

United States  
SECURITIES AND EXCHANGE COMMISSION  
Washington DC 20549

FORM 10-Q

(Mark One)

For the quarterly period ended June 30, 1998

-or-

Transition Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-12298

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

Florida  
(State or other jurisdiction of  
incorporation or organization)

59-3191743  
(IRS Employer  
Identification No.)

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

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

Unchanged  
(Former name, former address and former fiscal year,  
if changed since last report)

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

(Applicable only to Corporate Registrants)

As of August 14, 1998, there were 25,464,383 shares outstanding of the Registrant's common stock.

REGENCY REALTY CORPORATION  
Consolidated Balance Sheets  
June 30, 1998 and December 31, 1997

	1998 ----- (unaudited)	1997 -----
<b>Assets</b>		
Real estate investments, at cost:		
Land	\$ 229,481,678	177,245,784
Buildings and improvements	820,869,554	622,555,583
Construction in progress - development for investment	9,947,030	13,427,370
Construction in progress - development for sale	21,186,446	20,173,039
	-----	-----
	1,081,484,708	833,401,776
Less: accumulated depreciation	46,160,048	40,795,801
	-----	-----
	1,035,324,660	792,605,975
Investments in real estate partnerships	22,401,368	999,730
	-----	-----
Net real estate investments	1,057,726,028	793,605,705
Cash and cash equivalents	12,732,702	16,586,094
Tenant receivables, net of allowance for uncollectible accounts of \$2,057,749 and \$1,162,570 at June 30, 1998 and December 31, 1997, respectively	10,684,242	9,546,584
Deferred costs, less accumulated amortization of \$4,219,427 and \$3,842,914 at June 30, 1998 and December 31, 1997, respectively	4,496,876	4,252,991
Other assets	7,458,208	2,857,217
	-----	-----
	\$ 1,093,098,056	826,848,591
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Mortgage loans payable	317,796,022	229,919,242

Acquisition and development line of credit	89,731,185	48,131,185
Accounts payable and other liabilities	17,064,007	11,597,232
Tenants' security and escrow deposits	2,762,506	2,319,941
	-----	-----
Total liabilities	427,353,720	291,967,600
	-----	-----
Redeemable preferred units	78,800,000	-
Redeemable operating partnership units	26,912,106	13,777,156
Limited partners' interest in consolidated partnerships	7,520,049	7,477,182
	-----	-----
	113,232,155	21,254,338
Stockholders' equity		
Common stock \$.01 par value per share:		
150,000,000 shares authorized; 25,422,870		
and 23,992,037 shares issued and outstanding		
at June 30, 1998 and December 31, 1997, respectively	254,229	239,920
Special common stock - 10,000,000 shares authorized:		
Class B \$.01 par value per share, 2,500,000		
shares issued and outstanding	25,000	25,000
Additional paid in capital	577,140,482	535,498,878
Distributions in excess of net income	(14,501,931)	(20,494,893)
Stock loans	(10,405,599)	(1,642,252)
	-----	-----
Total stockholders' equity	552,512,181	513,626,653
	-----	-----
Commitments and contingencies		
	\$ 1,093,098,056	826,848,591
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Operations  
For the Three Months ended June 30, 1998 and 1997  
(unaudited)

	1998 ----	1997 -----
<b>Revenues:</b>		
Minimum rent	\$ 25,405,644	18,061,032
Percentage rent	558,514	637,339
Recoveries from tenants	5,817,685	3,890,704
Management, leasing and brokerage fees	2,902,262	2,046,334
Equity in income of investments in real estate partnerships	145,425	(9,654)
	-----	-----
Total revenues	34,829,530	24,625,755
	-----	-----
<b>Operating expenses:</b>		
Depreciation and amortization	5,928,251	4,231,170
Operating and maintenance	4,355,499	3,505,909
General and administrative	3,829,341	2,995,008
Real estate taxes	2,999,053	1,778,745
	-----	-----
Total operating expenses	17,112,144	12,510,832
	-----	-----
<b>Interest expense (income):</b>		
Interest expense	7,658,571	6,484,343
Interest income	(631,179)	(280,335)
	-----	-----
Net interest expense	7,027,392	6,204,008
	-----	-----
Income before minority interests and sale of real estate investments	10,689,994	5,910,915
	-----	-----
Minority interest of redeemable partnership units	(297,500)	(969,731)
Minority interest of limited partners	(103,009)	(214,406)
	-----	-----
Gain on sale of real estate investments	508,678	-
	-----	-----
Net income for common stockholders	\$ 10,798,163	4,726,778
	=====	=====
<b>Net income per share:</b>		
Basic	\$ .38	.26
	=====	=====
Diluted	\$ .38	.26
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Operations  
For the Six Months ended June 30, 1998 and 1997  
(unaudited)

1998  
-----  
1997  
-----

Revenues:		
Minimum rent	\$ 47,660,793	30,560,604
Percentage rent	1,661,861	1,107,937
Recoveries from tenants	10,638,415	6,985,904
Management, leasing and brokerage fees	5,406,368	3,687,525
Equity in income (loss) of investments in real estate partnerships	146,411	17,137
	-----	-----
Total revenues	65,513,848	42,359,107
	-----	-----
Operating expenses:		
Depreciation and amortization	11,384,555	7,074,670
Operating and maintenance	8,471,901	5,988,690
General and administrative	7,262,449	5,216,014
Real estate taxes	5,787,804	3,598,834
	-----	-----
Total operating expenses	32,906,709	21,878,208
	-----	-----
Interest expense (income):		
Interest expense	12,873,370	10,221,374
Interest income	(966,383)	(452,602)
	-----	-----
Net interest expense	11,906,987	9,768,772
	-----	-----
Income before minority interests and sale of real estate investments	20,700,152	10,712,127
	-----	-----
Minority interest of redeemable partnership units	(891,824)	(1,603,436)
Minority interest of limited partners	(200,159)	(345,142)
	-----	-----
Gain on sale of real estate investments	10,746,097	-
	-----	-----
Net income for common stockholders	\$ 30,354,266	8,763,549
	=====	=====
Net income per share:		
Basic	\$ 1.11	.51
	=====	=====
Diluted	\$ 1.06	.51
	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Cash Flows  
For the Six Months Ended June 30, 1998 and 1997  
(unaudited)

	1998 ----	1997 ----
Cash flows from operating activities:		
Net income	\$ 30,354,266	8,763,550
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,384,555	7,074,670
Deferred financing cost and debt premium amortization	46,002	441,004
Minority interest of redeemable partnership units	891,824	1,603,436
Minority interest of limited partners	200,159	345,142
Equity in income of investments in real estate partnerships	(146,411)	(17,137)
Gain on sale of real estate investments	(10,746,097)	-
Changes in assets and liabilities:		
Tenant receivables	(676,428)	2,186,499
Deferred leasing commissions	(554,373)	(273,695)
Other assets	(5,917,878)	(447,802)
Tenants' security deposits	442,565	245,481
Accounts payable and other liabilities	7,406,975	5,011,309
	-----	-----
Net cash provided by operating activities	32,685,159	24,932,457
	-----	-----
Cash flows from investing activities:		
Acquisition and development of real estate	(120,592,104)	(115,441,611)
Investment in real estate partnerships	(21,276,350)	-
Capital improvements	(2,842,069)	(1,451,400)
Construction in progress for sale, net of reimbursement	(1,013,407)	(8,248,018)
Proceeds from sale of real estate investments	30,662,197	-
Distributions received from real estate partnership investments	21,123	-
	-----	-----
Net cash used in investing activities	(115,040,610)	(125,141,029)
	-----	-----
Cash flows from financing activities:		
Net proceeds from common stock issuance	9,685,435	68,275,213
Proceeds from issuance of redeemable partnership units	7,667	2,255,140
Distributions to redeemable partnership unit holders	(897,817)	(1,442,196)
Distributions to limited partners		
In consolidated partnerships	(157,292)	(24,232)
Dividends paid to stockholders	(24,361,304)	(12,253,317)
Proceeds from issuance of redeemable preferred units, net	78,800,000	-
Proceeds from acquisition and development line of credit, net	41,600,000	37,630,000
Proceeds from mortgage loans payable	7,345,000	15,148,753
Repayments of mortgage loans payable	(32,903,271)	(3,751,167)
Deferred financing costs	(616,359)	(510,471)
	-----	-----
Net cash provided by financing activities	78,502,059	105,327,723
	-----	-----
Net (decrease) increase in cash and cash equivalents	(3,853,392)	5,119,151
Cash and cash equivalents at beginning of period	16,586,094	8,293,229
	-----	-----
Cash and cash equivalents at end of period	\$ 12,732,702	13,412,380
	=====	=====

REGENCY REALTY CORPORATION  
 Consolidated Statements of Cash Flows  
 For the Six Months Ended June 30, 1998 and 1997  
 (unaudited)  
 -continued-

	1998	1997
	----	----
Supplemental disclosure of non cash transactions:		
Mortgage loans assumed from sellers of real estate at fair value	\$ 113,945,176 =====	135,802,817 =====
Redeemable operating partnership units and common stock issued to sellers of real estate	\$ 33,938,977 =====	94,769,706 =====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

Regency Realty Corporation (the Company) was formed for the purpose of managing, leasing, brokering, acquiring, and developing shopping centers. The Company also provides management, leasing, brokerage and development services for real estate not owned by the Company.

The accompanying interim unaudited financial statements (the "Financial Statements") include the accounts of the Company, its wholly owned qualified REIT subsidiaries, and its majority owned subsidiaries and partnerships. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The Company owns approximately 95% of the outstanding units of Regency Centers, L.P., ("RCLP" or the "Partnership" formally known as Regency Retail Partnership, L.P.) and partnership interests ranging from 51% to 93% in four majority owned real estate partnerships (the "Majority Partnerships"). The equity interests of third parties held in RCLP and the Majority Partnerships are included in the consolidated financial statements as redeemable operating partnership units, redeemable preferred units and limited partners' interests in consolidated partnerships, respectively. The Company is a qualified real estate investment trust ("REIT") which began operations in 1993.

The Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are of a normal recurring nature, and in the opinion of management, are necessary to properly state the results of operations and financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1997 Form 10-K filed with the Securities and Exchange Commission.

(b) Statement of Financial Accounting Standards No. 130

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130"), which is effective for fiscal years beginning after December 15, 1997. FAS 130 establishes standards for reporting total comprehensive income in financial statements, and requires that Companies explain the differences between total comprehensive income and net income. Management has adopted this statement in 1998. No differences between total comprehensive income and net income existed in the interim financial statements reported at June 30, 1998 and 1997.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

1. Summary of Significant Accounting Policies (continued)

(c) Statement of Financial Accounting Standards No. 131

The FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which is effective for fiscal years beginning after December 15, 1997. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Management does not believe that FAS 131 will effect its current disclosures.

(d) Emerging Issues Task Force Issue 97-11

Effective March 19, 1998, the Emerging Issues Task Force (EITF) ruled in Issue 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that only internal costs of identifying and acquiring non-operating properties that are directly identifiable with the acquired properties should be capitalized, and that all internal costs associated with identifying and acquiring operating properties should be expensed as incurred. The Company had previously capitalized direct costs associated with the acquisition of operating properties as a cost of the real estate. The Company has adopted EITF 97-11 effective March 19, 1998. During 1997, the Company capitalized approximately \$1.5 million of internal costs related to acquiring operating properties. Through the effective date of EITF 97-11, the Company has capitalized \$474,000 of internal acquisition costs. For the remainder of 1998, the Company expects to incur \$1.1 million of internal costs related to acquiring operating properties which will be expensed.

(e) Emerging Issues Task Force Issue 98-9

On May 22, 1998, the EITF reached a consensus on Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods". The EITF has stated that lessors should defer recognition of contingent rental income that is based on meeting specified targets until those specified targets are met and not ratably throughout the year. The Company has previously recognized contingent rental income (i.e. percentage rent) ratably over the year based on the historical trends of its tenants. The Company has adopted Issue 98-9 prospectively and has ceased the recognition of contingent rents until such time as its tenants have achieved its specified target. The Company believes this will effect the interim period in which percentage rent is recognized, however it will not have a material impact on the annual recognition of percentage rent.

(f) Reclassifications

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



REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

2. Acquisitions of Shopping Centers

During the first six months of 1998, the Company acquired 24 shopping centers for approximately \$239.2 million (the "1998 Acquisitions"). In January, 1998, the Company entered into an agreement to acquire the shopping centers from various entities comprising the Midland Group ("Midland") consisting of 21 shopping centers plus a development pipeline of 11 shopping centers. Of the 32 centers to be acquired or developed, 31 are anchored by Kroger, or its affiliate. Eight of the shopping centers included in the development pipeline will be owned through a joint venture in which the Company will own less than a 50% interest upon completion of construction (the "JV Properties"). The Company's investment in the properties acquired from Midland is \$180.3 million at June 30, 1998. As of June 30, 1998, the Company has acquired all but one of the shopping centers and all the JV Properties. During 1998, 1999 and 2000, including all payments made to date, the Company will pay approximately \$213 million (including costs to be incurred on properties currently under construction) for the 32 properties, and in addition may pay contingent consideration of \$23 million for the properties through the issuance of units of RCLP, the payment of cash and the assumption of debt.

In March, 1997, the Company acquired 26 shopping centers from Branch Properties ("Branch") for \$232.4 million. Additional Units and shares of common stock may be issued after the first, second and third anniversaries of the closing with Branch (each an "Earn-Out Closing"), based on the performance of the properties acquired. The formula for the earn-out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for the properties acquired, as of February 15 of the year of calculation. The earn-out is limited to 721,997 Units at the first Earn-Out Closing and 1,020,061 Units for all Earn-Out Closings (including the first Earn-Out Closing). During March, 1998, the Company issued 721,997 Units and shares valued at \$18.2 million to the partners of Branch.

3. Mortgage Loans Payable and Unsecured Line of Credit

The Company's outstanding debt at June 30, 1998 and December 31, 1997 consists of the following:

	1998	1997
	----	----
Mortgage Loans Payable:		
Fixed rate secured loans	\$283,350,997	199,078,264
Variable rate secured loans	12,679,515	30,840,978
Fixed rate unsecured loans	21,765,510	-
Unsecured line of credit	89,731,185	48,131,185
	-----	-----
Total	\$407,527,207	278,050,427
	=====	=====

During March, 1998, the Company modified the terms of its unsecured line of credit (the "Line") by increasing the commitment to \$300 million, reducing the interest rate, and incorporating a competitive bid facility of up to \$150 million of the commitment amount. Maximum availability under the Line is subject to a pool of unencumbered assets which cannot have an aggregate value less than 175% of the amount of the Company's outstanding unsecured liabilities. The Line matures in May 2000, but may be extended annually for one year periods. Borrowings under the Line bear interest at a variable rate based of LIBOR plus a specified spread, (.875% currently), which is dependent on the Company's investment grade rating. The Company's ratings are currently Baa2 from Moody's Investor Service, BBB from Duff and Phelps, and BBB- from Standard and Poors. The Company is required to comply with certain financial covenants consistent with this type of

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

3. Mortgage Loans Payable and Unsecured Line of Credit (continued)

unsecured financing. The Line is used primarily to finance the acquisition and development of real estate, but is available for general working capital purposes.

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

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

Mortgage loans are secured by certain real estate properties, but generally may be prepaid subject to a prepayment of a yield-maintenance premium. Unconsolidated partnerships and joint ventures had mortgage loans payable of \$62,727,120 at June 30, 1998, and the Company's share of these loans was \$25,447,514. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2018. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During the first six months of 1998, the Company assumed mortgage loans with a face value of \$107,892,774 related to the acquisition of shopping centers. The Company has recorded the loans at fair value which created debt premiums of \$6,052,402 related to assumed debt based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

As of June 30, 1998, scheduled principal repayments on mortgage loans payable and the unsecured line of credit were as follows:

1998	\$ 8,723,209
1999	23,285,800
2000	150,832,696
2001	43,392,285
2002	46,752,004
Thereafter	128,998,936
	-----
Subtotal	401,984,930
Net unamortized debt premiums	5,542,277
	-----
Total	\$407,527,207
	=====

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

4. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the three months ended, June 30, 1998 and 1997 (in thousands except per share data):

	1998 ----	1997 ----
Basic Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding	24,945	13,051
Net income for common stockholders	\$ 10,798	4,727
Less: dividends paid on Class B common stock	1,344 -----	1,285 -----
Net income for Basic EPS	\$ 9,454 =====	3,442 =====
Basic EPS	\$ .38 ===	.26 ===
Diluted Earnings Per Share (EPS) Calculation:		
Weighted average shares outstanding for Basic EPS	24,945	13,051
Redeemable operating partnership units	1,294	2,891
Class B common stock equivalents, if dilutive	-	-
Incremental shares to be issued under common stock options using the Treasury method	-	78
Contingent units or shares for the acquisition of real estate	519	1,138
Total diluted shares	26,758	17,158
Net income for Basic EPS	\$ 9,454	3,442
Add: minority interest of redeemable partnership units	297 -----	970 -----
Net income for Diluted EPS	\$ 9,751 =====	4,412 =====
Diluted EPS	\$ .36 =====	.26 ===

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

June 30, 1998

4. Earnings Per Share (continued)

The following summarizes the calculation of basic and diluted earnings per share for the six months ended, June 30, 1998 and 1997 (in thousands except per share data):

	1998	1997
	----	----
Basic Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding	24,837	12,127
Net income for common stockholders	\$ 30,354	8,764
Less: dividends paid on Class B common stock	2,689	2,570
	-----	-----
Net income for Basic EPS	\$ 27,665	6,194
	=====	=====
Basic EPS	\$ 1.11	.51
	=====	=====
Diluted Earnings Per Share (EPS) Calculation:		
Weighted average shares outstanding for Basic EPS	24,837	12,127
Redeemable operating partnership units	1,135	1,926
Class B common stock equivalents, if dilutive (a)	2,975	-
Incremental shares to be issued under common		
stock options using the Treasury method	27	89
Contingent units or shares for the acquisition		
of real estate	428	759
Total diluted shares	29,402	14,901
Net income for Basic EPS	\$ 27,665	6,194
Add: dividends paid on Class B common stock	2,689	-
Add: minority interest of redeemable partnership units	892	1,603
	-----	-----
Net income for Diluted EPS	31,246	7,797
	=====	=====
Diluted EPS	1.06	.51
	=====	=====

(a) Class B common stock is not included in the 1997 calculation of diluted earnings per share because it is anti-dilutive.



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

Grocery Anchor	Number of Stores	% of Total GLA	% of Annual Base Rent	Average Remaining Lease Term
Kroger *	37	16.0%	15.7%	20 yrs
Publix	31	9.6%	7.1%	12 yrs
Winn Dixie	17	5.6%	4.4%	11 yrs
Harris Teeter	5	1.7%	2.4%	16 yrs

\*includes properties under development scheduled for opening in 1998 and 1999. Excluding development properties, Kroger would represent 12.8% of GLA and 12.0% of annual base rent.

#### Acquisition and Development of Shopping Centers

During the first six months of 1998, the Company acquired 24 shopping centers for approximately \$239.2 million (the "1998 Acquisitions"). In January, 1998, the Company entered into an agreement to acquire the shopping centers from various entities comprising the Midland Group ("Midland") consisting of 21 shopping centers plus a development pipeline of 11 shopping centers. Of the 32 centers to be acquired or developed, 31 are anchored by Kroger, or its affiliate. Eight of the shopping centers included in the development pipeline will be owned through a joint venture in which the Company will own less than a 50% interest upon completion of construction (the "JV Properties"). The Company's investment in the properties acquired from Midland is \$180.3 million at June 30, 1998. As of June 30, 1998, the Company has acquired all but one of the shopping centers and all the JV Properties. During 1998, 1999 and 2000, including all payments made to date, the Company will pay approximately \$213 million (including costs to be incurred on properties currently under construction) for the 32 properties, and in addition may pay contingent consideration of \$23 million for the properties through the issuance of units of RCLP, the payment of cash and the assumption of debt.

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions") for approximately \$395.7 million. The 1997 Acquisitions include the acquisition of 26 shopping centers from Branch Properties ("Branch") for \$232.4 million in March, 1997. The real estate acquired from Branch included 100% fee simple interests in 20 shopping centers, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned six shopping centers. The Company was also assigned the third party property management contracts of Branch on approximately 3 million SF of shopping center GLA that generate management fees and leasing commission revenues. Additional Units and shares of common stock may be issued after the first, second and third anniversaries of the closing with Branch (each an "Earn-Out Closing"), based on the performance of the properties acquired. The formula for the earn-out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for the properties acquired, as of February 15 of the year of calculation. The earn-out is limited to 721,997 Units at the first Earn-Out Closing and 1,020,061 Units for all Earn-Out Closings (including the first Earn-Out Closing). During March, 1998, the Company issued 721,997 Units and shares valued at \$18.2 million to the partners of Branch.

#### Liquidity and Capital Resources

Net cash provided by operating activities was \$32.7 million and \$24.9 million for the six months ended June 30, 1998 and 1997, respectively, and is the primary source of funds to pay dividends and distributions on outstanding common stock and Units, maintain and operate the shopping centers, and pay interest and scheduled principal reductions on outstanding debt. Changes in net cash provided by operating activities is further discussed below under results from operations. Net cash used in investing activities was \$115 million and \$ 125.1 million, during 1998 and 1997, respectively, as discussed above in Acquisitions and Development of Shopping Centers. Net cash provided by financing activities was \$78.5 million and \$105.3 million during 1998 and 1997, respectively.

The Company paid dividends and distributions of \$25.4 million and \$13.7 million, during 1998 and 1997, respectively (see Funds from Operations below for further discussion on payment of dividends). In 1998, the Company increased its quarterly common dividend and distribution per Unit to \$.44 per share vs. \$.42 per share in 1997, had more outstanding common shares and Units in 1998 vs. 1997; and accordingly, expects dividends and distributions paid during 1998 to increase substantially over 1997.

The Company's total indebtedness at June 30, 1998 and 1997 was approximately \$407.5 million and \$356.4 million, respectively, of which \$305.1 million and \$205.7 million had fixed interest rates averaging 7.5% and 7.4%, respectively. The weighted average interest rate on total debt at June 30, 1998 and 1997 was 7.5% respectively. During 1998, the Company, as part of its acquisition activities, assumed debt with a fair value of \$113.9 million. The cash portion of the purchase price for the 1998 and 1997 Acquisitions was financed from the Company's line of credit (the "Line"). At June 30, 1998 and 1997, the balance of the Line was \$89.7 million and \$111.3 million, respectively. The Line has a variable rate of interest currently equal to the London Inter-bank Offered Rate

("LIBOR") plus 87.5 basis points.

In March, 1998, the Company entered into an agreement with the banks that provide the Line to increase the unsecured commitment amount to \$300 million, provide for a \$150 million competitive bid facility, and reduce the interest rate on the line based upon achieving an investment grade rating. During the first quarter of 1998, the Company received investment grade ratings from Moody's of Baa2, Duff and Phelps of BBB, and S&P of BBB-.

On June 29, 1998, the Company, through RCLP, issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Preferred Units for \$50.00 per unit. The Preferred Units, which may be called at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. The Preferred Units are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the balance of the Line.

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

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

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

#### Results from Operations

##### Comparison of the Six Months Ended June 30, 1998 to 1997

Revenues increased \$23.2 million or 55% to \$65.5 million in 1998. The increase was due primarily to the 1998 Acquisitions and 1997 Acquisitions providing increases in revenues of \$19.5 million during 1998. At June 30, 1998, the real estate portfolio contained approximately 13.9 million SF, was 92.7% leased and had average rents of \$9.25 per SF. Minimum rent increased \$17.1 million or 56%, and recoveries from tenants increased \$3.7 million or 52%. On a same property basis (excluding the 1998 and 1997 Acquisitions) revenues decreased \$2 million or 1%, primarily due to the sale of the office properties. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$5.4 million in 1998 compared to \$3.7 million in 1997, the increase due primarily to fees earned from third party property management and leasing contracts acquired as part of the acquisition of Branch and Midland. During 1998, the Company sold four office buildings and a parcel of land for \$30.6 million, and recognized a gain on the sale of \$10.7 million. As a result of these transactions the Company's real estate portfolio is comprised entirely of neighborhood shopping centers. The proceeds from the sale were applied toward the purchase of the 1998 acquisitions.

Operating expenses increased \$11.0 million or 50% to \$32.9 million in 1998. Combined operating and maintenance, and real estate taxes increased \$4.7 million or 49% during 1998 to \$14.3 million. The increases are due to the 1998 and 1997 Acquisitions generating operating and maintenance expenses and real estate tax increases of \$5.1 million during 1998. On a same property basis, operating and maintenance expenses and real estate taxes decreased \$445,000 or 6% due to the sale of the four office properties. General and administrative expenses increased 39% during 1998 to \$7.3 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1998 and 1997, as well as, the shopping centers that the Company began managing for third parties during 1997. Depreciation and amortization increased \$4.3 million during 1998 or 61% primarily due to the 1998 and 1997 Acquisitions generating \$6.1 million in depreciation and amortization.

Interest expense increased to \$12.9 million in 1998 from \$10.2 million in 1997 or 26% due to increased average outstanding loan balances related to the financing of the 1998 and 1997 Acquisitions on the Line and the assumption of debt.



Net income for common stockholders was \$30.4 million in 1998 vs. \$8.8 million in 1997, a \$21.6 million or 246% increase for the reasons previously described. Diluted earnings per share in 1998 was \$1.06. vs. \$.51 in 1997 due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 14.5 million primarily due to the acquisition of Branch and Midland, the issuance of shares to SC-USREALTY during 1997, and the public offering completed in July, 1997.

#### Comparison of the Three Months Ended June 30, 1998 to 1997

Revenues increased \$10.2 million or 41% to \$34.8 million in 1998. The increase was due primarily to the 1998 Acquisitions and 1997 Acquisitions providing increases in revenues of \$8.5 million during 1998. Minimum rent increased \$7.3 million or 41%, and recoveries from tenants increased \$1.9 million or 50%. On a same property basis (excluding the 1998 and 1997 Acquisitions) revenues decreased \$4.4 million or 3%, primarily due to the sale of the office properties. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were \$2.9 million in 1998 compared to \$2.0 million in 1997, the increase due primarily to fees earned from third party property management and leasing contracts acquired as part of the acquisition of Branch.

Operating expenses increased \$4.6 million or 37% to \$17.1 million in 1998. Combined operating and maintenance, and real estate taxes increased \$2.1 million or 39% during 1998 to \$7.4 million. The increases are due to the 1998 and 1997 Acquisitions generating operating and maintenance expenses and real estate tax increases of \$2.4 million during 1998. On a same property basis, operating and maintenance expenses and real estate taxes decreased \$294,000 or 8% due to the sale of the office properties. General and administrative expenses increased 28% during 1998 to \$3.8 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1998 and 1997, as well as, the shopping centers that the Company began managing for third parties during 1997. Depreciation and amortization increased \$1.7 million during 1998 or 40% primarily due to the 1998 and 1997 Acquisitions generating \$3.4 million in depreciation and amortization.

Interest expense increased to \$7.7 million in 1998 from \$6.5 million in 1997 or 18% due to increased average outstanding loan balances related to the financing of the 1998 and 1997 Acquisitions on the Line and the assumption of debt.

## Funds from Operations

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

FFO increased by 89% from 1997 to 1998 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the six months ended June 30, 1998 and 1997 are summarized in the following table:

	1998	1997
	----	----
Net income for common stockholders	\$ 30,354	8,764
Add (subtract):		
Real estate depreciation and amortization	10,997	6,773
Gain on sale of operating property	(9,844)	-
Minority interests in net income of redeemable partnership units	892	1,603
Funds from operations	\$ 32,399	17,140
	=====	=====
Cash flow provided by (used in):		
Operating activities	\$ 32,685	24,932
Investing activities	(115,041)	(125,141)
Financing activities	78,502	105,328

## New Accounting Standards and Accounting Changes

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130"), which is effective for fiscal years beginning after December 15, 1997. FAS 130 establishes standards for reporting total comprehensive income in financial statements, and requires that Companies explain the differences between total comprehensive income and net income. Management has adopted this statement in 1998. No differences between total comprehensive income and net income existed in the interim financial statements reported at June 30, 1998 and 1997.

The FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which is effective for fiscal years beginning after December 15, 1997. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Management does not believe that FAS 131 will effect its current disclosures.

Effective March 19, 1998, the Emerging Issues Task Force (EITF) ruled in Issue 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that only internal costs of identifying and acquiring non-operating properties that are directly identifiable with the acquired properties should be capitalized, and that all internal costs associated with identifying and acquiring operating properties should be expensed as incurred. The Company had previously capitalized direct costs associated with the acquisition of operating properties as a cost of the real estate. The Company has adopted EITF 97-11 effective March 19, 1998. During 1997, the Company capitalized approximately \$1.5 million of internal costs related to acquiring operating properties. Through the effective date of EITF 97-11, the Company has capitalized \$474,000 of internal acquisition costs. For the remainder of 1998, the Company expects to incur \$1.1 million internal costs related to acquiring operating properties which will be expensed.

On May 22, 1998, the EITF reached a consensus on Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods". The EITF has stated that lessors should defer recognition of contingent rental income that is based on meeting specified targets until those specified targets are met and not ratably throughout the year. The Company has previously recognized contingent rental income (i.e. percentage rent) ratably over the year based on the historical trends of its tenants. The Company has adopted Issue 98-9 prospectively and has ceased the recognition of contingent rents until such time as its tenants have achieved its specified target. The Company believes this will effect the interim period in which percentage rent is recognized, however it will not have a material impact on the annual recognition of percentage rent.

## Environmental Matters

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

#### Inflation

Inflation has remained relatively low during 1998 and 1997 and has had a minimal impact on the operating performance of the shopping centers, however, substantially all of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek increased rents upon re-rental at market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

#### Year 2000 System Compliance

The Company has conducted a comprehensive review of its computer systems to identify the systems that could be affected by the "Year 2000" problem and is in process of resolving the issue. During 1997, the Company converted its operating system, and its general accounting and lease administration software systems to versions containing modifications that corrected for the Year 2000 problem. The Company will continue to assess its other internal systems and reprogram or upgrade as necessary, however, the cost to convert remaining systems is not expected to have a material effect on the Company's financial position. The Company is also reviewing the Year 2000 system conversions of other companies of which it does business in order to determine their compliance.

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

The annual meeting for Regency Realty Corporation was held on May 26, 1998 for the following purpose:

To elect one Class III Director, one Class I Director and four Class II Directors to serve terms expiring at the annual meeting of shareholders to be held in 1999, 2000, and 2001, respectively, and until their successors have been elected and qualified.

To consider and vote on a proposed amendment to the Company's Articles of Incorporation that would apply to the Company's major beneficial shareholder, Security Capital U.S. Realty and its subsidiary (collectively, "SC-USREALTY"), the same transfer restrictions that currently apply to all other Non-U.S. Persons (as defined in the Articles of Incorporation).

To transact such other business as may properly come before the meeting or any adjournment thereof.

All items were approved with total outstanding votes received of 22,006,051. The votes were as follows: 18,365,301 voting FOR and 19,712 ABSTAIN for Item 1, 18,343,286 votes FOR, 23,556 AGAINST and 18,170 ABSTAIN for Item 2 and 18,385,023 FOR Item 3. Accordingly, the proposals were passed.

5. Other Information

The deadline for submission of shareholder proposals pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended ("Rule14a-8"), for inclusion in the Company's proxy statement for its 1999 Annual Meeting of Shareholders is December 16, 1998. After March 1, 1999, notice to the Company of a shareholder proposal submitted otherwise than pursuant to Rule 14a-8 will be considered untimely, and the persons named in proxies solicited by the Company's Board of Directors for its 1999 Annual Meeting of Shareholders may exercise discretionary voting power with respect to any such proposal as to which the Company does not receive timely notice.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

3. Articles of Incorporation

(a) Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

(i) Amendment to Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

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

Indenture dated as of July 20, 1998 among RCLP, the Guarantors named therein and First Union National Bank, as trustee, incorporated by reference to Exhibit 10.3 to the Regency Centers, L.P. Form 10 Registration Statement.  
Material Contracts

Item 10. Material contracts

Purchase and Sale Agreement, dated March 10, 1998 between Faison-Fleming Island Limited Partnership, a Florida limited partnership, as Seller, and RRC Acquisitions, Two, Inc. a Florida corporation, its designees, successors and assigns ("Buyer"), relating to the acquisition of Fleming Island Shopping Center.

10.1

Exchange and Registration Rights Agreement dated as of July 15, 1998 among RCLP, the Guarantors named therein and the Purchasers named therein, incorporated by reference to Exhibit 10.4 to the Partnership's Form 10 Registration Statement.

10.2 Registration Rights Agreement dated as of June 25, 1998 between Regency Realty Corporation and the Unit Holder named therein.

Reports on Form 8-K:

A report on Form 8-K was filed on July 20, 1998 reporting under Item 5. Acquisition of five shopping centers to include audited financial statements and December 31, 1997 audited financial statements for the Midland Group and pro forma condensed consolidated financial statements of operations for the three months ended March 31, 1998 and the year ended December 31, 1997.

27. Financial Data Schedule

June 30, 1998

Restated June 30, 1997

SIGNATURE

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

Date: August 14, 1998

REGENCY REALTY CORPORATION

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

## AMENDMENT TO ARTICLES OF INCORPORATION

This corporation was incorporated on July 8, 1993 effective July 9, 1993 under the name Regency Realty Corporation. Pursuant to Sections 607.1001, 607.1003, 607.1004 and 607.1006, Florida Business Corporation Act, amendments to Section 5.14 of the Articles of Incorporation, as restated on November 4, 1996, were approved by the Board of Directors at a meeting held on December 5, 1997 and adopted by the shareholders of the corporation on May 26, 1998. The only voting group entitled to vote on the adoption of the amendment to Section 5.14 of the Articles of Incorporation consists of the holders of the corporation's common stock. The number of votes cast by such voting group was sufficient for approval by that voting group. Section 5.14 of the Restated Articles of Incorporation of the Company is hereby amended in its entirety to read as follows:

"Section 5.14 Certain Transfers to Non-U.S. Persons Void. Any Transfer of shares of Capital Stock of the Corporation to any Person on or after the effective date of this Amendment shall be void ab initio to the fullest extent permitted under applicable law and the intended transferee shall be deemed never to have had an interest therein if the Transfer:

1. occurs prior to the 15% Termination Date and results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (other than a Special Shareholder who is a Non-U.S. Person) comprising five percent (5%) or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation; or

2. results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (including Special Shareholders who are Non-U.S. Persons) comprising fifty percent (50%) or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation.

If either of the foregoing provisions is determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the shares held or purported to be held by the transferee shall, automatically and without the necessity of any action by the Board of Directors or otherwise:

(i) be prohibited from being voted at any time such securities result in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (other than Special Shareholders who are Non-U.S. Persons) or by Non-U.S. Persons (including Special Shareholders who are Non-U.S. Persons) comprising five percent (5%) or more or fifty percent (50%) or more, respectively, of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation;

(ii) not be entitled to dividends with respect thereto;

(iii) be considered held in trust by the transferee for the benefit of the Corporation and shall be subject to the provisions of Section 5.3(c) as if such shares of Capital Stock were the subject of a Transfer that violates Section 5.2; and

(iv) not be considered outstanding for the purpose of determining a quorum at any meeting of shareholders.

The Special Shareholders may, in their sole discretion, with prior notice to the Board of Directors, waive, alter or revise in writing all or any portion of the Transfer restrictions set forth in this Section 5.14 from and after the date on which such notice is given, on such terms and conditions as they in their sole discretion determine."

IN WITNESS WHEREOF, the undersigned Chairman of this corporation has executed these Articles of Amendment this day of May, 1998.

Martin E. Stein, Jr., Chairman and Chief  
Executive Officer





ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 1,600,000 SHARES OF  
8.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK

\$0.01 Par Value

Pursuant to Section 607.0602 of the Florida Business Corporation Act ("FBCA"), Regency Realty Corporation, a Florida corporation (the "Corporation"), does hereby certify that:

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Amended and Restated Articles of Incorporation of the Corporation (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted on May 26, 1998 has classified 1,600,000 shares of the authorized but unissued Preferred Stock par value \$.01 per share ("Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 1,600,000 shares of such class of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Preferred Stock, and pursuant to the powers contained in the Bylaws of the Corporation and the FBCA, appointed a committee (the "Committee") of the Board of Directors and delegated to the Committee, to the fullest extent permitted by the FBCA and the Charter and Bylaws of the Corporation, all powers of the Board of Directors with respect to designating, and setting all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of, such class of Preferred Stock determining the number of shares of such class of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such class of Preferred Stock are to be issued. Shareholder approval was not required under the Charter with respect to such designation.

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SECOND: Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the 8.125% Series A Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 8.125% Series A Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article FIRST of these Articles of Amendment) and authorizing the issuance of up to 1,600,000 shares of 8.125% Series A Cumulative Redeemable Preferred Stock.

THIRD: The class of Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation and by the Committee and referred to in Articles FIRST and SECOND of these Articles of Amendment shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions:

Section 1. Designation and Number. A series of Preferred Stock, designated the "8.125% Series A Cumulative Redeemable Preferred Stock" (the "Series A Preferred Stock") is hereby established. The number of shares of Series A Preferred Stock shall be 1,600,000.

Section 2. Rank. The Series A Preferred Stock will, with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both, rank senior to all classes or series of Common Stock (as defined in the Charter) and to all classes or series of equity securities of the Corporation now or hereafter authorized, issued or outstanding, other than any class or series of equity securities of the Corporation expressly designated as ranking on a parity with or senior to the Series A Preferred Stock as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both. For purposes of these Articles of Amendment, the term "Parity Preferred Stock" shall be used to refer to any class or series of equity securities of the Corporation now or hereafter authorized, issued or outstanding expressly designated by the Corporation to rank on a parity with Series A Preferred Stock with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or conversion rights or exchange rights shall be different from those of the Series A Preferred Stock. The term "equity securities" does not include debt securities, which will rank senior to the Series A Preferred Stock prior to conversion.

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in

accordance herewith ranking senior to the Series A Preferred Stock as to payment of distributions, holders of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.125% of the \$50.00 liquidation preference per share of Series A Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such a 30-day month. If any date on which distributions are to be made on the Series A Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series A Preferred Stock will be made to the holders of record of the Series A Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series A Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series A Preference Unit (as defined in the Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as March 5, 1998 as amended by that certain Amendment No. One to Second Amendment and Restatement of Agreement of Limited Partnership dated as of June 25, 1998 (as amended the "Partnership Agreement")) validly exchanged into such share of Series A Preferred Stock in accordance with the provisions of such Partnership Agreement.

The term "Business Day" shall mean each day, other than a Saturday or a Sunday, which is not a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(b) Limitation on Distributions. No distribution on the Series A Preferred Stock shall be declared or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation (other than any agreement with a holder or affiliate of holder of Capital Stock of the Corporation) relating to its indebtedness, prohibit such declaration, payment or setting apart for payment or provide that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting apart for payment shall be restricted or prohibited by law. Nothing in this Section 3(b) shall be deemed to modify or in any manner limit the provisions of Section 3(c) and 3(d).

(c) Distributions Cumulative. Distributions on the Series A Preferred Stock will accrue whether or not the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness at any time prohibit the current payment of distributions, whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are authorized or declared. Accrued but unpaid distributions on the Series A Preferred Stock will accumulate as of the Preferred Stock Distribution Payment Date on which they first become payable. Distributions on account of arrears for any past distribution periods may be declared and paid at any time, without reference to a regular Preferred Stock Distribution Payment Date to holders of record of the Series A Preferred Stock on the record date fixed by the Board of Directors which date shall be not less than 10 days and not more than 30 Business Days prior to the payment date. Accumulated and unpaid distributions will not bear interest.

(d) Priority as to Distributions. (i) So long as any Series A Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior as to the payment of distributions to the Series A Preferred Stock (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series A Preferred Stock, any Parity Preferred Stock with respect to distributions or any Junior Stock, unless, in each case, all distributions accumulated on all Series A Preferred Stock and all classes and series of outstanding Parity Preferred Stock as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (i) distributions payable solely in Junior Stock, (ii) the conversion of Series A Preferred Stock, Junior Stock or Parity Preferred Stock into stock of the Corporation ranking junior to the Series A Preferred Stock as to distributions, and (iii) purchases by the Corporation of such Series A Preferred Stock or Parity Preferred Stock with respect to distributions or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

(ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series A Preferred Stock, all distributions authorized and declared on the Series A Preferred Stock and all classes or series of outstanding Parity Preferred Stock with respect to distributions shall be authorized and declared so that the amount of distributions authorized and declared per share of Series A Preferred Stock and such other classes or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on the Series A Preferred Stock and such other classes or series of Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock do not have cumulative distribution rights) bear to each other.

(e) No Further Rights. Holders of Series A Preferred Stock shall not be entitled to any distributions, whether payable in cash, other property or otherwise, in excess of the full cumulative distributions described herein.

Section 4. Liquidation Preference. (a) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation and subject to equity securities ranking senior to the Series A Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Series A Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Corporation, but before any payment or distributions of the assets shall be made to holders of Common Stock or any other class or series of shares of the Corporation that ranks junior to the Series A Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, an amount equal to the sum of (i) a liquidation preference of \$50 per share of Series A Preferred Stock, and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series A Preferred Stock and any Parity Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, all payments of liquidating distributions on the Series A Preferred Stock and such Parity Preferred Stock shall be made so that the payments on the Series A Preferred Stock and such Parity Preferred Stock shall in all cases bear to each other the same ratio that the respective rights of the Series A Preferred Stock and such other Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Stock do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Corporation bear to each other.

(b) Notice. Written notice of any such voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by (i) fax and (ii) by first class mail, postage pre-paid, not less than 30 and not more than 60 days prior to the payment date stated therein, to each record holder of the Series A Preferred Stock at the respective addresses of such holders as the same shall appear on the share transfer records of the Corporation.

(c) No Further Rights. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Stock will have no right or claim to any of the remaining assets of the Corporation.

(d) Consolidation, Merger or Certain Other Transactions. The voluntary sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation to, or the consolidation or merger or other business combination of the Corporation with or into, any corporation, trust or other entity (or of any corporation, trust or other entity with or into the Corporation) shall not be deemed to constitute a liquidation, dissolution or winding-up of the Corporation.

(e) Permissible Distributions. In determining whether a distribution (other than upon voluntary liquidation) by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise is permitted under the FBCA, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of stock of the Corporation whose preferential rights upon dissolution are superior to those receiving the distribution.

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series A Preferred Stock may not be redeemed prior to June 25, 2003. On or after such date, the Corporation shall have the right to redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$50 per share of Series A Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the shares of Series A Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

(b)Limitation on Redemption. (i) The redemption price of the Series A Preferred Stock (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of sale proceeds of capital stock of the Corporation and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock), shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

(ii)The Corporation may not redeem fewer than all of the outstanding shares of Series A Preferred Stock unless all accumulated and unpaid distributions have been paid on all Series A Preferred Stock for all quarterly distribution periods terminating on or prior to the date of redemption.

(c) Procedures for Redemption. (i) Notice of redemption will be (i) faxed, and (ii) mailed by the Corporation, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as they appear on the transfer records of the Corporation. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series A Preferred Stock except as to the holder to whom such notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series A Preferred Stock may be listed or admitted to trading, each such notice shall state: (i) the redemption date, (ii) the redemption price, (iii) the number of shares of Series A Preferred Stock to be redeemed, (iv) the place or places where such shares of Series A Preferred Stock are to be surrendered for payment of the redemption price, (v) that distributions on the Series A Preferred Stock to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the redemption price and any accumulated and unpaid distributions will be made upon presentation and surrender of such Series A Preferred Stock. If fewer than all of the shares of Series A Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series A Preferred Stock held by such holder to be redeemed.

(ii) If the Corporation gives a notice of redemption in respect of Series A Preferred Stock (which notice will be irrevocable) then, by 12:00 noon, New York City time, on the redemption date, the Corporation will deposit irrevocably in trust for the benefit of the Series A Preferred Stock being redeemed funds sufficient to pay the applicable redemption price, plus any accumulated and unpaid distributions, whether or not declared, if any, on such shares to the date fixed for redemption, without interest, and will give irrevocable instructions and authority to pay such redemption price and any accumulated and unpaid distributions, if any, on such shares to the holders of the Series A Preferred Stock upon surrender of the certificate evidencing the Series A Preferred Stock by such holders at the place designated in the notice of redemption. If fewer than all Series A Preferred Stock evidenced by any certificate is being redeemed, a new certificate shall be issued upon surrender of the certificate evidencing all Series A Preferred Stock, evidencing the unredeemed Series A Preferred Stock without cost to the holder thereof. On and after the date of redemption, distributions will cease to accumulate on the Series A Preferred Stock or portions thereof called for redemption, unless the Corporation defaults in the payment thereof. If any date fixed for redemption of Series A Preferred Stock is not a Business Day, then payment of the redemption price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the redemption price or any accumulated or unpaid distributions in respect of the Series A Preferred Stock is improperly withheld or refused and not paid by the Corporation, distributions on such Series A Preferred Stock will continue to accumulate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the applicable redemption price and any accumulated and unpaid distributions.

(d) Status of Redeemed Stock. Any Series A Preferred Stock that shall at any time have been redeemed shall after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to class or series until such shares are once more designated as part of a particular class or series by the Board of Directors.

Section 6. Voting Rights.(a) General. Holders of the Series A Preferred Stock will not have any voting rights, except as set forth below.

(b) Right to Elect Directors. (i) If at any time distributions shall be in arrears (which means that, as to any such quarterly distributions, the same have not been paid in full) with respect to six (6) prior quarterly distribution periods (including quarterly periods on the Series A Preferred Units prior to the exchange into Series A Preferred Stock), whether or not consecutive, and shall not have been paid in full (a "Preferred Distribution Default"), the authorized number of members of the Board of Directors shall automatically be increased by two and the holders of record of such Series A Preferred Stock, voting together as a single class with the holders of each class or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, will be entitled to fill the vacancies so created by electing two additional directors to serve on the Corporation's Board of Directors (the "Preferred Stock Directors") at a special meeting called in accordance with Section 6(b)(ii) at the next annual meeting of stockholders, and at each subsequent annual meeting of stockholders or special meeting held in place thereof, until all such distributions in arrears and distributions for the current quarterly period on the Series A Preferred Stock and each such class or

series of Parity Preferred Stock have been paid in full.

(ii) At any time when such voting rights shall have vested, a proper officer of the Corporation shall call or cause to be called, upon written request of holders of record of at least 10% of the outstanding Shares of Series A Preferred Stock, a special meeting of the holders of Series A Preferred Stock and all the series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable (collectively, the AParity Securities@) by mailing or causing to be mailed to such holders a notice of such special meeting to be held not less than ten and not more than 45 days after the date such notice is given. The record date for determining holders of the Parity Securities entitled to notice of and to vote at such special meeting will be the close of business on the third Business Day preceding the day on which such notice is mailed. At any such special meeting, all of the holders of the Parity Securities, by plurality vote, voting together as a single class without regard to series will be entitled to elect two directors on the basis of one vote per \$25.00 of liquidation preference to which such Parity Securities are entitled by their terms (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. The holder or holders of one-third of the Parity Securities then outstanding, present in person or by proxy, will constitute a quorum for the election of the Preferred Stock Directors except as otherwise provided by law. Notice of all meetings at which holders of the Series A Preferred Shares shall be entitled to vote will be given to such holders at their addresses as they appear in the transfer records. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, a majority of the holders of the Parity Securities present in person or by proxy shall have the power to adjourn the meeting for the election of the Preferred Stock Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Preferred Distribution Default shall terminate after the notice of a special meeting has been given but before such special meeting has been held, the Corporation shall, as soon as practicable after such termination, mail or cause to be mailed notice of such termination to holders of the Series A Preferred Shares that would have been entitled to vote at such special meeting.

(iii) If and when all accumulated distributions and the distribution for the current distribution period on the Series A Preferred Stock shall have been paid in full or a sum sufficient for such payment is irrevocably deposited in trust for payment, the holders of the Series A Preferred Stock shall be divested of the voting rights set forth in Section 6(b) herein (subject to revesting in the event of each and every Preferred Distribution Default) and, if all distributions in arrears and the distributions for the current distribution period have been paid in full or set aside for payment in full on all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the term and office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote of, and shall not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). So long as a Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(c) Certain Voting Rights. So long as any Series A Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series A Preferred Stock outstanding at the time (i) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking prior to the Series A Preferred Stock with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, (ii) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, but only to the extent such Parity Preferred Stock is issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates), or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety, to any corporation or other entity, or (B) amend, alter or repeal the provisions of the Corporation's Charter (including these Articles of Amendment) or By-laws, whether by merger, consolidation or otherwise, in each case that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series A Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Corporation's assets as an entirety, so long as (a) the Corporation is the surviving entity and the Series A Preferred Stock remains outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of any state and substitutes the Series A Preferred Stock for other preferred stock having substantially the same terms and same rights as the Series A Preferred Stock, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series A Preferred Stock and no vote of the Series A Preferred Stock shall be required in such case and provided further that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other class or series of Preferred Stock, or any increase in an amount of authorized shares of each class or

series, in each case ranking either (a) junior to the Series A Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity with the Series A Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock is not issued to a affiliate of the Corporation, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series A Preferred Stock shall be required in such case.

Section 7. No Conversion Rights. The holders of the Series A Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or interest in, the Corporation.

Section 8. No Sinking Fund. No sinking fund shall be established for the retirement or redemption of Series A Preferred Stock.

Section 9. No Preemptive Rights. No holder of the Series A Preferred Stock of the Corporation shall, as such holder, have any preemptive rights to purchase or subscribe for additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell.

FOURTH: The Series A Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FIFTH: These Articles of Amendment have been approved by the Board of Directors in the manner and by the vote required by law.

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SIXTH: The undersigned President of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[Signature Page Follows]



IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its Executive Vice President and attested to by its Secretary on this 24th day of June, 1998.

REGENCY REALTY CORPORATION

By: \_\_\_\_\_  
Name: Bruce M. Johnson  
Title: Executive Vice President

[SEAL]

ATTEST:

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Name: J. Christian Leavitt  
Title: Secretary

THIS REGISTRATION RIGHTS AGREEMENT, dated as of June 25, 1998 (this "Agreement"), is entered into by and between Regency Realty Corporation, a Florida corporation (the "Company" or the "REIT") and the unit holder whose name is set forth on the signature page hereto ("Unit Holder").

## RECITALS

WHEREAS, in connection with the offering of 1,600,000 8.125% Series A Cumulative Redeemable Preferred Units (the "OP Units") of Regency Centers, L.P., a Delaware limited partnership (the "Operating Partnership"), Belair Capital Fund LLC, a Massachusetts limited liability company (the "Contributor"), contributed to the Operating Partnership \$80,000,000 in return for the OP Units on terms and conditions set forth in the Contribution Agreement, dated as of June 25, 1998 (the "Contribution Agreement"), by and among the Company, the Operating Partnership and the Contributor;

WHEREAS, the Unit Holder will receive the OP Units in exchange for cash contributed to the Operating Partnership;

WHEREAS, pursuant to the Partnership Agreement (as defined below), the OP Units owned by the Unit Holder will be redeemable for cash or exchangeable for shares of the Company's 8.125% Series A Cumulative Redeemable Preferred Stock (the "Preferred Stock") upon the terms and subject to the conditions contained therein; and

WHEREAS, in order to induce the Contributor to enter into the Contribution Agreement, the Company and the Operating Partnership have agreed to enter into this Agreement and to provide registration rights set forth herein to the Contributor and any subsequent holder or holders of the OP Units.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

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ARTICLE I  
DEFINITIONS

SECTION 1.1. Definitions. In addition to the definitions set forth above, the following terms, as used herein, shall have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Amendment" means that certain Amendment No. 1 to Second Amended and Restated Agreement of Limited Partnership, dated as of June 25, 1998, which amends the Partnership Agreement.

"Agreement" means this Registration Rights Agreement, as it may be amended, supplemented or restated from time to time.

"Articles of Incorporation" means the Articles of Amendment and Restatement of the Company, as the same may be amended, modified or restated from time to time.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York or Jacksonville, Florida are authorized by law to close.

"Code" means the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto, as interpreted by the applicable regulations thereunder.

"Commission" means the Securities and Exchange Commission.

"Company" means Regency Realty Corporation, a Florida corporation.

"Contribution Agreement" means the Contribution Agreement, dated June 25, 1998, by and among the Company, the Operating Partnership and the Contributor.

"Contributor" means Belair Capital Fund LLC, a Massachusetts limited liability company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

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"Exchangeable OP Units" means OP Units which may be redeemable for cash pursuant to Section 7 of the Amendment or exchangeable for Preferred Stock or redeemable for cash pursuant to Section 10 of the Amendment (without regard to any limitations on the exercise of such exchange rights as a result of the Ownership Limit Provisions, as defined below).

"General Partner" means the Company or its successors as general partner of the Operating Partnership.

"Holder" means any Unit Holder who is the record or beneficial owner of any Registrable Security or any permitted assignee or permitted transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or in a public distribution pursuant to transactions exempt from registration under the Securities Act, in each such case where securities sold in such transaction may be resold in a public distribution without subsequent registration under the Securities Act.

"Incapacitated" shall have the meaning set forth in the Partnership Agreement.

"Indemnified Party" shall have the meaning set forth in Section 2.8 hereof.

"Indemnifying Party" shall have the meaning set forth in Section 2.8 hereof.

"Inspectors" shall have the meaning set forth in Section 2.4(g).

"Operating Partnership" means Regency Centers, L.P., a Delaware limited partnership.

"OP Units" means 8.125% Series A Cumulative Redeemable Preferred Units of the Operating Partnership issued on the date hereof.

"Ownership Limit Provisions" mean the various provisions of the Articles of Incorporation set forth in Article 5 thereof restricting the ownership of stock of the company, including the Preferred Stock by certain Persons to specified percentages of the outstanding stock of the company.

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of March 5, 1998, as amended by the Amendment as the same may be further amended, modified or restated from time to time.

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

"Preferred Stock" means the Company's 8.125% Series A Cumulative Redeemable Preferred Stock.

"REIT" means a real estate investment trust under Section 856 through Section 860 of the Code.

"Registrable Securities" means shares of Preferred Stock at any time owned, either of record or beneficially, by any Holder and no matter how acquired (including, without limitation, shares of Preferred Stock issued or issuable upon exchange of Exchangeable OP Units or issued or issuable by way of stock dividend or stock split, or in connection with a merger, consolidation, combination of shares, recapitalization or other reorganization and any other securities issued pursuant to any other distribution with respect to the Preferred Stock or in exchange for or replacement of such Preferred Stock) until (i) a registration statement covering such securities has been declared effective by the Commission and such shares have been sold or transferred pursuant to such effective registration statement, (ii) such shares are permitted to be distributed in a transaction that would constitute a sale thereof under the Securities Act pursuant to Rule 144(k) or are otherwise freely transferable to the public without registration pursuant to Section 4(1) of the Securities Act (to be confirmed in a written opinion of counsel to the Company addressed to the Holders) under circumstances in which all of the applicable conditions of Rule 144 are satisfied or (iii) such shares have been otherwise transferred pursuant to an applicable exemption under the Securities Act, new securities for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and such securities shall be freely transferable to the public in a transaction that would constitute a sale thereof without registration under the Securities Act.

"Registration Expenses" shall have the meaning set forth in Section 2.5 hereof.

"Rule 144" means Rule 144 promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the Commission providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of the Company of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the Commission.

"Rule 415" means Rule 415 promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act pursuant to this Agreement.

"Shelf Registration" shall have the meaning set forth in Section 2.1 hereof'.

"Shelf Registration Statement" means any registration statement relating to a Shelf Registration that covers any shares of Preferred Stock of the Company filed with the Commission under the Securities Act, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Underwriter" means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer's market-making activities.

"Unit Holder(s)" shall have the meaning set forth in the introductory paragraphs hereto and shall include any successors, transferees or assigns permitted under the Amendment.

## ARTICLE II REGISTRATION RIGHTS

### SECTION 2.1. Shelf Registration.

(a) At any time (and from time to time) OP Units representing in the aggregate 25% or more of the 1,600,000 OP Units issued in accordance with the Contribution Agreement are exchanged for shares of Preferred Stock, the Company shall prepare and file a "shelf" registration statement (the "Shelf Registration Statement") with respect to such Registrable Securities covering the resale thereof by the Holders on an appropriate form for an offering to be made on a continuous or delayed basis pursuant to Rule 415 (the "Shelf Registration") within 60 days after the date such OP Units are exchanged for shares of Preferred Stock and shall use all commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective within 120 days after the date of such exchange. The Company shall use all commercially reasonable efforts to keep such Shelf Registration Statement continuously effective with respect to such Registrable Securities until the earliest of (A) 28 months following the date such Registrable Securities are issued by the Company to such Holder or Holders and (B) such time as all of the Registrable Securities which are the subject of such Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or Rule 144.

(b) In lieu of the Shelf Registrations set forth in Section 2.1(a), the Company may, at the Company's option, to the extent permitted by applicable law, rules and regulations, upon

the first exchange of OP Units for shares of Preferred Stock, prepare and file a Shelf Registration Statement with respect to all Registrable Securities (i) issued in exchange for OP Units and (ii) thereafter issuable in exchange for OP Units, and covering the resale thereof by the Holders on an appropriate form for an offering to be made on a continuous or delayed basis pursuant to Rule 415 within 60 days after the date OP Units are first exchanged for shares of Preferred Stock and shall use all commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective within 120 days after the date of such exchange. The Company shall use all commercially reasonable efforts to keep such Shelf Registration Statement continuously effective with respect to all such Registrable Securities theretofore or thereafter issued until such time as all such Registrable Securities which are the subject of such Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or Rule 144.

SECTION 2.3. Registration Procedures; Filings; Information. In connection with any Shelf Registration Statement under Section 2.1 hereof, the Company will use all commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof as expeditiously as possible (and in any event within the periods referred to in Section 2.1), and in connection with any such request:

(a) As provided in Section 2.1 hereof, the Company will as expeditiously as possible prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale by the Selling Holders of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof and which shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the Commission to be filed therewith, and use all commercially reasonable efforts to cause such filed registration statement to become and remain effective for the period specified elsewhere herein.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, notify each Holder of Registrable Securities that a Shelf Registration Statement is being filed and advise such Holder that an offering of Registrable Securities will be made in accordance with the method or methods elected (which method may also include an underwritten offering by a nationally recognized Underwriter selected by the Company and reasonably acceptable to the electing Holders) by the Holders of a majority of the Registrable Securities, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement or prospectus copies of such registration statement or prospectus or any amendment or supplement thereto as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other

documents as such Selling Holder or Underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) The Company will notify each Holder of Registrable Securities and counsel for such Holder promptly and, if requested by such Holder or counsel, confirm such advice in writing promptly (i) when a registration statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the Commission or any state securities authority for post-effective amendments and supplements to a registration statement that has become effective, (iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) if, during the period a registration statement is effective, the representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to such offering

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cease to be true and correct in all material respects, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (vi) of any determination by the Company that a post-effective amendment to a registration statement would be appropriate.

(d) The Company will use all commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption is not available) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests by the time the registration statement relating thereto is declared effective by the Commission and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities, including the National Association of Securities Dealers ("NASD"), as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction except as may be required by the Securities Act.

(e) The Company will immediately notify each Selling Holder or Underwriter of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus and shall file with the Commission such amendments and supplements to such prospectus and deliver copies of the same to the Selling Holders or Underwriters, as the case may be, so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances then existing, not misleading and promptly make available to each Selling Holder a reasonable number of copies of any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement or securities sale agreement, if any, in customary form) containing such representations and warranties to the Holders of such Registrable Securities and the Underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by them and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities.

(g) The Company will make available for inspection by any Selling Holder of such Registrable Securities, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such

Selling Holder or Underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder of such Registrable Securities agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its Affiliates or otherwise disclosed by it unless and until such is made generally available to the public. Each Selling Holder of such Registrable Securities further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants (to the extent permitted by the standards of the American Institute of Certified Public Accountants), each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefor reasonably request.

(i) The Company will otherwise use all commercially reasonable efforts to comply with all applicable rules and regulations of the Commission. and make available to its securityholders, as soon as reasonably practicable, an earnings statement covering a period of twelve (12) months, beginning within three (3) months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) The Company will use all commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(k) The Company will use all commercially reasonable efforts to obtain CUSIP numbers for the Preferred Stock not later than the effective date of the Shelf Registration Statement.

The Company may require, as a condition precedent to the obligations of the Company under the Agreement, each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.3(e) hereof, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement and prospectus covering such Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.3(e) hereof, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. Each Selling Holder of Registrable Securities agrees that it will immediately notify the Company at any time when a prospectus relating to the registration of such Registrable securities is required to be delivered under the Securities Act of the happening of an event as a result of which information previously furnished by such Selling Holder to the Company in writing for inclusion in such prospectus contains 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, in light of the circumstances in which they were made, not misleading. In the event the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the periods referred to in Section 2.1 hereof) by the number of days during the period from and including the date of the giving of notice pursuant to Section 2.3(e) hereof to the date when the Company shall make available to the Selling Holders of Registrable Securities covered by such registration statement a prospectus supplemented or amended to conform with the requirements of Section 2.3(e) hereof.

SECTION 2.4. Registration Expenses. In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"): (i) all Commission, stock exchange, NASD or other registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of U.S. and local counsel for any Underwriters and Holders in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses of any persons in preparing and distributing any Shelf Registration Statement, any prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates representing the Preferred Stock and any other document relating to the performance of, and compliance with, this Agreement, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company

(including the expenses of any special audits or comfort letters or costs associated with compliance with such special audits or with the delivery by independent certified public accountants of a comfort letter or comfort letters requested pursuant to Section 2.3(h) hereof, (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, and (viii) reasonable fees and expenses of one counsel (who shall be reasonably acceptable to the Company) for the Selling Holders. Except as expressly provided in the preceding sentence, the Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

SECTION 2.5. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder of Registrable Securities, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, expenses and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any Preliminary Prospectus, or caused by 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 in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for inclusion therein. The Company also agrees to indemnify Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.5, provided that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter of the Registrable Securities from whom the Person asserting any such losses, claims, damages or liabilities purchased the Registrable Securities which are the subject thereof if (i) such person did not receive a copy of the prospectus (or the prospectus as supplemented) at or prior to the confirmation of the sale of such Registrable Securities to such person in any case where such delivery is required by the Securities Act and the untrue statement or omission of a material fact contained in such preliminary Prospectus was corrected in the prospectus (or the prospectus as supplemented), provided that such Underwriter received prior notice that such prospectus (or the Prospectus as supplemented) corrected such untrue statement or omission of a material fact; or (ii) such person received a prospectus at or prior to the confirmation of the sale of such Registrable Securities to such person during the period when the use of such Prospectus has been suspended in accordance with Section 2.3, provided that such Underwriter received prior notice of such suspension.

SECTION 2.6. Indemnification by Holders of Registrable Securities. Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.5 hereof.

SECTION 2.7. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Sections 2.5 or 2.6 hereof, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.5 hereof, by the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.6 hereof, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30)

Business Days after receipt by such Indemnifying Party of the aforesaid request, (ii) such Indemnifying Party shall not have responded to such request (or, if such Indemnifying Party shall have responded, the same shall be contesting in good faith any portion of the requested reimbursement) and (iii) such Indemnifying Party shall not have reimbursed the Indemnified Party for the uncontested fees and expenses of counsel in accordance with such request prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

SECTION 2.8. Contribution. If the indemnification provided for in Sections 2.5 or 2.6 hereof is unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total Proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Selling Holder, and the Company's and the Selling Holder's relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in Sections 2.5 and 2.6 hereof shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the securities of such Selling Holder were offered to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.8 are several in the proportion that the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

SECTION 2.9. Participation in Underwritten Registrations. No Person may participate in any underwritten registration hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents in customary form and reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

SECTION 2.10. Rule 144. The Company covenants that it will use all commercially reasonable efforts to file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will use all commercially reasonable efforts take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

SECTION 2.11. Holdback Agreements.

(a) Restrictions on Public Sale by Holder of Registrable Securities. To the extent not inconsistent with applicable law, upon receipt of written notice from the Company, each Holder whose securities are included in a registration statement pursuant to Section 2.1 agrees not to effect any sale or distribution of the issue being registered or a similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a "broker's transaction" pursuant to Rule 144, but excluding any private sale made in reliance on Section 4(2) of the Securities Act, during the 7 days prior to, and during the 90-day period beginning on, the effective date of such registration statement, if and to the extent requested in writing by the Company in the case of a non-underwritten public offering or if and to the extent requested in writing by the managing Underwriter or Underwriters in the case of an underwritten public offering.

(b) If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 hereof or the use of any related prospectus would require the disclosure of non-public material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a material transaction, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the earlier of (i) the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.11(b) is no longer necessary and (ii) 45 days; provided however, the aggregate number of days in any consecutive twelve (12) month period during which such suspension or suspensions shall continue shall not exceed one hundred twenty (120) days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary.

(c) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, or if the consummation of any business combination or property acquisition by the Company has occurred or is probable for purposes of Rule 3-05 or 3-14 or Article 11 of Regulation S-X under the Act, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-5 or 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required.



(d) The Company shall extend the period during which a registration statement shall be maintained effective (including the periods referred to in Section 2.1 hereof by the number of days of suspension pursuant to Section 2.11(a), Section 2.11(b) or Section 2.11(c).

ARTICLE III  
MISCELLANEOUS

SECTION 3.1. Remedies. In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

SECTION 3.2. Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the prior written consent of the Company and the Holders or any such Holder's representative if any such Holder is Incapacitated. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

SECTION 3.3. Notices. All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery:

(1) if to any Unit Holder:

Belair Capital Fund LLC  
c/o Eaton Vance Management  
24 Federal Street  
Boston, MA 02110  
Attn: Alan Dynner  
Facsimile Number: (617) 338-8054

with a copy to:

Peter Blessing, Esq.  
(6544-4)  
Shearman & Sterling  
599 Lexington Avenue  
New York, NY 10022  
Facsimile Number: (212) 848-7179

(2) if to the Company or the Operating Partnership:

Regency Realty Corporation  
121 West Forsyth Street, Suite 200  
Jacksonville, Florida 32202  
Attention: Bruce M. Johnson  
Facsimile Number: (904) 634-3428

or to such other address as the Company may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

SECTION 3.4. Successors and Assigns. The rights and obligations of any Holder hereunder may be assigned to any other Holder. Except as expressly provided in this Agreement, the rights and obligations of the Holders under this Agreement shall not be assignable by any Holder to any Person that is not a Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

SECTION 3.5. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto, which may be an original signature or facsimile thereof.

SECTION 3.6. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to the choice of law provisions thereof.

SECTION 3.7. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 3.8. Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

SECTION 3.9. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 3.10. No Third Party Beneficiaries. Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date above written.

REGENCY REALTY CORPORATION,  
a Florida corporation

By:  
Bruce M. Johnson  
Chief Financial Officer

BELAIR CAPITAL FUND LLC  
By: Eaton Vance Management, as its  
Manager

By:  
Tom Otis  
Vice President

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY  
 REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 6/30/98

0000910606  
 REGENCY REALTY CORPORATION  
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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 6/30/97

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REGENCY REALTY CORPORATION  
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JUN-30-1997		
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