominees, any fraction is to be rounded down to the nearest whole number. At the time of the expiration of the Standstill Period or any Standstill Extension Term, if the Company shall so request, Investor shall use its reasonable efforts to cause one or more then-serving Investor Nominees to resign from the Board such that there shall be no more Investor Nominees on the Board than the lesser of (x) two and (y) the same proportion of the total number of Directors as is represented by the number of shares of Company Common Stock which Investor then owns relative to the outstanding Company Common Stock.

(b) Investor will not name any person as an Investor Nominee if (i) such person is not reasonably experienced in business, financial or real estate matters, (ii) such person has been convicted of, or has pled nolo contendere to, a felony, (iii) the election of such person would violate any law, or (iv) any event required to be disclosed pursuant to Item

401(f) of Regulation S-K of the 1934 Act has occurred with respect to such person. Investor shall use its reasonable efforts to afford the independent directors of the Company a reasonable opportunity to meet any individual that Investor is considering naming as an Investor Nominee.

(c) The Company will support the nomination of, and the Company's nominating committee (or any other committee exercising a similar function) shall recommend to the Board, the election of each Investor Nominee to the Board, and the Company will exercise all authority under applicable law to cause each Investor Nominee to be elected to the Board. Without limiting the generality of the foregoing, with respect to each meeting of shareholders of the Company at which Directors are to be elected, the Company shall use its reasonable efforts to solicit from the shareholders of the Company eligible to vote in the election of Directors proxies in favor of any Investor Nominees.

(d) From and after the Shareholder Approval Date, if any, until the earlier of the 20% Termination Date, if any, and the expiration of the Standstill Period or any Standstill Extension Term (other, in either case, as a result of an Early Termination Event), the total number of members of the Board shall not be less than eleven without the prior written consent of Investor, in its sole discretion.

Section 2.2 Committee Representation; Subsidiary Boards. (a) During such time as Investor is entitled pursuant to Section 2.1(a) to have at least one Investor Nominee on the Board, unless Investor chooses not to exercise its rights under this Section 2.2(a), at least one Director who is an Investor Nominee shall serve on each of the audit committee, the nominating committee, the compensation committee, the executive committee, any special committee(s) of the Board, and any other committees which shall be charged with exercising substantial authority on behalf of the Board (the foregoing, the "Key Committees"). Notwithstanding the foregoing, if none of the Directors who are Investor Nominees would be considered "independent" of the Company or "disinterested" (i) for purposes of any applicable rule of the New York Stock Exchange or any other securities exchange or other self-regulating organization (such as the National Association of Securities Dealers) requiring that members of the audit committee of the Board be independent of the Company, (ii) for purposes of any law or regulation that requires, in order to obtain or maintain favorable tax, securities, corporate law or other material legal benefits with respect to any plan or arrangement for employee compensation or benefits, that the members of the committee of the Board charged with responsibility for such plan or arrangement be

"independent" of the Company or "disinterested", or (iii) for purposes of any special committee formed in connection with any transaction or potential transaction involving the Company and any of Investor, its Affiliates or any Group of which Investor is a member or such other transaction or potential transaction which would involve an actual or potential conflict of interest on the part of the Directors who are Investor Nominees, then a Director who is an Investor Nominee shall not be required to be appointed to any such committee; provided, however, that the committees of the Board shall be organized such that, to the extent practicable, the only items to be considered by a Key Committee on which no Director who is an Investor Nominee may serve will be those items which prevent the Director who is an Investor Nominee from serving on such Key Committee. Any members of any Key Committee who are Investor Nominees shall, in the event of any vacancy in such membership, be replaced by a Director who is an Investor Nominee elected by a majority of the Directors who are Investor Nominees.

(b) During such time as Investor is entitled pursuant to Section 2.1(a) to have at least one Investor Nominee on the Board, unless Investor chooses not to exercise its rights under this Section 2.2(b), one individual designated by Investor shall serve as a member of the board of directors or comparable governing body of each Subsidiary of the Company, if any, that is a corporation or other person with a board of directors or board of trustees.

Section 2.3 Vacancies. In the event that any Investor Nominee shall cease to serve as a Director for any reason other than the fact that Investor no longer has a right to nominate a Director, as provided in Section 2.1(a), the vacancy resulting thereby shall be filled by an Investor Nominee designated by Investor; provided, however, that any Investor Nominee so designated shall satisfy the qualification requirements set forth in Section 2.1(b).

### ARTICLE 3

#### Information Rights

Section 3.1 Strategic Advice; Operating Statements; Public Company Status. (a) From and after the Shareholder Approval Date, if any, until the 20% Termination Date, Buyer will from time to time, as reasonably requested by the Company, use reasonable efforts to make reasonably available to the Company the benefit of Buyer's market expertise, operating experience and research capabilities and will from time to time, as

reasonably requested by the Company, consult with and advise the Company on matters concerning:

(i) business and operating strategy;

(ii) financing and capital formation (including advice regarding capital markets and structure, method and timing of capital-raising efforts);

(iii) property acquisition strategy and acquisition opportunities with respect to Shopping Center Properties in the Geographic Region of which Buyer becomes aware; and

(iv) investor relations;

provided, however, that nothing herein shall require Buyer to provide the Company with any information that may be subject to any obligation of confidentiality on Buyer's part. Upon the reasonable request of the Company, Buyer further will provide to the Company any relevant market or economic research in its possession which is not readily available from third parties and which is not subject to any obligation of confidentiality on Buyer's part. Buyer will be entitled to receive customary fees and expense reimbursement for its undertaking of any actions contemplated by this Section 3.1(a), which fees and expenses will be agreed upon by Buyer and the Company in each instance.

(b) From and after the Shareholder Approval Date, if any, until the 20% Termination Date, if any, the Company will:

(i) deliver to Investor, as soon as practicable after the end of each month or other reporting period, any operating and financial statements and management reports (x) of the Company, and (y) of each Subsidiary not consolidated with the Company, which are regularly provided to the senior management of the Company, each as, at and for the end of such month or other reporting period, and such other statements or reports as are reasonably requested by Investor, all in such form as are prepared by the Company for internal use by management (including, as applicable, by e-mail);

(ii) deliver to Investor copies of all other information distributed by the Company to the Board;

(iii) deliver to Investor, as promptly as practicable following filing, a copy of each report, schedule or other document filed by the Company pursuant to the requirements of any federal or state securities laws (collectively, the "Securities Filings"); and

(iv) continue to comply in all material respects with the reporting requirements of Section 13 or 15(d) of the 1934 Act.

(c) The Company and Investor will afford one another a reasonable opportunity to review any Securities Filing, any other filing with a Government Authority and any press release or similar public announcement which refers to, describes or mentions such other party or any Affiliate of such other party prior to the time that such filing is filed with or sent to the applicable Government Authority or such announcement is disseminated.

Section 3.2 Advice of Actions. From and after the Shareholder Approval Date, if any, until the 20% Termination Date, if any, without first having consulted with the representative of Investor designated by Investor pursuant to this Section 3.2, the Company will not seek approval by the Board of any proposal, or enter into any definitive agreement, relating to:

(a) the acquisition in a single transaction or group of related transactions, whether by merger, consolidation, purchase of stock or assets or other business combination, of any business or assets having a value in excess of \$10,000,000;

(b) the sale or disposal in a single transaction or group of related transactions of any assets, whether by merger, consolidation, sale of stock or assets or other business combination having a value in excess of \$20,000,000;

(c) the incurrence or issuance of indebtedness in a single transaction or group of related transactions, the entering into a guaranty, or the engagement in any other financing arrangement in excess of \$20,000,000;

(d) the annual operating budget for the Company;

(e) a material change in the executive management of the Company;



(f) any new material agreements or arrangements with any members of the executive management of the Company; or

(g) the issuance by the Company of capital stock of the Company or of options, rights or warrants or other commitments to purchase or securities convertible into (or exchangeable or redeemable for) shares of capital stock of the Company, or the issuance by a Subsidiary of any equity interests, other than, (i) to the Company or a wholly owned Subsidiary thereof, and (ii) to directors or employees of the Company or a Subsidiary in connection with any employee benefit plan approved by the shareholders of the Company.

Notwithstanding the foregoing, the Company shall have no obligation to accept or comply with any advice offered by Investor or its designated representative in any consultation referred to in this Section 3.2. The designated representative of Investor, for purposes of this Section 3.2, initially shall be Paul E. Szurek. Investor shall provide the company with ten days prior written notice of any replacement of the designated representative.

#### ARTICLE 4

##### Voting and Participation Rights

Section 4.1 Voting Rights. Subject to the provisions of this Section 4.1, Investor may vote the shares of Company Stock which it owns in its sole and absolute discretion. During the Standstill Period, if any, and any Standstill Extension Term, Investor will vote all shares of Company Common Stock which it owns in one of the following two manners, at its option: (a) in accordance with the recommendation of the Board or (b) proportionally, in accordance with the votes of the other holders of Company Common Stock; provided, however, that Investor may vote all of the shares of Company Common Stock that it owns, in its sole and absolute discretion, with regard to (x) the election of the Investor Nominee(s) to the Board, (y) any amendment to the Company Charter or the By-laws of the Company which would reasonably be expected to materially adversely affect Investor, and (z) any Extraordinary Transaction submitted to a vote of the shareholders of the Company. With regard to (i) any amendment to the Company Charter or the By-laws of the Company which would reasonably be expected to materially adversely affect Investor, and (ii) any Extraordinary Transaction submitted to a vote of the stockholders of the Company, Investor will vote all shares of Company Common Stock owned by it that represent ownership of in excess of 40% of the

outstanding shares of Company Common Stock, in one of the following two manners, at its option: (x) in accordance with the recommendation of the Board, or (y) proportionally in accordance with the votes of the other holders of Company Common Stock. With regard to any Extraordinary Transaction submitted to a vote of the stockholders of the Company which requires the affirmative vote of holders of two-thirds of the shares of Company Common Stock, Investor will vote all shares of Company Common Stock owned by it that represent ownership of in excess of 28% of the outstanding shares of Company Common Stock, in one of the following two manners, at its option: (x) in accordance with the recommendation of the Board, or (y) proportionally in accordance with the votes of the other holders of Company Common Stock.

Section 4.2 Participation Rights. (a) Right to Participate. From and after the date hereof until the 15% Termination Date, if any, Investor shall be entitled to a participation right to purchase or subscribe for up to that number of additional shares of capital stock (including as "capital stock" for purposes of this Section 4.2, any security, option, warrant, call, commitment, subscription, right to purchase or other agreement of any character that is convertible into or exchangeable or redeemable for shares of capital stock of the Company or any Subsidiary (and all references in this Section 4.2 to capital stock shall, as appropriate, be deemed to be references to any such securities), and also including additional shares of capital stock to be issued pursuant to the conversion, exchange or redemption of any security, option, warrant, call, commitment, subscription, right to purchase or other agreement of any character that is convertible into or exchangeable or redeemable for shares of capital stock, as if the price at which such additional shares of capital stock is issued pursuant to any such conversion, exchange or redemption were the market price on the date of such issuance) to be issued or sold by the Company which represents the same proportion of the total number of shares of capital stock to be issued or sold by the Company (including the shares of capital stock to be issued to Investor upon exercise of its participation rights hereunder; it being understood and agreed that the Company will accordingly be required to either increase the number of shares of capital stock to be issued or sold so that Investor may purchase additional shares to maintain its proportionate interest, or to reduce the number of shares of capital stock to be issued or sold to Persons other than Investor) as is represented by the number of shares of Company Common Stock owned by Investor prior to such sale or issuance (and including for this purpose any shares of Company Common Stock to be acquired pursuant to the Stock Purchase Agreement, but not yet issued) relative to the number of shares of Company Common

Stock outstanding prior to such sale or issuance (and including for this purpose any shares of Company Common Stock to be acquired pursuant to the Stock Purchase Agreement, but not yet issued) (but in no event, (i) more than 42.5% of the total number of shares of capital stock to be issued or sold by the Company at the first offering of shares of capital stock by the Company following the date on which the Remaining Equity Commitment (as such term is defined in the Stock Purchase Agreement) shall be zero, or, (ii) more than 37.5% of the total number of shares of capital stock to be issued or sold by the Company at all subsequent offerings); provided, however, that the provisions of this Section 4.2 shall not apply to (i) the issuance or sale by the Company of any of its capital stock issued to the Company or any of its Subsidiaries or pursuant to options, rights or warrants or other commitments or securities in effect or outstanding on the date of the Stock Purchase Agreement, or (ii) the issuance of capital stock pursuant to the conversion, exchange or redemption of any other capital stock, and with respect to the original issuance of which other capital stock Investor had and fully exercised participation rights pursuant to this Section 4.2, but shall, without limitation, apply to the issuance by the Company of any of its capital stock pursuant to benefit, option, stock purchase, or other similar plans or arrangements, including pursuant to or upon the exercise of options, rights, warrants, or other securities or agreements (including those issued pursuant to the Company's benefit plans), as if the price at which such capital stock is issued were the market price on the date of such issuance.

(b) Notice. In the event the Company proposes to issue or sell any shares of capital stock in a transaction giving rise to the participation rights provided for in this Section, the Company shall send a written notice (the "Participation Notice") to Investor setting forth the number of shares of such capital stock of the Company that the Company proposes to sell or issue, the price (before any commission or discount) at which such shares are proposed to be issued (or, in the case of an underwritten or privately placed offering in which the price is not known at the time the Participation Notice is given, the method of determining such price and an estimate thereof), and all other relevant information as to such proposed transaction as may be necessary for Investor to determine whether or not to exercise the rights granted in this Section. At any time within 20 days after its receipt of the Participation Notice, Investor may exercise its participation rights to purchase or subscribe for shares of such shares of capital stock, as provided for in this Section, by so informing the Company in writing (an "Exercise Notice"). Each Exercise Notice shall state

the percentage of the proposed sale or issuance that the Investor elects to purchase. Each Exercise Notice shall be irrevocable, subject to the conditions to the closing of the transaction giving rise to the participation right provided for in this Section.

(c) Abandonment of Sale or Issuance. The Company shall have the right, in its sole discretion, at all times prior to consummation of any proposed sale or issuance giving rise to the participation right granted by this Section, to abandon, rescind, annul, withdraw or otherwise terminate such sale or issuance, whereupon all participation rights in respect of such proposed sale or issuance pursuant to this Section shall become null and void, and the Company shall have no liability or obligation to Investor or any Affiliate thereof who has acquired shares of Company Stock pursuant to the Stock Purchase Agreement or from Investor with respect thereto by virtue of such abandonment, rescission, annulment, withdrawal or termination.

(d) Terms of Sale. The purchase or subscription by Investor or an Affiliate thereof, as the case may be, pursuant to this Section shall be on the same price and other terms and conditions, including the date of sale or issuance, as are applicable to the purchasers or subscribers of the additional shares of capital stock of the Company whose purchases or subscriptions give rise to the participation rights, which price and other terms and conditions shall be substantially as stated in the relevant Participation Notice (which standard shall be satisfied if the price, in the case of a negotiated transaction, is not greater than 110% of the estimated price set forth in the relevant Participation Notice or, in the case of an underwritten or privately placed offering, is not greater than the greater of (i) 110% of the estimated price set forth in the relevant Participation Notice, and (ii) the most recent closing price on or prior to the date of the pricing of the offering); provided, however, that in the event the consideration to be received by the Company in connection with the issuance of shares of capital stock giving rise to participation rights hereunder is other than cash or cash equivalents, the price per share at which the participation rights may be exercised shall be the price per share set forth in the Participation Notice or determined in the manner set forth in the Participation Notice (which shall in either event be the price as set forth in the agreement pursuant to which such shares are to be issued, provided that the consideration to be received therefor is valued based upon the fair market value thereof, as determined in good faith by the Company's independent directors, after consultation with appropriate financial and legal advisors, or the

price determined in accordance with paragraph (a) of this Section 4.2); provided, further, however, that in the event the consideration to be received by the Company in connection with the issuance of shares of capital stock giving rise to participation rights hereunder is other than cash or cash equivalents, and the fair market value of the consideration to be received is not determinable, the price per share at which the participation rights may be exercised shall, (i) in the event that shares of capital stock with an established trading market are being issued or sold, be the average ten-day trailing market price of such shares as of the date of receipt of the Participation Notice, and (ii) in the event any other shares of capital stock are being issued or sold, be determined by reference to the amount set forth above, adjusted as may be appropriate to reflect the relationship between those shares of capital stock with an established trading market and those shares of capital stock to be issued in the relevant transaction; provided, however, that if the consideration otherwise covered by the second proviso of this Section 4.2(d) is received in connection with a merger or consolidation by the Company, the price per share at which the participation rights may be exercised shall be the market value per share of Company Common Stock issued in respect of such merger or consolidation as of the date of the merger or consolidation agreement; and provided, finally, that in the event the purchases or subscriptions giving rise to the participation rights are effected by an offering of securities registered under the 1933 Act and in which offering it is not legally permissible for the securities to be purchased by Investor to be included, such securities to be purchased by Investor will be purchased in a concurrent private placement.

(e) Timing of Sale. If, with respect to any Participation Notice, Investor fails to deliver an Exercise Notice within the requisite time period, the Company shall have 120 days after the expiration of the time in which the Exercise Notice is required to be delivered in which to sell not more than 110% of the number of shares of capital stock of the Company described in the Participation Notice (plus, in the event such shares are to be sold in an underwritten public offering, an additional number of shares of capital stock of the Company, not in excess of 15% of 110% of the number of shares of capital stock of the Company described in the Participation Notice, in respect of any underwriters overallotment option) and not less than 90% of the number of shares of capital stock of the Company described in the Participation Notice on terms not more favorable to the purchaser than were set forth in the Participation Notice. If, at the end of 120 days following the expiration of the time in which the Exercise Notice is required to

be delivered, the Company has not completed the sale or issuance of capital stock of the Company in accordance with the terms described in the Participation Notice (or at a price which is at least 90% of the estimated price set forth in the Participation Notice), or in the event of any contemplated sale or issuance within such 120-day period but outside such price parameters, the Company shall again be obligated to comply with the provisions of this Section with respect to, and provide the opportunity to participate in, any proposed sale or issuance of shares of capital stock of the Company; provided, however, that notwithstanding the foregoing, if the price at which such capital stock is to be sold in an underwritten offering (or a privately placed offering in which the price is not less than 97% of the most recent closing price at the time of the pricing of the offering) is not at least 90% of the estimated price set forth in the Participation Notice, the Company may inform Investor of such fact and Investor shall be entitled to elect, by written notice delivered within two Business Days following such notice from the Company, to participate in such offering in accordance with the provisions of this Section 4.2.

## ARTICLE 5

### Standstill Provisions

Section 5.1 Standstill Periods. (a) Subject to the provisions of the following sentence, the "Standstill Period" shall be the period commencing on the Shareholder Approval Date, if any, and ending on the earlier of (x) the fifth anniversary of the date thereof, and (y) the earliest of:

(i) the occurrence of any event of default on the part of the Company or any Subsidiary under any debt agreements, instruments, or arrangements which event of default would reasonably be expected to result in a Material Adverse Effect and, in the case of a non-monetary event of default, which event of default cannot be, or is not, cured by the Company within the applicable cure period under such debt agreement, instrument or arrangement;

(ii) the acquisition by any person or Group other than Investor or any Affiliate thereof or any person or Group acting in concert with or at the direction or request of the Investor or any Affiliate thereof of Beneficial Ownership of more than 9.8% of the voting power of the outstanding shares of Voting Securities (any such shares acquired in excess of such 9.8%, the "Excess

Shares"), unless (x) the Excess Shares are at or immediately following their acquisition deprived of all voting rights pursuant to limitations on ownership of shares contained in the Company Charter, as in effect at the relevant time, or in any other legal, valid and enforceable agreement, plan or other right in effect as such time, or (y) provided the Excess Shares represent no more than 5.2% of the voting power of the outstanding Voting Securities, the Company, no later than the earlier of (aa) sixty days after the date of such acquisition, and (bb) the record date for the first meeting of shareholders after such record date, has caused such person or Group to cease, or such person or Group otherwise ceases, having Beneficial Ownership of the Excess Shares;

(iii) any person or Group having a number of Directors on the Board, or having the right or power to elect a number of Directors on the Board, equal to or greater than the number of Directors to which Investor is entitled;

(iv) the authorization by the Company or the Board or any committee thereof (with all Investor Nominees abstaining or voting against) of the solicitation of offers or proposals or indications of interest with respect to any merger, consolidation, other business combination, liquidation, sale of the Company or all or substantially all of the assets of the Company or any other change of control of the Company or similar extraordinary transaction, but excluding any merger, consolidation or other business combination in which the Company is the surviving and acquiring corporation and in which the businesses or assets so acquired do not, or would not reasonably be expected to, have a value greater than 50% of the assets of the Company prior to such merger, consolidation or other business combination (any of the foregoing, a "Covered Transaction");

(v) the written submission by any person or Group other than Investor or any Affiliate thereof of a proposal to the Company (including to the Board or any agent, representative or Affiliate of the Company) with respect to, or otherwise expressing an interest in pursuing, a Covered Transaction; provided, however, that the Standstill Period shall not terminate pursuant to this Section 5.1(a)(v) if, as soon as practicable after receipt of any such proposal, the Board determines that such proposal is not in the best interest of the Company and its shareholders and for so long as the Board continues to reject such proposal as a result of such determination;

(vi) in connection with any actual or proposed Covered Transaction, the removal of any rights plan, provisions of the Company Charter relating to staggered terms of office for directors, provisions of the Company Charter or the By-laws of the Company relating to supermajority voting of the Company's shareholders, "excess share" provisions of the Company Charter or the By-laws of the Company, or any other similar arrangements, agreements, commitments or provisions in the Company Charter or the By-laws of the Company which would reasonably be expected to impede the consummation of such actual or proposed Covered Transaction by action of any Government Authority, the Board, the shareholders of the Company or otherwise, or, whether or not in connection with any actual or proposed Covered Transaction, any modification, amendment, waiver or repeal of the ownership restrictions in Article 5 of the Company Charter (except as may be necessary to allow any acquisition of Company Stock that would not constitute an Early Termination Event under Section 5.1(a)(ii));

(vii) any breach by the Company of the Stock Purchase Agreement which is neither cured nor desisted from within 30 days of receipt of written notice of such breach and which would reasonably be expected to materially adversely affect Investor or cause a Material Adverse Effect;

(viii) any breach of this Agreement by the Company which is neither cured nor desisted from within 30 days of receipt of written notice of such breach and which would reasonably be expected to materially adversely affect Investor or cause a Material Adverse Effect;

(ix) any violation of any Corporate Action Covenant;  
or

(x) any exercise of a conversion right with respect to shares of Class B Common Stock effected at a time or in circumstances in which the Percentage Limit (as such term is defined in the Articles of Amendment to Articles of Incorporation of the Company, filed on December 20, 1995) is for any reason not applicable, ineffective or waived.

Any event set forth in subsection (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) or (x) of this Section 5.1(a) shall be an "Early Termination Event."

(b) If the Standstill Period shall not have been terminated prior to the fifth anniversary of the date hereof, the Standstill Period and any Standstill Extension Term shall automatically be extended for successive one-year periods (each



such period, a "Standstill Extension Term"), unless, in the case of each Standstill Extension Term, Investor provides to the Company written notice at least 270 days prior to the commencement of such Standstill Extension Term, that such Standstill Extension Term and all further Standstill Extension Terms are cancelled. Any Standstill Extension Term will be terminated upon the earlier of (i) the first anniversary thereof, and (ii) the occurrence of an Early Termination Event.

Section 5.2 Restrictions During Standstill Period and Standstill Extension Term. (a) During the Standstill Period, if any, and any Standstill Extension Term (and, with respect only to the provisions of subsection (ii) hereof, also at any other time when Investor owns more than 15% of the then outstanding shares of Company Common Stock, on a fully diluted basis), Investor will not, will cause each of its controlled Affiliates not to, and will use its reasonable best efforts to cause each of its other Affiliates not to, directly or indirectly:

(i) act in concert with any other person or Group by becoming a member of a 13D Group, other than any 13D Group comprised exclusively of Investor and one or more of its Affiliates;

(ii) sell, transfer, pledge or otherwise dispose of (collectively, "Transfer") any shares of Company Common Stock except for: (v) Transfers made in compliance with the requirements of Rule 144 of the 1933 Act, (w) Transfers pursuant to negotiated transactions with third parties, provided, however, that no such Transfer which would result in the applicable transferee having beneficial ownership of more than 9.8% of the Company Stock shall occur unless (A) the Company, in its sole discretion, approves such Transfer, and (B) the transferee acknowledges that it is subject to the provisions of Article 5 of this Agreement to which Investor is subject, (x) Transfers pursuant to or in accordance with the Registration Rights Agreement or otherwise in a public offering, (y) Transfers to one or more Affiliates of Investor who agree to be bound by the terms and conditions of this Agreement and who satisfy the ownership criteria in the definition of "Investor", and (z) Transfers to a bona fide financial institution for the purpose of securing bona fide indebtedness of any Investor; provided, that no such Transfer shall result in the bona fide financial institution having beneficial ownership of more than 9.8% of the Company Stock unless such bona fide financial institution acknowledges that it is subject to the provisions of Article 5 of this Agreement to which Investor is subject;

(iii) purchase or otherwise acquire shares of Company Common Stock (or options, rights or warrants or other commitments to purchase and securities convertible into (or exchangeable or redeemable for) shares of Company Common Stock) as a result of which, after giving effect to such purchase or acquisition, Investor and its Affiliates will Beneficially Own more than 45% of the outstanding shares of Company Common Stock, on a fully diluted basis;

(iv) solicit, encourage or propose to effect or negotiate any Covered Transaction other than pursuant to the Stock Purchase Agreement;

(v) solicit, initiate, encourage or participate in any "solicitation" of "proxies" or become a "participant" in any "election contest" (as such terms are defined or used in Regulation 14A under the 1934 Act, disregarding clause (iv) of Rule 14a-1(1)(2) and including an exempt solicitation pursuant to Rule 14a-2(b)(1)); call, or in any way encourage or participate in a call for, any special meeting of shareholders of the Company (or take any action with respect to acting by written consent of the shareholders of the Company); request, or take any action to obtain or retain any list of holders of any securities of the Company; or initiate or propose any shareholder proposal or participate in or encourage the making of, or solicit shareholders of the Company for the approval of, one or more shareholder proposals; provided, however, that Investor shall not be prohibited from communicating with a securityholder who is engaged in any "solicitation" of "proxies" or who is a "participant" in any "election contest";

(vi) seek representation on the Board or a change in the composition or size of the Board other than as permitted by Article 2;

(vii) Transfer any capital stock of Buyer or any capital stock of any Affiliate of Buyer that owns Company Common Stock, or cause Buyer or any such Affiliate thereof to Transfer any options, warrants, convertible securities or other similar rights to acquire any capital stock of Buyer or any such Affiliate thereof; provided, however, that no such Transfer shall be prohibited if after giving effect thereto the Beneficial Owner of such shares of Company Common Stock satisfies the ownership criteria in the definition of "Investor"; and provided, further, that no Transfers to a bona fide financial institution for the purpose of securing bona fide indebtedness of any Investor shall be prohibited hereby;

(viii) request the Company or any of its directors, officers, employees or agents to amend or waive any provisions of this Section 5.2 or Section 5.2 of the Company Charter or seek to challenge the legality or effect thereof; or

(ix) assist, advise, encourage or act in concert with any person with respect to, or seek to do, any of the foregoing.

(b) At such time as the restrictions on the activities of Investor contained in Section 5.2(a), 5.2(b) or 5.4 take effect, such restrictions shall supercede any restrictions on the activities of Investor contained in the Confidentiality Agreement, dated May 10, 1995, by and between Investor and the Company whereupon all such restrictions set forth in said Confidentiality Agreement shall cease to apply.

Section 5.3 Investments in Shopping Center Properties and Purchases of Interests in Shopping Center Companies.  
(a) Subject to the provisions of the following sentence, and excluding transactions which are the subject of paragraph (b) of this Section, from and after the date hereof until the earlier of (i) the date, if any, on which shareholders of the Company vote upon and fail to approve the transactions contemplated by the Stock Purchase Agreement, (ii) the six-month anniversary of the date hereof if a meeting at which the shareholders of the Company are asked to vote upon the transactions contemplated by the Stock Purchase Agreement shall not have occurred on or prior to such six-month anniversary date, and (iii) the 20% Termination Date, if any, Investor and any other person of which Investor is the direct or indirect general partner or as to which Investor has the direct or indirect right or power to elect a majority of the board of directors or other governing body or otherwise controls (but subject, in the case of any person other than Investor, to the fiduciary duties of such person or its general partner, board of directors or other governing body) (any such person, an "Investor Restricted Person") shall not, and Investor shall use its reasonable best efforts to cause Security Capital Group Incorporated ("SCGI") and any person of which SCGI is the direct or indirect general partner or as to which SCGI has the direct or indirect right or power to elect a majority of the board of directors or other governing body or otherwise controls (but subject, in the case of any person other than Investor, to the fiduciary duties of such person or its general partner, board of directors or other governing body) (SCGI and any such person, an "SCGI Restricted Person") not to, directly or indirectly, own, purchase, develop or otherwise acquire, directly or indirectly, any grocery-store, drugstore, or general merchandise discount-store (such

as Wal-Mart, K-Mart, Target, TJ Maxx, Steinmart or similar store) anchored shopping center under 250,000 square feet of leasable area located in the Geographic Region (a "Shopping Center Property", and not including within the meaning of such defined term any enclosed regional or urban mall or other similar shopping facility). Notwithstanding the foregoing, Investor, any Investor Restricted Person or any SCGI Restricted Person may own, purchase, or otherwise acquire, directly or indirectly, any Shopping Center Properties if the investment in the Shopping Center Properties is incidental to an investment made by Investor, such Investor Restricted Person or such SCGI Restricted Person which investment is not primarily related to Shopping Center Properties; it being understood and agreed that any acquisition of real estate properties in which Shopping Center Properties constitute 30% or less of the purchase price of all of the real estate properties acquired shall be considered an investment in which the Shopping Center Properties acquired are incidental to an investment which is not primarily related to Shopping Center Properties; provided, however, that if Investor, any Investor Restricted Person or any SCGI Restricted Person determines to make such a permitted investment, Investor, such Investor Restricted Person or such SCGI Restricted Person shall afford the Company a period of 20 day after receipt of written notice from Investor describing the material terms of the proposed investment, in which to provide Investor, such Investor Restricted Person or such SCGI Restricted Person, as applicable, written notice that it elects to purchase the Shopping Center Properties constituting a part of such investment (subject to customary due diligence and other closing conditions); in the event Investor, such Investor Restricted Person or such SCGI Restricted Person thereafter makes such investment and the price and other terms are not less favorable to the Company than those set forth in the notice of material terms delivered to the Company, the Company shall promptly acquire the Shopping Center Properties included therein, at the price allocated to such Shopping Center Properties in the purchase agreement entered into by Investor, the Investor Restricted Person or the SCGI Restricted Person, as the case may be, in respect of such acquisition and otherwise on terms substantially similar to the terms of Investor's, the Investor Restricted Person's or SCGI Restricted Person's acquisition of such properties; provided, further, that if Investor, an Investor Restricted Person or an SCGI Restricted Person shall have made such a purchase, including the Shopping Center Properties therein, and if Investor, an Investor Restricted or an SCGI Restricted Person should thereafter, but prior to the 20% Termination Date, determine to sell any Shopping Center Properties so purchased, Investor, such Investor Restricted Person or such SCGI Restricted Person shall inform the Company of such fact, and the Company shall have 20 days in which to

give Investor, such Investor Restricted Person or such SCGI Restricted Person written notice that it desires to purchase such Shopping Center Properties; such notice shall set forth the terms on which the Company is prepared to effect such purchase; Investor, such Investor Restricted Person or such SCGI Restricted Person shall be free to accept such offer, or to otherwise dispose of such Shopping Center Properties, but shall in no event dispose of such Shopping Center Properties on terms materially less favorable to Investor, such Investor Restricted Person or such SCGI Restricted Person without first again affording the Company the opportunity to purchase such Shopping Center Properties.

(b) From and after the date hereof until the earlier of (i) the date, if any, on which shareholders of the Company vote upon and fail to approve the transactions contemplated by the Stock Purchase Agreement, (ii) the six-month anniversary of the date hereof if a meeting at which the shareholders of the Company are asked to vote upon the transactions contemplated by the Stock Purchase Agreement shall not have occurred on or prior to such six-month anniversary date, and (iii) the 20% Termination Date, if any, Investor and any Investor Restricted Person shall not, and Investor shall use its reasonable best efforts to cause all SCGI Restricted Persons not to, purchase or otherwise acquire equity securities, or options, warrants, calls, purchase rights, subscription rights, conversion rights, exchange rights or similar rights to purchase or otherwise acquire equity securities, representing 9% or more of the equity interest of any person, other than the Company, if (i) such person's principal business activity is the acquisition, development or ownership for rental purposes of Shopping Center Properties, (ii) more than 25% of such person's assets are Shopping Center Properties (but not including as Shopping Center Property assets for such purpose any indebtedness secured directly or indirectly by Shopping Center Properties), or (iii) more than 25% of such person's revenues are derived from the purchase, development or ownership of Shopping Center Properties (any such person, a "Shopping Center Company"); provided, however, that Investor, any Investor Restricted Person or any SCGI Restricted Person shall be entitled to purchase or otherwise acquire less than 9% of the equity interest of a Shopping Center Company only if no Investor, Investor Restricted Person or SCGI Restricted Person shall be represented on (or have the right to nominate representatives to) the board of directors or similar governing body or shall participate in the management, of such Shopping Center Company.

(c) The provisions of this Section 5.3 shall not restrict Investor, any Investor Restricted Person or any SCGI Restricted Person from, directly or indirectly, (w) providing

debt financing for Shopping Center Properties or investing in, owning or acquiring a mortgage REIT or other person substantially all of whose business consists of making mortgage loans on Shopping Center Properties and other real estate assets, (x) in connection with the activities described in clause (w), acquiring or owning any Shopping Center Properties through foreclosure on mortgages or similar instruments or other realization on security, or (y) the ownership of any REIT convertible debt which is passively held and unaccompanied by representation on the board of directors or participation in management and which is held by a person of which none of Investor, any Investor Restricted Person or any SCGI Restricted Person directly or indirectly Beneficially Owns 20% or more of the outstanding economic or voting interest.

(d) Notwithstanding any contrary provision herein, the provisions of this Section 5.3 shall not go into effect unless and until the transactions contemplated by the Stock Purchase Agreement shall have been approved by the holders of the requisite number of shares of Company Stock at a duly called and held meeting of shareholders of the Company at which meeting a quorum is present (such approval, the "Shareholder Approval").

Section 5.4 Notice to Company. From and after the Shareholder Approval Date, if any, until the expiration of the Standstill Period or any Standstill Extension Period, if Investor wishes to sell pursuant to subsection 5.2(a)(ii)(v), (w) or (x) any shares of Company Common Stock, Investor shall give the Company 15 days' prior written notice of such proposed sale, setting forth the number of shares of Company Common Stock that Investor proposes to sell, the expected timing of the proposed sale, and the expected selling price of such sale, in order to enable the Company to make an offer to purchase such shares. During the period described in the preceding sentence, Investor shall also notify the Company if Investor reaches a formal board-level decision to sell shares of Company Common Stock representing more than 2% of the then outstanding shares of Company Common Stock.

Section 5.5 Compliance with Insider Trading Policy. For as long as Investor Beneficially Owns any shares of Company Common Stock, Investor will, and will use its commercially reasonable efforts to cause its directors, officers, employees, agents, and representatives to, comply with the written policy of the Company reasonably designed to prevent violations of insider trading and similar laws. It is understood and agreed that no such policy existed as of the date of the Stock Purchase Agreement, and that prior to the adoption or amendment of any such policy to which Investor will be subject (including

any such policy proposed to be adopted following the date of the Stock Purchase Agreement and prior to the date hereof, and to which Investor would become subject by virtue hereof), the Company will consult with Investor, and will not adopt or amend any such policy, nor will Investor be subject to any such policy, without the written consent of Investor, which consent will not be unreasonably withheld.

Section 5.6 Compliance with Section 5.2 of the Company Charter. For as long as Investor Beneficially Owns any shares of Company Common Stock (unless the Standstill Period or any Standstill Extension Term is terminated by any of the actions set forth in Section 5.1(a)(iv), (v) or (vi) (or unless any such action occurs following the termination of the Standstill Period or any Standstill Extension Term) or by any other willful action by the Company which constitutes an Early Termination Event (or would constitute an Early Termination Event during the Standstill Period or any Standstill Extension Term)), Investor and each Investor Restricted Person will, and Investor will use its reasonable best efforts to cause the SCGI Restricted Persons to, comply with Section 5.2 of the Company Charter and will not seek to challenge the legality or effect thereof.

Section 5.7 Investment Company Matters. From and after the Shareholder Approval Date, if any, until the 20% Termination Date, if any, Investor shall use its reasonable best efforts to not be or become an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.8 Waiver of Restrictions and Limits. Provided that Shareholder Approval is obtained, subject to the provisions of the third sentence of this Section 5.8, the Company shall take all actions, including by providing any necessary exemptions from or amendments to (A) any restrictions or limits contained in Article 5 of the Company Charter or (B) any agreement or instrument which governs ownership of shares of Company Stock by any person, necessary to permit Investor to Beneficially Own up to and including the greater of (i) 45% of the outstanding shares of Company Common Stock and (ii) the percentage which represents the number of shares of Company Common Stock purchased pursuant to the Stock Purchase Agreement relative to the outstanding shares of Company Common Stock. If any third party shall be given the right to Beneficially Own more than 45% of the outstanding shares of Company Common Stock, the Company shall take all actions (including by providing the foregoing exemptions and amendments) to waive any and all restrictions or limits on Investor provided that such waiver does not result in the disqualification of the Company

as a REIT. From and after the 15% Termination Date, if any, the Company shall take all actions, including by providing any necessary exemptions from or amendments to (A) any restrictions or limits contained in Article 5 of the Company Charter or (B) any agreement or instrument which governs ownership of shares of Company Stock by any person, necessary to permit Investor to Beneficially Own up to and including 15% of the outstanding shares of Company Common Stock, but shall not be required to take any action to permit Investor to Beneficially Own more than 15% of the outstanding shares of Company Common Stock. From and after the first date on which Investor does not own at least 9.8% of the outstanding shares of Company Common Stock, if any, the Company shall take all actions, including by providing any necessary exemptions from or amendments to (A) the ownership limits contained in Article 5 of the Company Charter or (B) any agreement or instrument which governs ownership of shares of Company Stock by any person, necessary to permit Investor to Beneficially Own up to and including 9.8% of the outstanding shares of Company Common Stock, but shall not be required to take any action to permit Investor to Beneficially Own more than 9.8% of the outstanding shares of Company Common Stock. Notwithstanding the foregoing, Investor or the Company may at any time acquire Beneficial Ownership of the securities of such other party or its Affiliates to the extent permitted by applicable law and the provisions of the organizational documents of such party or its Affiliates, as applicable, and other agreements from time to time governing the ownership of such securities.

Section 5.9 REIT Qualification. From and after the Shareholder Approval Date until the 15% Termination Date, Investor shall annually inform the Company whether Investor believes, and shall otherwise from time to time, as reasonably requested by the Company, reasonably cooperate (including by providing such information and documentation as may be reasonably requested by the Company) with the Company to enable the Company to determine whether, any person which would be treated as an "individual" for purposes of Section 542(a)(2) of the Code (as modified by Section 856(h) of the Code) owns or would be considered to own (taking into account the ownership attribution rules under Section 544 of the Code, as modified by Section 856(h) of the Code) in excess of 9.8% of the value of the outstanding equity interest in Investor.



## ARTICLE 6

### Limitations on Corporate Actions, Etc.

Section 6.1 Limitations on Corporate Actions. (a) The Company agrees that from and after the Shareholder Approval Date, until the earlier of (i) the termination of the Standstill Period or any Standstill Extension Term or (ii) the 20% Termination Date, if any, it will not, and will not permit any of its Subsidiaries to:

(A) incur total consolidated indebtedness for money borrowed (including for this purpose any indebtedness evidenced by notes, debentures, bonds or other similar instruments, or secured by any lien on any property or asset, all obligations issued or assumed as the deferred purchase price of property, conditional sale obligations, obligations under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities arising in the ordinary course of business), obligations under letters of credit, or similar credit transactions, and obligations which are required to be accounted for as capital leases) in an amount in excess of 60% of the gross book value of the consolidated book assets of the Company (excluding any minority interests not convertible into interests in the Company) before depreciation and amortization, unless the violation of such ratio is cured within 30 days of its occurrence;

(B) cause or permit the sum of (w) stocks, securities, partnership interests or any similar investments or instruments of or in any other Person, (x) assets held other than directly by the Company, (y) loans made by the Company to a Subsidiary, or loans made by a Subsidiary to the Company, and (z) assets managed by Persons other than employees of the Company (excluding retention of a third party manager that is desisted prior to the fifth day immediately preceding the end of the calendar quarter in which it arises and provided that any asset managed by a third party shall be considered a passive asset to be included in the calculations pursuant to Section 6.1(b)), to, at any time constitute more than 30%, at cost, of the consolidated assets owned by the Company;

(C) have at any time prior to June 1, 1997, more than 15%, and at all other times, more than 10%, at cost, of its consolidated assets in property types other than Shopping Center Properties or land suitable and intended for development of Shopping Center Properties; provided, however, that for purposes of this subsection (C) of Section 6.1(a), Shopping Center Properties shall include any grocery-, drug- or general merchandise discount-store anchored shopping center under 350,000 square feet of leasable area located in the Geographic Region;

(D) in the case of the Company, (1) terminate its eligibility for treatment as a real estate investment trust, as defined in the Code, or (2) take any action or fail to take any action which would reasonably be expected to, alone or in conjunction with any other factors, result in the loss of such eligibility, unless in the case of a failure to take action, such action is taken within thirty days; or

(E) except as permitted or required by any agreements or commitments existing as of the date of the Stock Purchase Agreement and disclosed to Investor pursuant thereto, own any interest in any partnership unless the Company is the sole managing general partner of such partnership.

(b) from and after Shareholder Approval Date, until the first date, if any, following the date on which the Remaining Equity Commitment shall have been reduced to zero on which Investor's ownership of Company Common Stock shall have been below 20% by value of the actually outstanding shares of Company Common Stock for a continuous period of 180 days (or if Investor's ownership of Company Common Stock shall, following the date on which the Remaining Equity Commitment shall have been reduced to zero, have fallen below 20% by value of the actually outstanding shares of Company Common Stock as a result of a Transfer by Investor of Company Common Stock or a failure of Investor to exercise its rights under Section 4.2 during the 60 days immediately prior to the expiration of such 180-day period, if any such rights are exercisable during such period, to the extent necessary to (and provided that it shall be possible by such exercise to) raise its ownership of the actually outstanding Company Common Stock above such 20% threshold, then until such Transfer or failure to exercise its rights under Section 4.2, as the case may be), the Company

(i) will not, without the prior written consent of Investor, either take any action that would cause, or fail to take any action which failure would cause, (A) the percentage of the Company's consolidated gross income that is considered "passive income" (within the meaning of Section 1296(a)(1) of the Code, and computed using the assumptions and conventions set forth in Schedule 6.1(c) hereto, together with such modifications thereto as Investor shall advise the Company in writing are necessary as a result of the promulgation of regulations, rulings, or other formal or informal administrative guidance clarifying existing law or a change in existing law or interpretations thereof) to exceed 30%, or (B) the average percentage of the Company's assets (by value, computed as of the end of every calendar quarter) held during any taxable year which produce passive income or which are held for the production of passive income (as such terms are used in Section 1296(a)(2) of the Code and computed using the assumptions and conventions set forth in Schedule 6.1(c) hereto, together with such modifications thereto as Investor shall advise the Company in writing are necessary as a result of the promulgation of regulations, rulings, or other formal or informal administrative guidance clarifying existing law or a change in existing law or interpretations thereof) to exceed 30%; and

(ii) will otherwise consider in good faith suggestions made by Investor as to the structure of the operations of the Company and its Subsidiaries in order to permit Investor or any shareholder of Investor to avoid being classified as a "passive foreign investment company" under the Code.

The agreements of the Company set forth in subsections (a) and (b) of this Section 6.1, and Sections 6.3, 6.4 and 6.6 shall be the "Corporate Action Covenants."

Section 6.2 Provision of Information. For as long as Investor Beneficially Owns any shares of Company Stock, the Company will provide to Investor all information and documentation requested by Investor, and will cooperate with Investor as requested, as may be necessary for Investor to perform the calculations to be made in connection with and to meet the documentation requirements pursuant to Sections 1291 through 1297 of the Code, as may be amended from time to time, and any successor provisions thereto, and as may otherwise be reasonably necessary in connection with any other record keeping or reporting laws, rules or regulations (including all such information, documentation and cooperation as is necessary to enable Investor to (1) file any Tax Returns it is required to file and

(2) to determine and document its status, income, asset mix and other relevant items with respect to the Passive Foreign Investment Company provisions of the Code).

Section 6.3 Compliance with Conflicts of Interest Policy. Promptly following the date hereof, the Company shall, subject to the reasonable consent and approval of Investor, adopt policies typical of publicly traded companies relating to transactions with affiliates and potential conflicts of interest (such policies, together with the Affiliate Arrangements, as modified or amended from time to time with the consent of Investor, collectively, the "Conflict of Interest Policies"). From and after the date of adoption of such Conflict of Interest Policies until the 20% Termination Date, (x) the Company will, and will cause its Subsidiaries to, comply with and enforce such Conflict of Interest Policies, and (y) Investor will comply with the Conflict of Interest Policies; provided, however, that the provisions of this Agreement, the Stock Purchase Agreement and the Registration Rights Agreement and the transactions contemplated hereby and thereby shall not be limited, amended or modified in any way by, and shall govern in the event of a conflict with, the Conflict of Interest Policies; provided further that no Conflict of Interest Policy shall in any way discriminate or differentiate among any Affiliates of the Company.

Section 6.4 Maintenance of Affiliate and Joint Venture Arrangements. From and after the date hereof until the 20% Termination Date, if any, (x) the Company will, and will cause its Subsidiaries to, comply with, enforce and keep in effect each of the Affiliate Arrangements, and (y) the Company will not, and will cause its Subsidiaries not to, (A) modify, amend or waive any provision contained in any Affiliate Arrangement without the prior written consent of Investor, in its sole discretion, or (B) materially expand or increase, or permit to be materially expanded or increased, the scope, type or quantity of activities performed, or transactions entered into, by Village Common Shopping Center, a Florida limited partnership, Regency Ocean East Partnership, Ltd., a Florida limited partnership, or RRC Operating Partnership of Georgia, L.P., a Georgia limited partnership, or (C) enter into new joint venture, partnership or similar arrangements with third parties, or (D) directly or indirectly, own, purchase, develop, or otherwise acquire or finance any Shopping Center Property in conjunction with any Affiliate which is not a wholly owned Subsidiary of the Company or otherwise in a joint venture with any such party, in each case, without the prior written consent of Investor, in its sole discretion, provided that in the case of the proposed joint venture arrangement with WLD Enterprises,

Ltd. regarding the Deerfield Beach shopping center, Investor shall not unreasonably withhold its consent.

Section 6.5 Sales of Assets. From and after the date hereof until the 15% Termination Date, if any, the Company will, and will cause its Subsidiaries to, use its reasonable efforts, consistent with prudent management of the Company's properties and assets in the interest of the Company's shareholders, to dispose of properties or assets through tax deferred exchanges which exchanges will defer any capital gains distributions to shareholders of the Company. In the event it is expected that any capital gains distributions are to be made, the Company will endeavor to provide Investor with such advance notice thereof as may be practicable.

Section 6.6 Investments in Shopping Center Properties and Purchases of Interests in Shopping Center Companies. (a) Subject to the provisions of the following sentence, and excluding transactions which are the subject of paragraph (b) of this Section, from and after the date hereof until the earlier of (i) the date, if any, on which shareholders of the Company vote upon and fail to approve the transactions contemplated by the Stock Purchase Agreement, and (ii) the 20% Termination Date, if any, TRG and any other person of which TRG is the direct or indirect general partner or as to which TRG has the direct or indirect right or power to elect a majority of the board of directors or other governing body or otherwise controls (any such person, a "TRG Restricted Person") shall not, directly or indirectly, own, purchase, develop or otherwise acquire, directly or indirectly, any Shopping Center Property. Notwithstanding the foregoing, TRG or any TRG Restricted Person may own, purchase, or otherwise acquire, directly or indirectly, any Shopping Center Properties if the investment in the Shopping Center Properties is incidental to an investment made by TRG or such TRG Restricted Person which investment is not primarily related to Shopping Center Properties; it being understood and agreed that any acquisition of real estate properties in which Shopping Center Properties constitute 30% or less of the purchase price of all of the real estate properties acquired shall be considered an investment in which the Shopping Center Properties acquired are incidental to an investment which is not primarily related to Shopping Center Properties; provided, however, that if TRG or any TRG Restricted Person determines to make such a permitted investment, TRG or such TRG Restricted Person shall afford the Company a period of 20 day after receipt of written notice from TRG describing the material terms of the proposed investment, in which to provide TRG or such TRG Restricted Person, as applicable, written notice that it elects to purchase the Shopping

Center Properties constituting a part of such investment (subject to customary due diligence and other closing conditions); in the event TRG or such TRG Restricted Person thereafter makes such investment and the price and other terms are not less favorable to the Company than those set forth in the notice of material terms delivered to the Company, the Company shall promptly acquire the Shopping Center Properties included therein, at the price allocated to such Shopping Center Properties in the purchase agreement entered into by TRG or the TRG Restricted Person, as the case may be, in respect of such acquisition and otherwise on terms substantially similar to the terms of TRG's or the TRG Restricted Person's acquisition of such properties; provided, further, that if TRG or a TRG Restricted Person shall have made such a purchase, including the Shopping Center Properties therein, and if TRG or a TRG Restricted Person should thereafter, but prior to the 20% Termination Date, determine to sell any Shopping Center Properties so purchased, TRG or such TRG Restricted Person shall inform the Company of such fact, and the Company shall have 20 days in which to give TRG or such TRG Restricted Person written notice that it desires to purchase such Shopping Center Properties; such notice shall set forth the terms on which the Company is prepared to effect such purchase; TRG or such TRG Restricted Person shall be free to accept such offer, or to otherwise dispose of such Shopping Center Properties, but shall in no event dispose of such Shopping Center Properties on terms materially less favorable to TRG or such TRG Restricted Person without first again affording the Company the opportunity to purchase such Shopping Center Properties.

(b) From and after the date hereof until the earlier of (i) the date, if any, on which shareholders of the Company vote upon and fail to approve the transactions contemplated by the Stock Purchase Agreement, and (ii) the 20% Termination Date, if any, TRG and any TRG Restricted Person shall not purchase or otherwise acquire equity securities, or options, warrants, calls, purchase rights, subscription rights, conversion rights, exchange rights or similar rights to purchase or otherwise acquire equity securities, representing 9% or more of the equity interest of any person, other than the Company, if such person is a Shopping Center Company; provided, however, that TRG or any TRG Restricted Person shall be entitled to purchase or otherwise acquire less than 9% of the equity interest of a Shopping Center Company only if no TRG or TRG Restricted Person shall be represented on (or have the right to nominate representatives to) the board of directors or similar governing body or shall participate in the management, of such Shopping Center Company.

(c) The provisions of this Section 6.6 shall not restrict TRG or any TRG Restricted Person from, directly or indirectly, (w) providing debt financing for Shopping Center Properties or investing in, owning or acquiring a mortgage REIT or other person substantially all of whose business consists of making mortgage loans on Shopping Center Properties and other real estate assets, (x) in connection with the activities described in clause (w), acquiring or owning any Shopping Center Properties through foreclosure on mortgages or similar instruments or other realization on security, or (y) the ownership of any REIT convertible debt which is passively held and unaccompanied by representation on the board of directors or participation in management and which is held by a person of which none of TRG or any TRG Restricted Person directly or indirectly Beneficially Owns 20% or more of the outstanding economic or voting interest.

(d) Each of the Company and Investor shall be entitled to the benefits of the provisions contained in this Section 6.6.

#### ARTICLE 7

##### Miscellaneous

Section 7.1 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. Copies of executed counterparts transmitted by telecopy, telefax or other electronic transmission service shall be considered original executed counterparts for purposes of this Section, provided receipt of copies of such counterparts is confirmed.

Section 7.2 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT REFERENCE TO THE CHOICE OF LAW PRINCIPLES THEREOF.

Section 7.3 Entire Agreement. This Agreement (including agreements incorporated herein) and the Schedules and Exhibits hereto contain the entire agreement between the parties with respect to the subject matter hereof and there are no agreements, understandings, representations or warranties between the parties other than those set forth or referred to herein. This Agreement is not intended to confer upon any person not a party hereto (and their successors and assigns) any rights or remedies hereunder.

Section 7.4 Expenses. Except as set forth in the Stock Purchase Agreement, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses. Without limiting the foregoing, the Company shall pay all costs and expenses incurred in connection with the solicitation of votes of shareholders of the Company to approve the transactions contemplated by the Stock Purchase Agreement.

Section 7.5 Notices. All notices and other communications hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to the Company shall be addressed to:

Regency Realty Corporation  
121 West Forsyth Street, Suite 200  
Jacksonville, Florida 32202  
Attention: Martin E. Stein, Jr.  
Telecopy Number: (904) 634-3428

with a copy to:

Foley & Lardner  
Greenleaf Building  
200 Laura Street  
Jacksonville, Florida 32202  
Attention: Charles E. Commander III, Esq.  
Telecopy Number: (904) 359-8700

or at such other address and to the attention of such other person as the Company may designate by written notice to Investor. Notices to Investor shall be addressed to:

Security Capital Holdings S.A.  
69, route d'Esch  
L-2953 Luxembourg  
Attention: Paul E. Szurek  
Telecopy Number: (352) 4590-3331



with a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: Adam O. Emmerich, Esq.  
Telecopy Number: (212) 403-2000

Section 7.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. Neither party shall be permitted to assign any of its rights hereunder to any third party, except that any Investor shall be permitted to assign its rights hereunder to any other person who would satisfy the criteria in the definition of "Investor" which agrees to be bound by this Agreement.

Section 7.7 Headings. The Section, Article and other headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

Section 7.8 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by another party hereto with any term or provision hereof on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision hereof shall not be construed as a waiver of any subsequent breach.

Section 7.9 Interpretation; Absence of Presumption.  
(a) For the purposes hereof, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof", "herein", and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto) and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to the Articles, Sections, paragraphs, Schedules and Exhibits to this Agreement unless otherwise specified, (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iv) the word "or" shall not be

exclusive, and (v) provisions shall apply, when appropriate, to successive events and transactions.

(b) This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

Section 7.10 Severability. Any provision hereof which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof.

Section 7.11 Further Assurances. The Company and Investor agree that, from time to time, each of them will, and will cause their respective Affiliates to, execute and deliver such further instruments and take such other action as may be necessary to carry out the purposes and intents hereof.

Section 7.12 Specific Performance. The Company and Investor each acknowledge that, in view of the uniqueness of arrangements contemplated by this Agreement, the parties hereto would not have an adequate remedy at law for money damages in the event that this Agreement were not performed in accordance with its terms, and therefore agree that the parties hereto shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which the parties hereto may be entitled at law or in equity.

Section 7.13 Investor Breach. In the event Investor shall have breached (i) its obligation to effect a purchase of Company Common Stock pursuant to the Stock Purchase Agreement which breach is neither cured nor desisted from within 30 days of receipt of written notice of such breach, or (ii) any of its obligations under this Agreement which breach is neither cured nor desisted from within 30 days of receipt of written notice of such breach and which would reasonably be expected to materially adversely affect the Company, the Company shall no longer be required to perform any of its obligations hereunder.

Section 7.14 Confidentiality. Investor agrees that all information provided to Investor or any of its representatives pursuant to this Agreement shall be kept confidential, and Investor shall not (x) disclose such information to any persons other than the directors, officers, employees, financial advisors, legal advisors, accountants, consultants and affiliates of Investor who reasonably need to have access to the confidential information and who are advised of the confidential nature of such information or (y) use such information

in a manner which would be detrimental to the Company; provided, however, the foregoing obligation of Investor shall not (a) relate to any information that (i) is or becomes generally available other than as a result of unauthorized disclosure by Investor or by persons to whom Investor has made such information available, (ii) is or becomes available to Investor on a non-confidential basis from a third party that is not, to Investor's knowledge, bound by any other confidentiality agreement with the Company, or (b) prohibit disclosure of any information if required by law, rule, regulation, court order or other legal or governmental process.

Section 7.15 Public Releases and Announcements. The Company agrees that until the 20% Termination Date, it shall endeavor to provide to Investor advance copies of, or, in the case of oral announcements, advance notice of, any public release or announcement concerning the Company to be issued, released or made by the Company or any of its Affiliates, in each case, if possible, at least one Business Day prior to such release or announcement.

IN WITNESS WHEREOF, this Agreement has been signed by  
or on behalf of each of the parties hereto as of the day first  
above written.

REGENCY REALTY CORPORATION

By: /s/ Martin E. Stein, Jr.  
Name: Martin E. Stein, Jr.  
Title: President

SECURITY CAPITAL HOLDINGS S.A.

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director

SECURITY CAPITAL U.S. REALTY

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director

THE REGENCY GROUP, INC.

By: /s/ Martin E. Stein, Jr.  
Name: Martin E. Stein, Jr.  
Title: President

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REGISTRATION RIGHTS AGREEMENT

by and among

REGENCY REALTY CORPORATION

SECURITY CAPITAL HOLDINGS S.A.

and

SECURITY CAPITAL U.S. REALTY

dated as of

July 10, 1996

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TABLE OF CONTENTS

	Page
Section 1. Definitions.....	1
(a) "Agreement".....	1
(b) "Buyer".....	1
(c) "Commencement Date".....	1
(d) "Company".....	1
(e) "Company Registration Expenses".....	1
(f) "Commission".....	2
(g) "Exchange Act".....	2
(h) "Exercise Notice".....	2
(i) "Extraordinary Transaction".....	2
(j) "Extraordinary Transaction Shares"...	2
(k) "Holdings".....	2
(l) "NASD".....	2
(m) "Registrable Securities".....	2
(n) "Registration Expenses".....	2
(o) "Registration Suspension Period".....	3
(p) "Securities Act".....	3
(q) "Shelf Registration".....	3

	(r) "Stockholders Agreement".....	3
	(s) "Stock Purchase Agreement".....	3
	(t) "Suspension Notice".....	3
	(u) "Tag-Along Notice".....	3
	(v) "Tag-Along Shares".....	3
	(w) "Third Party".....	3
	(x) "Underwritten/Placed Offering".....	3
	(y) "USREALTY".....	3
Section 2.	Shelf Registration.....	3
	(a) Obligation to File and Maintain.....	3
	(b) Black-Out Periods of Buyer.....	4
	(c) Black-Out Periods of the Company.....	4
	(d) Number of Shelf Registrations.....	5
	(e) Size of Shelf Registration.....	6
	(f) Notice.....	6
	(g) Expenses.....	6
	(h) Selection of Underwriters.....	6
Section 3.	Incidental Registrations.....	6
	(a) Notification and Inclusion.....	6

	(b) Cut-back Provisions.....	7
	(c) Expenses.....	7
	(d) Duration of Effectiveness.....	7
Section 4.	Registration Procedures.....	7
Section 5.	Requested Underwritten Offerings.....	10
Section 6.	Preparation; Reasonable Investigation.....	10
Section 7.	Tag-Along Rights.....	11
	(a) Rights and Notice.....	11
	(b) Number of Shares to be Included.....	11
	(c) Abandonment of Sale.....	11
	(d) Terms of Sale.....	12
	(e) Timing of Sale.....	12
Section 8.	Indemnification.....	12
	(a) Indemnification by the Company.....	12
	(b) Indemnification by Buyer.....	13
	(c) Notices of Claims, etc.....	13
	(d) Other Indemnification.....	14
	(e) Indemnification Payments.....	14
	(f) Contribution.....	14
Section 9.	Covenants Relating to Rule 144.....	14
Section 10.	Miscellaneous.....	15
	(a) Counterparts.....	15
	(b) Governing Law.....	15
	(c) Entire Agreement.....	15
	(d) Notices.....	15
	(e) Successors and Assigns.....	16
	(f) Headings.....	16
	(g) Amendments and Waivers.....	16
	(h) Interpretation; Absence of Presumption.....	16
	(i) Severability.....	17

REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated as of July 10, 1996, by and among Regency Realty Corporation, a Florida corporation (the "Company"), Security Capital U.S. Realty, a Luxembourg corporation ("USREALTY"), and Security Capital Holdings S.A., a Luxembourg corporation ("Holdings") and a wholly owned subsidiary of USREALTY. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Stock Purchase Agreement (as hereinafter defined).

WHEREAS, the Company, Holdings and USREALTY have entered into a Stock Purchase Agreement, dated as of June 11, 1996 (the "Stock Purchase Agreement"), that provides for the purchase by Holdings and sale by the Company to Holdings of shares of Company Common Stock; and

WHEREAS, in order to induce Buyer to enter into the Stock Purchase Agreement, the Company has agreed to provide the registration rights set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the following meanings:

(a) "Agreement" shall have the meaning set forth in the first paragraph hereof.

(b) "Buyer" shall mean, collectively, as the context may require, USREALTY and Holdings, and shall also include any Affiliate of USREALTY or Holdings of which USREALTY and/or Holdings collectively, directly or indirectly, Beneficially Own 98% or more of the voting power and of the economic interests, or any bona fide financial institution to which any Buyer has Transferred (including upon foreclosure of a pledge) shares of Company Stock for the purpose of securing bona fide indebtedness of any Buyer. (Capitalized terms used in this definition and not defined herein shall have the meanings ascribed to them in the Stockholders Agreement.)

(c) "Commencement Date" shall mean the first anniversary of the date of this Agreement, except that, in the case of any Buyer which is a bona fide financial institution



to which any other Buyer has Transferred (including upon foreclosure of a pledge) shares of Company Stock for the purpose of securing bona fide indebtedness, the Commencement Date shall be the date of this Agreement.

(d) "Company" shall have the meaning set forth in the first paragraph hereof.

(e) "Company Registration Expenses" shall mean the fees and disbursements of counsel and independent public accountants for the Company incurred in connection with the Company's performance of or compliance with this Agreement, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, and any premiums and other costs of policies of insurance obtained by the Company against liabilities arising out of the sale of any securities.

(f) "Commission" shall mean the Securities and Exchange Commission, and any successor thereto.

(g) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and any successor thereto, and the rules and regulations thereunder.

(h) "Exercise Notice" shall have the meaning set forth in Section 7(a).

(i) "Extraordinary Transaction" shall mean (i) any merger, consolidation, sale or acquisition of assets, recapitalization, other business combination, liquidation, or other action out of the ordinary course of business of the Company, or (ii) any sale, issuance or other disposition of capital stock of the Company representing, in the aggregate, at least 30% of the then outstanding capital stock of the Company.

(j) "Extraordinary Transaction Shares" shall have the meaning set forth in Section 7(a).

(k) "Holdings" shall have the meaning set forth in the first paragraph hereof.

(l) "NASD" shall mean the National Association of Securities Dealers, Inc.

(m) "Registrable Securities" shall mean (i) any and all shares of Company Stock acquired by Buyer pursuant to the Stock Purchase Agreement, (ii) any and all securities acquired by Buyer pursuant to Section 4.2 of the Stockholders Agreement, and (iii) any securities issued or issuable with

respect to any Company Stock or other securities referred to in clause (i) or (ii) by way of conversion, exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (A) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, or (B) such securities shall have been sold in accordance with Rule 144 (or any successor provision) under the Securities Act.

(n) "Registration Expenses" shall mean all registration, filing and stock exchange or NASD fees, all fees and expenses of complying with securities or blue sky laws, all printing expenses, messenger and delivery expenses, any fees and disbursements of any separate counsel retained by Buyer, any fees and disbursements of underwriters customarily paid by sellers of securities who are not the issuers of such securities and all underwriting discounts and commissions and transfer taxes, if any, and any premiums and other costs of policies of insurance obtained by Buyer against liabilities arising out of the public offering of securities.

(o) "Registration Suspension Period" shall have the meaning set forth in Section 2(b).

(p) "Securities Act" shall mean the Securities Act of 1933, as amended, and any successor thereto, and the rules and regulations thereunder.

(q) "Shelf Registration" shall have the meaning set forth in Section 2(a).

(r) "Stockholders Agreement" shall have the meaning set forth in Section 2(c).

(s) "Stock Purchase Agreement" shall have the meaning set forth in the second paragraph hereof.

(t) "Suspension Notice" shall have the meaning set forth in Section 2(b).

(u) "Tag-Along Notice" shall have the meaning set forth in Section 7(a).

(v) "Tag-Along Shares" shall have the meaning set forth in Section 7(a).

(w) "Third Party" shall have the meaning set forth in Section 7(a).

(x) "Underwritten/Placed Offering" shall mean a sale of securities of the Company to an underwriter or underwriters for reoffering to the public or on behalf of a person other than the Company through an agent for sale to the public.

(y) "USREALTY" shall have the meaning set forth in the first paragraph hereof.

Section 2. Shelf Registration. (a) Obligation to File and Maintain. At any time following the Commencement Date, promptly upon the written request of Buyer, the Company will use its reasonable best efforts to file with the Commission a registration statement under the Securities Act for the offering on a continuous or delayed basis in the future of all of the Registrable Securities (the "Shelf Registration"). The Shelf Registration shall be on an appropriate form and the Shelf Registration and any form of prospectus included therein or prospectus supplement relating thereto shall reflect such plan of distribution or method of sale as Buyer may from time to time notify the Company, including the sale of some or all of the Registrable Securities in a public offering or, if requested by Buyer, subject to receipt by the Company of such information (including information relating to purchasers) as the Company reasonably may require, (i) in a transaction constituting an offering outside the United States which is exempt from the registration requirements of the Securities Act in which the seller undertakes to effect registration after the completion of such offering in order to permit such shares to be freely tradeable in the United States, (ii) in a transaction constituting a private placement under Section 4(2) of the Securities Act in connection with which the seller undertakes to effect a registration after the conclusion of such placement to permit such shares to be freely tradeable by the purchasers thereof, or (iii) in a transaction under Rule 144A of the Securities Act in connection with which the seller undertakes to effect a registration after the conclusion of such transaction to permit such shares to be freely tradeable by the purchasers thereof. The Company shall use its reasonable best efforts to keep the Shelf Registration continuously effective for the period beginning on the date on which the Shelf Registration is declared effective and ending on the first date that there are no Registrable Securities. During the period during which the Shelf Registration is effective, the Company shall supplement or make amendments to the Shelf Registration, if required by the Securities Act or if reasonably requested by

Buyer or an underwriter of Registrable Securities, including to reflect any specific plan of distribution or method of sale, and shall use its reasonable best efforts to have such supplements and amendments declared effective, if required, as soon as practicable after filing.

(b) Black-Out Periods of Buyer. Notwithstanding anything herein to the contrary, (i) the Company shall have the right from time to time to require Buyer not to sell under the Shelf Registration or to suspend the effectiveness thereof during the period starting with the date 30 days prior to the Company's good faith estimate, as certified in writing by an executive officer of the Company to Buyer, of the proposed date of filing of a registration statement or a preliminary prospectus supplement relating to an existing shelf registration statement, in either case, pertaining to an underwritten public offering of equity securities of the Company for the account of the Company, and ending on the date 90 days following the effective date of such registration statement or the date of filing of such prospectus supplement, and (ii) the Company shall be entitled to require Buyer not to sell under the Shelf Registration or to suspend the effectiveness thereof (but not for a period exceeding 90 days) if the Company determines, in its good faith judgment, that such offering or continued effectiveness would interfere with any material financing, acquisition, disposition, corporate reorganization or other material transaction involving the Company or any of its subsidiaries or public disclosure thereof would be required prior to the time such disclosure might otherwise be required, or when the Company is in possession of material information that it deems advisable not to disclose in a registration statement.

Once any registration statement filed pursuant to this Section 2 or in which Registrable Securities are included pursuant to Section 3 has been declared effective, any period during which the Company fails to keep such registration statement effective and usable for resale of Registrable Securities for the period required by Section 4(b) shall be referred to as a "Registration Suspension Period". A Registration Suspension Period shall commence on and include the date that the Company gives written notice to Buyer of its determination that such registration statement is no longer effective or usable for resale of Registrable Securities (the "Suspension Notice") to and including the date when the Company notifies Buyer that the use of the prospectus included in such registration statement may be resumed for the disposition of Registrable Securities.

(c) Black-Out Periods of the Company. Subject to the conditions of this Section 2(c), Buyer shall have the right, exercisable on not more than two occasions, to require the Company not to sell, and to use its good faith efforts to cause any other holder of common equity securities or securities convertible into common equity securities of the Company not to sell, any common equity securities of the Company or any securities convertible into common equity securities of the Company under any registration statement or prospectus supplement relating to an existing shelf registration statement (other than sales of shares of Common Stock upon the redemption of limited partnership units of any Subsidiary of the Company and sales of equity securities issued or granted pursuant to any employee benefit or similar plan or any dividend reinvestment plan), or to suspend the effectiveness thereof, during the period starting with the date 15 days prior to Buyer's good faith estimate, as certified in writing by an executive officer of Buyer to the Company, of the proposed date of filing of a preliminary prospectus supplement relating to a Shelf Registration filed pursuant to Section 2(a), pertaining to an underwritten public offering of Registrable Securities, and ending on the date 60 days following the date of filing of the final prospectus supplement, but in no event on a date later than 75 days following the date of filing of the preliminary prospectus supplement. The Company's obligations under this Section 2(c) are subject to the continuing satisfaction of the following conditions: (a) the Registrable Securities to be offered by Buyer in such underwritten public offering shall represent (i) in the case of Buyer's first exercise of its rights under this Section 2(c), the greater of (A) at least 20% of the then outstanding shares of Company Common Stock and (B) at least that number of shares of Registrable Securities having a market value, based on the most recent closing price, of \$50 million, in each case determined at the time Buyer exercises its rights under this Section 2(c); and (ii) in the case of Buyer's second exercise of its rights under this Section 2(c), the greater of (A) at least 40% of the total number of shares of Registrable Securities then Beneficially Owned by Buyer and its Affiliates and (B) at least that number of shares of Registrable Securities having a market value, based on the most recent closing price, of \$60 million, in each case determined at the time Buyer exercises its rights under this Section 2(c); (b) no black-out period pursuant to Section 2(b)(i) shall be in effect at the time of Buyer's exercise of its rights under this Section 2(c); (c) the Company shall not have suspended sales of Registrable Securities pursuant to Section 2(b)(ii); (d) the Company shall not have delivered to Buyer a written notice to the effect that the Board of Directors has determined in good faith that compliance with this

Section 2(c) would reasonably be expected to have a Material Adverse Effect on the Company; and (e) Buyer shall not be in default of any of its material obligations under the Stock Purchase Agreement, the Stockholders Agreement, dated as of the date hereof, by and among the Company, Holdings and USRE-ALTY (the "Stockholders Agreement"), or this Agreement. In no event may the Company include in any preliminary prospectus supplement under which Buyer is offering Registrable Securities covered by this Section 2(c) any equity securities of the Company or any securities convertible into equity securities of the Company.

(d) Number of Shelf Registrations. The Company shall be obligated to effect, under this Section 2, a minimum of one Shelf Registration, plus an additional Shelf Registration for each \$50,000,000 of shares of Company Stock purchased by Buyer from the Company subsequent to the Initial Closing. A Shelf Registration shall not be deemed to have been effected, nor shall it be sufficient to reduce the number of Shelf Registrations available to Buyer under this Section 2, unless such registration becomes effective pursuant to the Securities Act and is kept continuously effective for a period of at least two years (other than any periods during such period of effectiveness which are Registration Suspension Periods, and provided that no such Registration Suspension Periods shall count towards such two-year period); provided, however, that no Shelf Registration shall be deemed to have been effected, nor shall it reduce the number of Shelf Registrations available under this Section 2, if such registration cannot be used by Buyer for more than 60 days as a result of any stop order, injunction or other order of the Commission or other Government Authority for any reason other than an act or omission of Buyer.

(e) Size of Shelf Registration. The Company shall not be required to effect a Shelf Registration of fewer than 1,000,000 shares or other units of Registrable Securities (as adjusted for any stock splits, reverse stock splits or similar events which occur after the date hereof), except that if there are less than 1,000,000 (as adjusted for any stock splits, reverse stock splits or similar events which occur after the date hereof) shares of Registrable Securities outstanding, then the Company shall be required to effect a Shelf Registration of all of the remaining shares or other units of Registrable Securities outstanding.

(f) Notice. The Company shall give Buyer prompt notice in the event that the Company has suspended sales of Registrable Securities under Section 2(b).

(g) Expenses. All Registration Expenses incurred in connection with any Shelf Registration which may be requested under this Section 2 shall be borne by Buyer, and all Company Registration Expenses incurred in connection with any such Shelf Registration shall be borne by the Company; provided that Buyer shall reimburse the Company for the first \$25,000 of fees and disbursements of counsel and independent public accountants for the Company included in Company Registration Expenses and relating to each such Shelf Registration.

(h) Selection of Underwriters. Any and all underwriters or other agents involved in any sale of Registrable Securities pursuant to a registration statement contemplated by this Section 2 shall include such underwriter(s) or other agent(s) as selected by Buyer and approved of by the Company, which approval shall not be unreasonably withheld; provided that Security Capital Markets Group Incorporated or any other Affiliate of Buyer shall in all events be approved by the Company.

Section 3. Incidental Registrations. (a) Notification and Inclusion. If the Company proposes to register for its own account any common equity securities of the Company or any securities convertible into common equity securities of the Company under the Securities Act (other than a registration relating solely to the sale of securities to participants in a dividend reinvestment plan, a registration on Form S-4 relating to a business combination or similar transaction permitted to be registered on such Form S-4, a registration on Form S-8 relating solely to the sale of securities to participants in a stock or employee benefit plan, a registration permitted under Rule 462 under the Securities Act registering additional securities of the same class as were included in an earlier registration statement for the same offering, and declared effective), the Company shall, at each such time after the Commencement Date, promptly give written notice of such registration to Buyer. Upon the written request of Buyer given within 10 days after receipt of such notice by Buyer, the Company shall seek to include in such proposed registration such Registrable Securities as Buyer shall request be so included and shall use its reasonable best efforts to cause a registration statement covering all of the Registrable Securities that Buyer has requested to be registered to become effective under the Securities Act. The Company shall be under no obligation to complete any offering of securities it proposes to make under this Section 3 and shall incur no liability to Buyer for its failure to do so. If, at any time after giving written notice of its intention to register any securities and prior to the effective

date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to Buyer and, thereupon, (i) in the case of a determination not to register, the Company shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses incurred in connection therewith) and (ii) in the case of a determination to delay registering, the Company shall be permitted to delay registering any Registrable Securities for the same period as the delay in registering such other securities.

(b) Cut-back Provisions. If a registration pursuant to this Section 3 involves an Underwritten/Placed Offering of the securities so being registered, whether or not solely for sale for the account of the Company, which securities are to be distributed by or through one or more underwriters of recognized standing under underwriting terms customary for such transaction, and the underwriter or the managing underwriter, as the case may be, of such Underwritten/Placed Offering shall inform the Company of its belief that the amount of securities requested to be included in such registration or offering exceeds the amount which can be sold in (or during the time of) such offering without delaying or jeopardizing the success of the offering (including the price per share of the securities to be sold), then the Company will include in such registration (i) first, all the securities of the Company which the Company proposes to sell for its own account or the account of others (other than Buyer) requesting inclusion in such registration pursuant to rights to registration on request, and (b) second, to the extent of the amount which the Company is so advised can be sold in (or during the time of) such offering, Registrable Securities and other securities requested to be included in such registration, pro rata among Buyer and others exercising incidental registration rights, on the basis of the shares of Company Stock requested to be included by all such persons.

(c) Expenses. The Company shall bear and pay all Company Registration Expenses incurred in connection with any registration of Registrable Securities pursuant to this Section 3 for Buyer, and all Registration Expenses incurred in connection with any registration of any other securities referred to in the first sentence of Section 3(a), and Buyer shall bear and pay all Registration Expenses incurred in connection with any registration of Registrable Securities pursuant to this Section 3 for Buyer.



(d) Duration of Effectiveness. At the request of Buyer, the Company shall, subject to Section 2(b), use its reasonable best efforts to keep any registration statement for which Registrable Securities are included under this Section 3 effective and usable for up to 90 days (subject to extension for the length of any Registration Suspension Period), unless the distribution of securities registered thereunder has been earlier completed; provided, however, that in no event will the Company be required to prepare or file audited financial statements with respect to any fiscal year by a date prior to the date on which the Company would be so required to prepare and file such audited financial statements if such registration statement were no longer effective and usable.

Section 4. Registration Procedures. In connection with the filing of any registration statement as provided in Section 2 or 3, the Company shall use its reasonable best efforts to, as expeditiously as reasonably practicable:

(a) prepare and file with the Commission the requisite registration statement (including a prospectus therein) to effect such registration and use its reasonable best efforts to cause such registration statement to become effective, provided that before filing such registration statement or any amendments or supplements thereto, the Company will furnish to the counsel selected by Buyer copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel before any such filing is made, and the Company will comply with any reasonable request made by such counsel to make changes in any information contained in such documents relating to Buyer;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until, in the case of Section 2, the termination of the period during which the Shelf Registration is required to be kept effective, or, in the case of Section 3, the earlier of such time as all of such securities have

been disposed of and the date which is 90 days after the date of initial effectiveness of such registration statement;

(c) furnish to Buyer such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statements (including each complete prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, including documents incorporated by reference, as Buyer may reasonably request;

(d) register or qualify all Registrable Securities under such other securities or blue sky laws of such jurisdictions as Buyer shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable Buyer to consummate the disposition in such jurisdictions of the securities owned by Buyer, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this paragraph be obligated to be so qualified, or to consent to general service of process in any such jurisdiction, or to subject the Company to any material tax in any such jurisdiction where it is not then so subject;

(e) cause all Registrable Securities covered by such registration statement to be registered with or approved by such other Government Authority as may be reasonably necessary to enable Buyer to consummate the disposition of such Registrable Securities;

(f) furnish to Buyer a signed counterpart, addressed to Buyer (and the underwriters, if any), of

(i) an opinion of counsel for the Company, dated the effective date of such registration statement (and, if such registration

includes an underwritten public offering, dated the date of the closing under the underwriting agreement), reasonably satisfactory in form and substance to Buyer, and

(ii) to the extent permitted by then applicable rules of professional conduct, a "comfort" letter, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the independent public accountants who have certified the Company's financial statements included in such registration statement,

covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, all as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities;

(g) immediately notify Buyer at any time when the Company becomes aware that a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of Buyer promptly prepare and furnish to Buyer a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(h) comply or continue to comply in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more than 18 months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, and not file any amendment or supplement to such registration statement or prospectus to which Buyer shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act, having been furnished with a copy thereof at least five Business Days prior to the filing thereof;

(i) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement; and

(j) list all Company Stock covered by such registration statement on any securities exchange on which any of the Company Stock is then listed.

Buyer shall furnish in writing to the Company such information regarding Buyer (and any of its affiliates), the Registrable Securities to be sold, the intended method of distribution of such Registrable Securities, and such other information requested by the Company as is necessary for inclusion in the registration statement relating to such offering pursuant to the Securities Act and the rules of the Commission thereunder. Such writing shall expressly state that it is being furnished to the Company for use in the preparation of a registration statement, preliminary prospectus, supplementary prospectus, final prospectus or amendment or supplement thereto, as the case may be.

Buyer agrees by acquisition of the Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in paragraph (g) of this Section 4, Buyer will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until Buyer's receipt of the copies of the supplemented

or amended prospectus contemplated by paragraph (g) of this Section 4.

Section 5. Requested Underwritten Offerings. If requested by the underwriters for any underwritten offerings by Buyer, under a registration requested pursuant to Section 2(a), the Company will enter into a customary underwriting agreement with such underwriters for such offering, to contain such representations and warranties by the Company and such other terms as are customarily contained in agreements of this type, including indemnities to the effect and to the extent provided in Section 6. Buyer shall be a party to such underwriting agreement and may, at its option, require that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of Buyer. Buyer shall not be required to make any representations or warranties to or agreement with the Company or the underwriters other than representations, warranties or agreements regarding Buyer and Buyer's intended method of distribution and any other representation or warranty required by law.

Section 6. Preparation; Reasonable Investigation. In connection with the preparation and filing of the registration statement under the Securities Act, the Company will give Buyer, its underwriters, if any, and their respective counsel, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers, its counsel and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of Buyer's and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

Section 7. Tag-Along Rights. From and after the date hereof until the earlier of (i) the date on which Buyer shall own shares of Company Common Stock representing less than 9.8% of the then outstanding shares of Company Common Stock on a fully diluted basis, or (ii) the date on which Buyer shall no longer be subject to the standstill restrictions set forth in Section 5.2(a) of the Stockholders Agreement (unless Buyer is not subject to such restrictions as a result of an Early Termination Event (as that term is defined in the Stockholders Agreement)), Buyer shall be entitled to the rights set forth in this Section 7.

(a) Rights and Notice. The Company shall not directly or indirectly sell or otherwise dispose of shares of Company Stock to any person (a "Third Party") in connection with an Extraordinary Transaction in which the consideration for some or all of the shares of Company Stock is cash or cash equivalents (as determined under GAAP), unless the terms and conditions of such sale or other disposition shall include an offer to Buyer to include, at the option of Buyer, in such sale or other disposition the Registrable Securities owned by Buyer at the time of such sale or other disposition determined in accordance with Section 7(b) (the "Tag-Along Shares"). The Company shall send a written notice (the "Tag-Along Notice") to Buyer setting forth the number of shares of Company Stock proposed to be sold or otherwise disposed of in the Extraordinary Transaction (the "Extraordinary Transaction Shares"), and the price at which such shares are proposed to be sold (or the method by which such price is proposed to be determined). At any time within 15 days after its receipt of the Tag-Along Notice, Buyer may exercise its option to sell the Tag-Along Shares by furnishing written notice of such exercise (the "Exercise Notice") to the Company.

(b) Number of Shares to be Included. If the proposed sale or other disposition by the Company in connection with an Extraordinary Transaction is consummated, Buyer shall have the right to sell to the Third Party as part of such proposed sale or other disposition such number of Registrable Securities owned by Buyer equal to the product of (i) the ratio (which in no event shall exceed 20% for purposes of this Section 7) of the total number of Registrable Securities owned by Buyer at the time that Buyer receives the Tag-Along Notice to the total number of outstanding shares of Company Stock, on a fully diluted basis, at the time that Buyer receives the Tag-Along Notice, and (ii) the number of Extraordinary Transaction Shares; provided, however, that if the number of Tag-Along Shares is greater than the number of Registrable Securities owned by Buyer at the time that Buyer receives the Tag-Along Notice, then Buyer shall have the right to sell to the Third Party as part of the proposed sale or other disposition to the Third Party by the Company in connection with an Extraordinary Transaction the total number of Registrable Securities owned by Buyer at the time that Buyer receives the Tag-Along Notice. All calculations pursuant to this paragraph shall exclude and ignore any unissued shares of Company Stock issuable pursuant to stock options, warrants and other rights to acquire shares of Company Stock and pursuant to convertible or exchangeable securities.

(c) Abandonment of Sale. Each of the Company and the Third Party shall have the right, in its sole discretion,

at all times prior to consummation of the proposed sale or other disposition giving rise to the tag-along right granted by this Section 7 to abandon, rescind, annul, withdraw or otherwise terminate such sale or other disposition, whereupon all tag-along rights in respect of such sale or other disposition pursuant to this Section 7 shall become null and void, and neither the Company nor the Third Party shall have any liability or obligation to Buyer with respect thereto by virtue of such abandonment, rescission, annulment, withdrawal or termination.

(d) Terms of Sale. The purchase from Buyer pursuant to this Section 7 shall be on the same terms and conditions, including the per share price and the date of sale or other disposition, as are applicable to the Company, and which shall be consistent with the relevant Tag-Along Notice.

(e) Timing of Sale. If, with respect to any Tag-Along Notice, Buyer fails to deliver an Exercise Notice within the requisite time period, the Company shall have 120 days after the expiration of the time in which the Exercise Notice is required to be delivered in which to sell or otherwise dispose of not more than the number of shares of Company Stock described in the Tag-Along Notice on terms not more favorable to the Company than were set forth in the Tag-Along Notice. If, at the end of 120 days following the receipt of the Tag-Along Notice, the Company has not completed the sale or other disposition of Company Stock in accordance with the terms described in the Tag-Along Notice, the Company shall again be obligated to comply with the provisions of this Section 7 with respect to, and provide Buyer with the opportunity to participate in, any proposed sale or other disposition of shares of Company Stock in connection with an Extraordinary Transaction.

Section 8. Indemnification. (a) Indemnification by the Company. In the event of any registration of any Registrable Securities of the Company under the Securities Act, the Company will, and hereby does, indemnify and hold harmless Buyer, each other person who participates as an underwriter in the offering or sale of such securities and each other person who controls any such underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which Buyer or any such underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the

registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company will reimburse Buyer and each such underwriter and controlling person for any reasonable legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceedings; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by Buyer or any other person who participates as an underwriter in the offering or sale of such securities, in either case, specifically stating that it is for use in the preparation thereof, and provided, further, that the Company shall not be liable to any person who participates as an underwriter in the offering or sale of Registrable Securities or any other person, if any, who controls such underwriter within the meaning of the Securities Act in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such person's failure to send or give a copy of the final prospectus or supplement to the persons asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such person if such statement or omission was corrected in such final prospectus or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Buyer or any such underwriter or controlling person and shall survive the transfer of such securities by Buyer.

(b) Indemnification by Buyer. The Company may require, as a condition to including any Registrable Securities in any registration statement pursuant to Section 2 or Section 3, that the Company shall have received an undertaking satisfactory to it from Buyer to indemnify and hold harmless (in the same manner and to the same extent as set forth in paragraph (a) of this Section 8) the Company, each director of the Company, each officer of the Company and each other



person, if any, who controls the Company within the meaning of the Securities Act, and each other person who participates as an underwriter in the offering or sale of such securities and each other person who controls any such underwriter within the meaning of the Securities Act, with respect to any untrue statement or alleged untrue statement of a material fact in or omission or alleged omission to state a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by Buyer specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer, or controlling person and shall survive the transfer of such securities by Buyer.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 8, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 8, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified 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 the indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation.

(d) Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this

Section 8 (with appropriate modifications) shall be given by the Company and Buyer with respect to any required registration or other qualification of securities under any federal or state law or regulation of Governmental Authority other than the Securities Act.

(e) Indemnification Payments. The indemnification required by this Section 8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, damage or liability, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (ii) if the allocation provided by clause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in the proportion as is appropriate to reflect not only the relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

Section 9. Covenants Relating to Rule 144. The Company will file in a timely manner (taking into account any extensions granted by the Commission), information, documents and reports in compliance with the Exchange Act and will, at its expense, forthwith upon the request of Buyer, deliver to Buyer a certificate, signed by the Company's principal financial officer, stating (a) the Company's name, address and telephone number (including area code), (b) the Company's Internal Revenue Service identification number, (c) the Company's Commission file number, (d) the number of shares of

Company Common Stock and the number of shares of Company Preferred Stock outstanding as shown by the most recent report or statement published by the Company, and (e) whether the Company has filed the reports required to be filed under the Exchange Act for a period of at least 90 days prior to the date of such certificate and in addition has filed the most recent annual report required to be filed thereunder. If at any time the Company is not required to file reports in compliance with either Section 13 or Section 15(d) of the Exchange Act, the Company will, at its expense, forthwith upon the written request of Buyer, make available adequate current public information with respect to the Company within the meaning of paragraph (c)(2) of Rule 144 of the General Rules and Regulations promulgated under the Securities Act.

Section 10. Miscellaneous. (a) Counterparts.

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. Copies of executed counterparts transmitted by telecopy, telefax or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 10, provided receipt of copies of such counterparts is confirmed.

(b) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT REFERENCE TO THE CHOICE OF LAW PRINCIPLES THEREOF.

(c) Entire Agreement. This Agreement (including agreements incorporated herein) contains the entire agreement between the parties with respect to the subject matter hereof and there are no agreements or understandings between the parties other than those set forth or referred to herein. This Agreement is not intended to confer upon any person not a party hereto (and their successors and assigns) any rights or remedies hereunder.

(d) Notices. All notices and other communications hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to the Company shall be addressed to:

Regency Realty Corporation  
121 W. Forsyth Street, Suite 200  
Jacksonville, Florida 32202  
Attention: Martin E. Stein, Jr.  
Telecopy Number: (904) 634-3428

with a copy to:

Foley & Lardner  
Greenleaf Building  
200 Laura Street  
Jacksonville, Florida 32202  
Attention: Charles E. Commander III, Esq.  
Telecopy Number: (904) 359-8700

or at such other address and to the attention of such other person as the Company may designate by written notice to Buyer. Notices to Buyer shall be addressed to:

Security Capital Holdings S.A.  
69, route d'Esch  
L-2953 Luxembourg  
Attention: Paul E. Szurek  
Telecopy Number: (352) 4590-3331

with a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: Adam O. Emmerich, Esq.  
Telecopy Number: (212) 403-2000

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. Neither party shall be permitted to assign any of its rights hereunder to any third party, except that if (i) Buyer transfers or pledges any or all Registrable Securities to a bona fide financial institution as security for any bona fide indebtedness of any Buyer and such financial institution agrees to be bound by the Stockholders Agreement, the pledgee of the Registrable Securities shall be considered an intended beneficiary hereof and may exercise all rights of Buyer hereunder, and (ii) any person included within the definition of the term Buyer shall be permitted to assign its rights hereunder to any other person included within such definition.

(f) Headings. The Section and other headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or other headings contained herein mean Sections or other headings of this Agreement unless otherwise stated.

(g) Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Either party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision hereof on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision hereof shall not be construed as a waiver of any subsequent breach.

(h) Interpretation; Absence of Presumption. For the purposes hereof, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof", "herein", and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, paragraph or other references are to the Sections, paragraphs, or other references to this Agreement unless otherwise specified, (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iv) the word "or" shall not be exclusive, and (v) provisions shall apply, when appropriate, to successive events and transactions.

This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

(i) Severability. Any provision hereof which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof.

IN WITNESS WHEREOF, this Agreement has been signed  
by or on behalf of each of the parties hereto as of the day  
first above written.

REGENCY REALTY CORPORATION

By: /s/ Martin E. Stein, Jr.  
Name: Martin E. Stein, Jr.  
Title: President

SECURITY CAPITAL U.S. REALTY

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director

SECURITY CAPITAL HOLDINGS S.A.

By: /s/ Paul E. Szurek  
Name: Paul E. Szurek  
Title: Managing Director