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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 11, 1998

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

Florida	1-12298	59-3191743
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

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

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

N/A
(Former name or former address, if changed since last report)

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Item 2. Acquisition or Disposition of Assets.

General

On March 11, 1998, Regency Realty Corporation (the "Company") acquired, through a limited partnership (the "Partnership") of which the Company is the sole general partner, substantially all of the completed properties and third party management assets of Midland Development Group, Inc. and certain of its affiliates ("Midland") pursuant to a Contribution Agreement dated January 12, 1998. For additional information, see the Company's current report on Form 8-K filed with the Commission on February 4, 1998.

Item 7. Financial Statements and Exhibits.

(a) and (b) Financial Statements and Pro Forma Financial Information

Audited statement of revenues and certain expenses for Midland for the year ended December 31, 1996 and unaudited pro forma consolidated balance sheet as of September 30, 1997 and unaudited pro forma consolidated statements of operations for the nine months ended September 30, 1997 and the year ended December 31, 1996 were included in the Company's current report on Form 8-K filed with the Commission on February 4, 1998.

(c) Exhibits

(2) Contribution Agreement dated as of January 12, 1998, by and among Regency Realty Corporation, Midland Development Group, Inc., the Midland Principals and certain Midland Affiliates.

(10) Material Contracts:

(a) Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as of March 5,

1998, by and among Regency Realty Corporation, as General Partner, and the Limited Partners named therein.

(b) Registration Rights Agreement dated as of March 5, 1998, by and among Regency Realty Corporation and the Investors named therein.

(c) Amended and Restated Redemption Agreement dated as of March 5, 1998, by and among Regency Realty Corporation and the Investors named therein.

(d) Non-Competition Agreement dated as of March 11, 1998, by and among Regency Centers, L.P., Regency Realty Group, Inc., Regency Realty Corporation and Lee S. Wielansky.

(e) Lock-up letter agreement of Lee S. Wielansky dated as of March 1, 1998.

SIGNATURES

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

REGENCY REALTY CORPORATION
(Registrant)

March 19, 1998

By: /s/ J. Christian Leavitt

J. Christian Leavitt
Vice President and Treasurer

CONTRIBUTION AGREEMENT

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (the "Agreement") is made as of the day of January, 1998, by and among MIDLAND DEVELOPMENT GROUP, INC., a Missouri corporation ("Midland Development"), the Property Entities (as hereinafter defined) party hereto, the Midland Principals (as hereinafter defined), the Midland Affiliates (as hereinafter defined), and REGENCY REALTY CORPORATION, a Florida corporation ("Regency"), under the following circumstances:

A. Regency is in the business of investing in shopping centers.

B. Midland Development and its Affiliates are in the business of developing and investing in shopping centers. The Midland Affiliates and Property Entities own directly or indirectly Properties, Acquisition Contracts, Management Contracts and certain other Assets (as such terms are hereinafter defined). The Midland Affiliates and Property Entities collectively wish to contribute the Properties that are the subject of this Agreement to a transferee that will acquire all such Properties and are not willing to permit the transferee to pick and choose which of their Properties it wishes to acquire.

C. Regency has caused the prior formation of a Delaware limited partnership (the "Partnership"), and Regency wishes to amend and restate the partnership agreement in substantially the form of Exhibit 1.1.104 (the "Partnership Agreement"). Regency Atlanta, Inc., the current sole general partner of the Partnership and a wholly-owned subsidiary of Regency, will merge into Regency, and Regency will be the sole general partner of the Partnership.

D. Regency will make certain cash contributions to the Partnership, the Property Entities will contribute their respective Assets to the Partnership (in some cases for contribution in turn to other Transferees (as hereinafter defined)) in exchange for Units (as hereinafter defined) and, in some cases earn-out rights, and each Midland Affiliate owning an interest in a Joint Venture (as hereinafter defined) will assign its interest in such Joint Venture to the Partnership (in some cases for contribution in turn to another Transferee), in exchange for earn-out rights, all as provided for herein and in the Partnership Agreement.

E. Each entity contributing Assets to the Partnership will distribute the Units it so receives to its respective equity owners.

F. Subject to the provisions of a redemption agreement in the form of Exhibit 1.1.118 (the "Redemption Agreement") and the OTR Redemption Agreement (as hereinafter defined), the Units may be redeemed for Shares (as hereinafter defined) or cash.

G. OTR, as nominee for OSTRS (as hereinafter defined), is a party with a Midland Affiliate to a joint venture known as OTR/Midland Realty Holdings, Ltd. ("OTR/Midland Ltd."), which joint venture is a Property Entity that owns 11 Properties to be contributed to the Partnership hereunder in exchange for Units. OTR/Midland Ltd. has the right and obligation, directly or through a sub-partnership, to acquire two additional Development Properties (as hereinafter defined) located in Ohio and North Carolina and two additional Development Properties located in Texas. OTR/Midland Ltd. also has the right to acquire certain properties being developed by Midland Affiliates through Joint Ventures, or to be developed in the future (subject to OSTRS Option Rights) by Affiliates of Midland Development through joint ventures, with Affiliates of The Kroger Company.

H. OTR will release its rights to participate, through OTR/Midland Ltd., in the acquisition and ownership of the OSTRS Committed Eastern Properties being developed by Joint Ventures and the OSTRS Eastern Option Properties (as those terms are hereinafter defined), which rights will be released in exchange for Units.

I. OTR wishes to continue participating (on the same terms that it has invested in Properties through OTR/Midland Ltd.) in investments in the Properties referred to elsewhere herein as the OSTRS Committed Western Properties. OTR also wishes to have the right to participate in investments in (all of which are subject to OSTRS Option Rights (as hereinafter defined)): (i) the Properties being developed by Joint Ventures and referred to elsewhere herein as the OSTRS Western Option Properties and (ii) certain properties that may be developed directly or indirectly by the Partnership during a specified time period through joint ventures with Affiliates of The Kroger Company. Accordingly, the

Partnership will cause the formation of joint ventures (the "OTR Joint Ventures") between OTR and a new partnership, R&M Western Partnership (as defined below), for the purpose of making such investments, the governing documents of which will be identical in substance to those of OTR/Midland Ltd..

J. In consideration of, among other things, the interests in the OSTRS Committed Western Properties and the Joint Ventures for OSTRS Western Option Properties being contributed by certain Midland Affiliates to the Partnership, such Midland Affiliates (through an entity to be formed by them) will be admitted to a limited partnership ("R&M Western Partnership") to be formed by or on behalf of the Partnership to serve as the joint venture partner of OSTRS in the OTR Joint Ventures. Through R&M Western Partnership, such Midland Affiliates will participate in the Partnership's indirect investment (through the OTR Joint Ventures) in the OSTRS Committed Western Properties and the OSTRS Western Option Properties identified as such at the First Closing Date, but not in any other investments of the OTR Joint Ventures. R&M Western Partnership also will serve as the vehicle for (i) certain Midland Affiliates developing two Development Properties in Colorado to continue to participate in the ownership of such Properties after they contribute their existing ownership interests therein to the Partnership and (ii) continued participation by Midland Affiliates in the ownership of any OSTRS Western Option Properties they are developing as of the First Closing Date as to which OSTRS elects not to exercise OSTRS Option Rights.

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

ARTICLE 1: DEFINITIONS

1.1 Definitions. In addition to the terms defined in this Agreement, the following terms shall have the meanings set forth herein:

1.1.1 "Abated Rent" means base rent for which tenants have received abatement credit, but only to the extent that such abatement credit is consistent with the criteria set forth on Schedule 1.1.1.

1.1.2 "Acquisition Contracts" means the Contracts to acquire certain real property and, if applicable, leases, personal property and intangible property relating to such real property, to which certain Property Entities are a party, all as more particularly described on Schedule 1.1.2 (as it may be amended at the First Closing pursuant to Section 5.4), including the rights of OTR/Midland Ltd. and OTR/Midland Texas Limited Partnership to acquire (i) certain Development Properties pursuant to the OTR/Midland Transfer and Contribution Agreement and (ii) additional OSTRS Option Properties which shall be subject to the OSTRS Option Rights in the future.

1.1.3 "Acquisition Properties" means the real property and other assets that are the subject of the Acquisition Contracts.

1.1.4 [Intentionally omitted]

1.1.5 "Additional Units" means the Units to be issued at any Subsequent Closings pursuant to Section 2.5 or 2.6.

1.1.6 "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person, with control meaning the possession, direct or indirect, 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.

1.1.7 "Allocation Chart" means the description of the allocation of Units and Additional Units attached hereto as Schedule 1.1.7, which sets forth (a) the name of each Unit Recipient; and (b) shows separately as to each Property Entity, the respective percentage allocation of Units issuable to each Unit Recipient and the respective percentage allocation of Additional Units, if any, to be issued to certain Unit Recipients at a Subsequent Closing with respect to the various earn-outs described in Section 2.5 and the Property Closings described in Section 2.6.

1.1.8 "Annualized NOI" means the projected annualized net operating income of a property determined as of the applicable Calculation Date on an accrual basis by calculating the excess of:

(a) for executed leases for occupied space in effect as of the end of the calendar month (the "Measurement Month") ending on the Calculation Date that meet the Leasing Criteria (including any leases that expire during the following twelve months), the sum of each of the following accrued during the Measurement Month, times twelve (as if all such leases were in effect at the beginning of the month): all rents (including Abated Rent, but excluding other free or reduced rent that does not meet the criteria set forth on Schedule 1.1.1) at the rates in effect on the last day of the Measurement Month, charges, reimbursements, revenues, percentage rent, expense recoveries and common area maintenance, and all other amounts payable in each case pursuant to such leases, assuming a vacancy rate for GLA leased to Non-Credit Tenants equal to the greater of the actual vacancy rate of all such space or 7.5%, over

(b) the following accrued during the Measurement Month, times twelve: the operating expenses for such property (such as ad valorem Taxes, insurance, and maintenance and repair costs), assuming a management fee equal to $1,000 per month for each tenant which is Kroger or King Soopers and equal to 4% of monthly base rentals for all other tenants, but excluding (A) capital replacements and improvements (including tenant improvements), (B) leasing commissions, (C) depreciation, and (D) debt service; and

(c) subtracting a structural reserve of $0.15 per square foot of GLA except as set forth on Schedule 1.1.8.

1.1.9 "Articles of Incorporation" means the Amended and Restated Articles of Incorporation of Regency, as filed with the Florida Department of State, as further amended or restated from time to time.

1.1.10 "Assets" means (i) the Properties, (ii) the Acquisition Contracts (and any assets acquired by the Property Entities or the Joint Ventures thereunder prior to the First Closing), (iii) the Development Contracts, (iv) the interests of any Midland Affiliate in the Kroger Joint Ventures and the Dillon Joint Ventures and (v) the Other Assets, but excludes the Excluded Assets.

1.1.11 "Assumed Liabilities" means the matters set forth on Schedule 1.1.11.

1.1.12 "Assumed Obligations" means the matters set forth on Schedule 1.1.12.

1.1.13 "Business Day" means any day of the year other than Saturday, Sunday or any other day on which banks located in New York, New York generally are closed for business.

1.1.14 "Calculation Date" means any one of the First Calculation Date, the Second Calculation Date or the Third Calculation Date.

1.1.15 "Capital Expenditure Budget and Schedule" means, collectively, the capital expenditure budget and schedule for each Property, copies of which are attached as Schedule 1.1.15 (as it may be amended pursuant to Section 5.10), which describes the capital expenditures that the respective Property Entities have budgeted for each Property for the year ending December 31, 1998.

1.1.16 "Capitalized Annualized NOI" means the quotient of (a) Annualized NOI divided by (b) 9.95% (9.25% in the case of the Property known as Garner).

1.1.17 "Claim" means all actions, causes of action, suits, debts, dues, accounts, reckonings, bonds, bills, covenants, contracts, controversies, promises, trespasses, damages, judgments, executions, penalties, fines, claims, liabilities and demands whatsoever, in law or equity.

1.1.18 "Closing" means generally the execution and delivery of those documents, securities and/or funds necessary to effect the transactions contemplated by this Agreement.

1.1.19 "Closing Date" means, (i) with respect to the First Closing, five Business Days after the date on which the conditions set

forth herein with respect thereto shall be satisfied or duly waived, or if the Midland Representatives and Regency mutually agree on a different date, the date upon which they have mutually agreed, and (ii) with respect to any Subsequent Closing, the date specified therefor in Section 2.5 or Section 2.6 or elsewhere in this Agreement.

1.1.20 "Code" means the Internal Revenue Code of 1986, as amended, and any successor legislation thereto, including all of the rules and regulations promulgated thereunder.

1.1.21 "Common Stock" means the voting Common Stock, $0.01 par value, of Regency.

1.1.22 "Collateral" means the collateral pledged pursuant to Section 13.7.2.

1.1.23 "Contracts" means the Acquisition Contracts, the Development Contracts, the Management Contracts, the Repair Contracts, the Service Contracts, the TI Contracts and any other contract, direct property management agreement, asset management agreement, development agreement, partnership agreement, lease commitment, purchase order, or other legally binding indenture, mortgage, note, license, deed of trust, commitment, understanding, restriction or other agreement or instrument, other than the Leases, to which any Property Entity is a party or by which any of its assets are bound.

1.1.24 "Contribution Value" has the meaning set forth in Section 2.1.

1.1.25 "Contributors" means the Property Entities, each Midland Affiliate that owns an interest in a Joint Venture and each Joint Venture that transfers, directly or indirectly, a Property, Development Property or Acquisition Contract to a Transferee at the First Closing.

1.1.26 "Development Budget and Schedule" has the meaning set forth in Section 6.5.22.

1.1.27 "Development Contracts" means all contracts listed on Schedule 1.1.27 for the development or redevelopment of the Development Properties or the Acquisition Properties.

1.1.28 "Development Cost" means the costs and expenses incurred in acquiring, constructing and developing or redeveloping a property, including any Contribution Value assigned to the property or amounts reimbursed to a Property Entity at the First Closing for such costs, all out-of-pocket hard and soft costs, any development fee paid or credited to a Regency Entity, and all allocable personnel and overhead costs (but not to exceed $1.50 per square foot for space leased by Kroger and $4.00 per square foot for other leased space in combination with any development fees and leasing commissions) capitalized as part of the acquisition, construction or development cost thereof, less the Net Proceeds from the sale of outparcels and expansion land that originally were part of or adjacent to the property and included as part of its acquisition cost. Development Cost for Phase 2 of Creekside shall be reduced by the fair market value of the expansion land and outparcels for Phase 3 of Creekside as of the applicable Earn-Out Calculation Date.

1.1.29 "Development Earn-Out" has the meaning set forth in Section 2.5.3.2.

1.1.30 "Development Properties" means the Properties listed on Schedule 1.1.30 each of which consists of Real Property which is in the process of being developed or redeveloped; provided, however, upon the acquisition of any Acquisition Property by any Property Entity prior to the First Closing which is to be developed, renovated or redeveloped, as further described on Schedule 1.1.30, such Acquisition Property also shall be deemed a Development Property.

1.1.31 "Dillon" means Dillon Real Estate Co., Inc., a Kansas corporation.

1.1.32 "Earn-Out Closing Date" means any one of the First Earn-Out Closing Date, Second Earn-Out Closing Date or Third Earn-Out Closing Date (collectively, the "Earn-Out Closing Dates").

1.1.33 "Eligibility Criteria" means each of the following, determined as of the date of the First Closing, except as otherwise provided below:

(a) the property is the site of a development which has been approved by the Kroger/Dillon capital committee

(or such other group or individuals authorized to provide a similar function with respect to the determination of store locations for Kroger or Dillon) or, if the property is not the site of a Kroger or King Soopers Joint Venture development, then the property must be subject to a fully executed anchor lease consistent with a first class neighborhood shopping center;

(b) in the case of an Acquisition Property, the property must be subject to a binding purchase contract; and

(c) zoning and all land use approvals, construction permits and any other consents or approvals of any Government Entity required under any Law relating to the property and the development plans related thereto have been obtained as of the 120th day after the date of the First Closing;

provided, however, that in the case of the Frisco and Woodman & Rangewood Properties, the Eligibility Criteria means that the Property is owned as of the First Closing Date by joint venture between Affiliates of Midland Development and Affiliates of Kroger, notwithstanding anything to the contrary provided above.

1.1.34 "Eligible Property" means any Development Property or Acquisition Property described in Schedule 1.1.34 (or on any amendment to Schedule 1.1.34 which may be delivered at the First Closing or promptly after the 120th day after the First Closing) which satisfies the Eligibility Criteria (collectively, the "Eligible Properties"). Schedule 1.1.34 also lists those Properties that the parties presently expect will qualify as Eligible Properties; however, a Property must satisfy the Eligibility Criteria in order to actually qualify as an Eligible Property.

1.1.35 "Endorsements" means endorsements to the Title Insurance, to the extent available under applicable law, including, without limitation, Comprehensive, Access, Survey, Separate Lot, Legal Lot, Non-Imputation, Fairways, Contiguity, Zoning 3.1, and any other endorsement owned by a Property Entity or typically obtained by customary practice in the area of the respective Property for transactions of the type contemplated by this Agreement.

1.1.36 "ERISA" mean the Employee Retirement Income Security Act of 1974, as amended, and any successor legislation thereto.

1.1.37 "Estimated Closing Balance Sheet" has the meaning set forth in Section 11.5.1(a).

1.1.38 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.1.39 "Excluded Assets" means the assets listed on Schedule 1.1.39.

1.1.40 "Existing Mortgage Debt" means collectively the loans of each Property Entity described on Schedule 1.1.40 and the loans obtained with Regency's consent or in compliance with Section 5.2 in connection with the purchase and/or development of the Acquisition Properties or the development of the Development Properties.

1.1.41 "Final Closing Balance Sheet" has the meaning set forth in Section 11.5.1(b).

1.1.42 "First Calculation Date" means the month end immediately following the first anniversary date of the First Closing Date.

1.1.43 "First Closing" means the Closing at which, among other things, the Assets will be contributed to the Partnership.

1.1.44 "First Closing Date" means the date on which the First Closing is effective.

1.1.45 "First Earn-Out Closing Date" means the first Business Day thirty (30) days after the First Calculation Date.

1.1.46 "First Midland NOI Cap" means $1,600,000 if, during the twelve calendar months immediately preceding the First Calculation Date, any Regency Entity commences development or redevelopment of and/or acquires shopping center developments in the Territory which are approved by Regency's investment committee and have budgeted Development Costs (as

of the First Calculation Date) and/or purchase price (including the principal amount of any mortgage debt assumed) in the aggregate equal to or greater than $10,000,000. If such Development Costs and/or purchase price in the aggregate are less than $10,000,000, then the First Midland NOI Cap shall be an amount equal to (i) $1,600,000, multiplied by (ii) the quotient of such aggregate Development Costs and/or purchase price divided by $10,000,000.

1.1.47 "First Midland NOI Threshold" has the meaning set forth in Schedule 1.1.47.

1.1.48 "Franklin Earn-Out Deficiency" has the meaning set forth in Section 2.5.3(a).

1.1.49 "GAAP" means generally accepted accounting principles.

1.1.50 "GLA" means gross leasable area.

1.1.51 "Government Entity" means any court, arbitrator, department, commission, board, bureau, agency, authority, instrumentality or other governmental body, whether federal, state, municipal, foreign or other.

1.1.52 "Gross Asset Value" with respect to an Asset means the sum of its aggregate Contribution Value as of the applicable calculation date plus the aggregate principal amount of debt encumbering such Asset as of such date.

1.1.53 "Hold Period" means the period necessary in order for the sale of a Property or Option Property eligible for capital gains treatment for Federal income tax purposes to be eligible for treatment at the long-term rate of 20%.

1.1.54 "In-Place Earn-Out" has the meaning set forth in Section 2.5.2.

1.1.55 "In-Process Earn-Out Value" has the meaning set forth in Section 2.5.1(a).

1.1.56 "Intangible Property" means all intangible property now or on the First Closing Date owned by any Property Entity or Joint Venture and used in connection with the Real Property, the Personal Property, Midland Headquarters or the Third Party Management Business, including, without limitation, all of their right, title and interest in and to all: licenses, approvals, applications and permits issued or approved by any Government Entity and relating to the use, operation, ownership, occupancy and/or maintenance of the Real Property, the Personal Property, Midland Headquarters or the Third Party Management Business; the various Contracts to be assigned to the Transferees hereunder, including, without limitation, Management Contracts, Work Contracts and Service Contracts; utility arrangements; claims against third parties; plans; drawings; specifications; surveys; maps; engineering reports and other technical descriptions; books and records; insurance proceeds and condemnation awards; and all other intangible rights used in connection with or relating to the Real Property, the Personal Property, Midland Headquarters or the Third Party Management Business, including rights, if any, to current and past names of the Real Property.

1.1.57 "IRS" means the Internal Revenue Service.

1.1.58 "Joint Venture" means a Kroger Joint Venture or a King Soopers Joint Venture (collectively, the "Joint Ventures").

1.1.59 "King Soopers" means a King Soopers Supermarket owned by Dillon or any of its Affiliates.

1.1.60 "King Soopers Joint Venture" means each of the entities set forth on Schedule 1.1.60, which owns the Development Property or the Acquisition Contracts set forth opposite the name of such King Soopers Joint Venture on Schedule 1.1.60 and the joint ventures to be formed to assume the Acquisition Contracts held by Midland Acquisitions, Inc., as described on Schedule 1.1.60 (collectively, the "King Soopers Joint Ventures").

1.1.61 "Kroger" means a Kroger supermarket owned by The Kroger Co. or any of its Affiliates.

1.1.62 "Kroger Joint Venture" means (i) each of the entities set forth on Schedule 1.1.62, which own the Development Property set forth opposite the name of such Kroger Joint Venture on Schedule 1.1.62, (ii) the entity shown on Schedule 1.1.62 that owns the Evans Crossing Outparcel

(as defined in Section 2.5.5) and (iii) the joint ventures to be formed to assume the Acquisition Contracts held by Midland Acquisitions, Inc., as described on Schedule 1.1.62 (collectively, the "Kroger Joint Ventures").

1.1.63 "Law" means any statute, law, ordinance, rule, regulation or judicial decision of any Government Entity.

1.1.64 "Leases" means, as to each Property, all ground leases and all leases within the Improvements (whether oral or written), including leases which may be made by a Property Entity or Joint Venture after the date hereof and before the First Closing as permitted by this Agreement.

1.1.65 "Leasing Criteria" means the criteria listed on Schedule 1.1.65.

1.1.66 "Liability" means any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured.

1.1.67 "Lien" means a lien (statutory or otherwise), security interest, deed of trust, deed to secure debt, claim, charge, pledge, license, equity, option, conditional sales contract, easement, assessment, levy, covenant, condition, right of way, reservation, restriction, exception, limitation, charge or encumbrance of any nature whatsoever.

1.1.68 "Litigation" means any action, suit, proceeding, arbitration, investigation or inquiry, whether civil, criminal or investigative, by or before any Government Entity.

1.1.69 "Loss and Expenses" means any and all damages, Claims, losses, expenses, costs, interest, obligations, and Liabilities, including, without limitation, all reasonable attorneys' fees and expenses in collecting a Claim, enforcing a right to indemnification hereunder and enforcing rights in Collateral (as defined in Section 13.7.2(a)).

1.1.70 "Management Contracts" means all property management agreements, asset management agreements and leasing agreements listed on Schedule 1.1.70 pursuant to which Midland Development currently provides leasing and/or management services with respect to a real property owned by one or more third parties.

1.1.71 "Material Adverse Effect" means (i) with respect to any Property Entity or Joint Venture, a material adverse effect on the Assets or the financial condition, results of operations, business or prospects of such entity taken as a whole, (ii) with respect to a Property or Option Property, a material adverse effect on the financial condition, results of operations, business or prospects of such Property or Option Property, and (iii) with respect to Regency, a material adverse effect on Regency's assets or the financial condition, results of operations, business or prospects of Regency taken as a whole (including its subsidiaries).

1.1.72 "Midland Affiliates" means the managing general partner or managing member of each Property Entity or, in the case of Kroger Joint Ventures or King Soopers Joint Ventures, the administrative member of such Joint Venture, as described on Schedule 1.1.72.

1.1.73 "Midland Development" means Midland Development Group, Inc., a Missouri corporation.

1.1.74 "Midland Development Value Adjustment" means either a Positive Midland Development Value Adjustment or a Negative Midland Development Value Adjustment.

1.1.75 "Midland Financial Statements" means (i) the unaudited balance sheets of each Property Entity and Joint Venture (to the extent then in existence) as of December 31, 1995 and 1996, and the related statements of income and cash flows for the years ended December 31, 1994, 1995 and 1996 (including the notes and schedules contained therein or annexed thereto), and (ii) the unaudited statements of income and cash flows of each Property Entity and Joint Venture as of the ten months ended October 31, 1997 (including the notes and schedules contained therein or annexed thereto), all as previously delivered to Regency.

1.1.76 "Midland Group Earn-Out" has the meaning set forth in Section 2.5.3.

1.1.77 "Midland Headquarters" means the principal offices occupied by Midland Development, Westpark I, Suite 200, 12655 Olive

Boulevard, St. Louis, Missouri 63141.

1.1.78 "Midland NOI" means the sum of (i) the Annualized NOI of the Properties contributed to the Partnership by the Property Entities, excluding the Western Properties, as of the applicable Calculation Date, and (ii) the Annualized NOI as of the applicable Calculation Date of shopping centers (including but not limited to the Acquisition Properties) developed, redeveloped or acquired by any Regency Entity, with the approval of Regency's investment committee, in the Territory and following the First Closing; provided, however, that, in either case, (x) if any such properties are held on the applicable Calculation Date by an entity (other than the Partnership) in which Regency and its Affiliates do not own collectively 100% of the interests, the Annualized NOI attributable to such property shall be included in the calculation of Midland NOI only to the extent of such interests in such entity, and (y) there shall be excluded the Annualized NOI from any development property until it has attained the Minimum Leasing Criteria.

1.1.79 "Midland Principals" means Lee S. Wielansky, Stephen M. Notestine, Joseph H. Apter, Rodney K. Jones and Ned M. Brickman.

1.1.80 "Midland Representatives" has the meaning set forth in Section 13.11.

1.1.81 "Midland Western Partnership" has the meaning set forth in Section 3.1.

1.1.82 "Minimum Leasing Criteria" has the meaning set forth in the OTR/Midland Transfer and Contribution Agreement.

1.1.83 "Negative Midland Development Value Adjustment" has the meaning set forth in Section 11.5.2.

1.1.84 "Net Proceeds" means the net proceeds from the sale of a property (including the aggregate principal balance of any debt to which the property is subject when it is transferred), after the payment of all closing and other transaction costs relating to the disposition thereof (but before repaying any indebtedness encumbering the property), including brokerage commissions, title insurance costs, environmental reports, loan assumption fees, loan prepayment penalties, transfer taxes and deed stamps.

1.1.85 "NewSub" means any new subsidiary (including R&M Western Partnership or any other partnership) organized by or on behalf of the Partnership to become a substitute member or partner of any Joint Venture at the First Closing in place of the existing Midland Affiliate that is a member or partner thereof.

1.1.86 "Non-Credit Tenant" means any tenant other than a tenant (i) whose senior unsecured debt is rated "BBB-" or better by Standard & Poors Corporation and "Baa(3)" or better by Moody's Investor Service (where a Moody's rating is available) or (ii) in respect of tenants where Standard & Poors and Moody's ratings are not available, tenants having a National Association of Insurance Commissioners designation of "NAIC-2" or better.

1.1.87 "Option Property" means each real property described or referred on Schedule 4.1, together with all rights privileges, hereditaments and interests appurtenant thereto including, without limitation, any water and mineral rights, development rights, air rights, easements, and any and all rights of the optionor in and to any streets, alleys, passages and other rights of way; and all buildings, structures and other improvements located on or affixed to such real property and all replacements and additions thereto (collectively, the "Option Properties"). Any outparcel sold prior to the First Closing pursuant to Section 5.2 (Preservation of Business) or Section 5.7 (Exclusivity) shall be excluded from the definition of an Option Property.

1.1.88 "Order" means any order, writ, injunction, judgment, plan or decree of any Government Entity.

1.1.89 "OSTRS" means the State Teachers Retirement System of Ohio.

1.1.90 "OSTRS Committed Eastern Properties" means the Properties and Development Properties listed on Schedule 1.1.90, which have been transferred to OTR/Midland Ltd. or are subject to the OTR/Midland Transfer and Contribution Agreement.

1.1.91 "OSTRS Committed Western Properties" means the Properties and Development Properties listed on Schedule 1.1.91, which are

subject to the OTR/Midland Transfer and Contribution Agreement.

1.1.92 "OSTRS Eastern Option Properties" means the Properties and Development Properties listed on Schedule 1.1.92, which are subject to OSTRS Option Rights, and those additional properties that are not located west of the state of Missouri which subsequently become subject to OSTRS Option Rights.

1.1.93 "OSTRS Option Properties" means all properties currently identified and to be identified in the future which are subject to OSTRS Option Rights.

1.1.94 "OSTRS Option Rights" means the rights of OTR/Midland Ltd. pursuant to the Option and Right of First Offer Agreement dated May 14, 1997 to acquire, on the terms and conditions set forth in the OTR/Midland Transfer and Contribution Agreement, certain properties acquired or developed prior to May 14, 1999 by Affiliates of Topvalco and Midland Development, including the OSTRS Eastern Option Properties and, through the OTR/Midland Texas Limited Partnership, the OSTRS Western Option Properties located in Texas.

1.1.95 "OSTRS Western Option Properties" means the Properties and Acquisition Properties listed on Schedule 1.1.95, which are subject to OSTRS Option Rights, and those additional properties located west of the state of Missouri which subsequently become subject to OSTRS Option Rights.

1.1.96 "Other Assets" means the Third Party Management Assets currently operated by Midland Development, all utility deposits (to the extent transferable), all tenant deposits under the Leases, and all other assets of any Property Entity or Joint Venture (whether owned or leased), including, without limitation, ground leases, under which a Property

Entity or Joint Venture is lessee, and all deposits under the Contracts which relate to the Acquisition Properties, but excluding the Excluded Assets.

1.1.97 "OTR" means OTR, an Ohio general partnership acting as nominee for OSTRS.

1.1.98 "OTR Joint Ventures" means the limited partnerships referred to in Section 3.2.

1.1.99 "OTR/Midland Ltd." means OTR/Midland Realty Holdings, Ltd., a Property Entity that has the right to acquire the OSTRS Committed Eastern Properties, the OSTRS Eastern Option Properties and other OSTRS Option Properties located in states other than Texas.

1.1.100 "OTR/Midland Texas Limited Partnership" means OTR/Midland Realty Holdings, L.P., an Ohio limited partnership which has the right to acquire the OSTRS Western Option Properties located in Texas and other OSTRS Option Properties located in Texas.

1.1.101 "OTR/Midland Transfer and Contribution Agreement" means the Transfer and Contribution Agreement dated as of May 14, 1997 to which Topvalco and OTR, among others, are parties.

1.1.102 "OTR Redemption Agreement" means the Redemption Agreement applicable to OSTRS in substantially the form attached hereto as Exhibit 1.1.102.

1.1.103 "Partnership" means Regency Retail Partnership, L.P. (to be renamed Regency Centers, L.P. prior to the First Closing), a limited partnership formed under Delaware law.

1.1.104 "Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Partnership in substantially the form attached as Exhibit 1.1.104.

1.1.105 "Permitted Exceptions" means:

(a) Liens for Taxes or other assessments or charges of Government Entities (other than Liens imposed under ERISA or any environmental Law or in connection with any environmental Claim) that are not yet delinquent;

(b) as disclosed on the Rent Roll, rights of tenants, as tenants only, under the Leases;

(c) those existing title matters affecting the Properties, Option Properties and the Acquisition Properties (i) disclosed in the

Title Insurance Commitments and not timely specified in Regency's written objection to the applicable Property Entity or Joint Venture pursuant to Section 5.16 (Title Insurance; Survey) or (ii) otherwise described on Schedule 1.1.105(c);

(d) those matters shown on the existing surveys of the Properties and Option Properties (but not the surveys of the Acquisition Properties) and any changes since the date of such existing surveys reflected on the updated Survey which in either case are not objected to by Regency in accordance with Section 5.16 or for which Regency elects to close notwithstanding such matters in accordance with Section 5.16;

(e) easements, rights-of-way, covenants and restrictions which are customary and typical for properties similar to the Properties or Option Properties and which do not (i) interfere with the ordinary conduct of any Property or Option Property or the business of any Property Entity or Joint Venture as a whole or (ii) detract from the value or usefulness of the Properties or Option Properties to which they apply;

(f) liens, mortgages, deeds of trust and other encumbrances securing the Existing Mortgage Debt; and

(g) any other matters not objected to by Regency in accordance with Section 5.16 or for which Regency elects to close notwithstanding such matters in accordance with Section 5.16.

1.1.106 "Person" means an individual or a corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, association, other form of business or legal entity or Government Entity.

1.1.107 "Personal Property" means all tangible property owned or leased by any Property Entity or Joint Venture now or on the First Closing Date and used in conjunction with the operation, maintenance, ownership and/or occupancy or development of the Real Property, Midland Headquarters or the Third Party Management Business, including without limitation: furniture; furnishings; art work; sculptures; paintings; office equipment and supplies; landscaping; plants; lawn equipment; and whether stored on or off the Real Property, tools and supplies, maintenance equipment, materials and supplies, shelving and partitions, and any construction and finish materials and supplies not incorporated into the Improvements and held for repairs and replacements thereto or development thereof, wherever located.

1.1.108 "Positive Midland Development Value Adjustment" has the meaning set forth in Section 11.5.2.

1.1.109 "Property" means, for each property described on Schedule 1.1.115, and any Acquisition Property acquired by a Property Entity or a Joint Venture pursuant to Section 5.4 hereof prior to the First Closing, the Real Property, Leases, Personal Property and Intangible Property related to it, and the "Properties" means all of the Properties.

1.1.110 "Property Entity" means Midland Development and each entity as set forth on Schedule 1.1.110, which own the Real Property or Acquisition Contracts set forth opposite the name of such entity on Schedule 1.1.110 (collectively, the "Property Entities").

1.1.111 "Property Owners" means the Property Entities (except that Midland Development shall be excluded for purposes of Section 6.5) and the Joint Ventures.

1.1.112 "Proration Items" has the meaning assigned thereto in Section 2.1.

1.1.113 "Qualified Development" means development or redevelopment of a property that is not included in the calculation of the In-Process Earn-Out (as defined in Section 2.5.1) and for which construction has commenced by any Regency Entity, or by a joint venture between a Regency Entity and any Affiliate of Dillon or Topvalco, in the twelve calendar months immediately preceding the applicable Calculation Date for a shopping center which has been approved by Regency's investment committee.

1.1.114 "REIT" means a real estate investment trust within the meaning of Section 856 of the Code.

1.1.115 "Real Property" means, as to each Property, the real property described or referred to on Schedule 1.1.115, together with all rights, privileges, hereditaments and interests appurtenant thereto including, without limitation: any water and mineral rights, development

rights, air rights, easements, and any and all rights of any Property Entity or Joint Venture in and to any streets, alleys, passages and other rights of way; and all buildings, structures and other improvements located on or affixed to such real property and all replacements and additions thereto (collectively, the "Improvements").

1.1.116 "Recent Balance Sheet Date" means October 31, 1997.

1.1.117 "Record Date Adjustment Amount" means, with respect to the Units or Additional Units issuable to a Contributor (but for the Record Date Adjustment Amount), the quotient arrived at by (i) dividing the Unit Value (or the then Value in the case of Additional Units that this Agreement requires to be issued based on the then Value) into (ii) the total number of such Units or Additional Units multiplied times an amount equal to that portion of the per Share quarterly dividend on the Common Stock (assuming a quarterly dividend per Share equal to the most recent quarterly dividend declared by Regency at the time of the Closing) which is attributable (assuming that quarterly dividends are prorated evenly by day) to the period prior to the Closing but will be paid after the Closing (the amount in this clause (ii) is referred to as the "Windfall Distribution Amount"). In the event that Units or Additional Units are issued on a record date for the payment by Regency of a cash dividend on the Common Stock, the Windfall Distribution Amount shall be based on the entire per Share quarterly dividend payable with respect to such record date. The Record Date Adjustment Amount shall be zero in the event that Units or Additional Units are issued on a date that is the first day following a record date for the payment by Regency of a cash dividend on the Common Stock.

1.1.118 "Redemption Agreement" means the Redemption Agreement in substantially the form attached as Exhibit 1.1.118.

1.1.119 "Redemption Rights" means the right to redeem Units for Shares pursuant to the Redemption Agreement.

1.1.120 "Regency Entity" means any one of the Partnership, Regency, R&M Western Partnership or any of their Affiliates but excludes (i) Security Capital or any of its Affiliates other than Regency or any of its subsidiaries and (ii) Midland Western Partnership.

1.1.121 "Regency Exchange Act Reports" means the following documents filed by Regency with the SEC since December 31, 1996 and prior to the First Closing: (i) Regency's Form 10-K annual report, (ii) all quarterly reports on Form 10-Q and periodic reports on Form 8-K, (iii) all definitive proxy statements, (iv) all other reports required to be filed by Regency under the Securities Exchange Act of 1934, and (v) all amendments or supplements to any of the foregoing.

1.1.122 "R&M Western Partnership" means a limited partnership formed under Delaware law pursuant to Section 3.1.

1.1.123 "Registration Rights Agreement" means the Registration Rights Agreement in substantially the form attached as Exhibit 1.1.123.

1.1.124 "Rent Roll" means collectively the rent roll and summaries of Leases (including all amendments to Leases) attached as Schedule 1.1.124, identifying with particularity the space leased by each tenant, the term (including extensions and termination rights), square footage and applicable rent, common area maintenance, Tax and other reimbursements, security deposits, exclusivity or expansion rights, and options to purchase or rights of first refusal.

1.1.125 "Repair Contracts" means all contracts listed on Schedule 1.1.125 for repairs, restoration, renovations or improvements (other than tenant improvements) being performed on the Properties but does not include any such contracts that are terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments under the remaining term of the contract.

1.1.126 "Return on Regency Equity" means the amount by which a 10% per annum return on equity invested directly or indirectly (e.g., through R&M Western Partnership) by Regency in a property, while so invested, would exceed actual cash distributions allocable to Regency from the property. Such equity shall include equity attributable to any Contribution Value of a property except that such equity shall be deemed to be zero while a property is held by a joint venture with Dillon or Topvalco and thereafter shall be deemed not to exceed 70% of the Development Cost of the Property even if actual equity of Regency in the Property exceeds such amount. For purposes of computing the Return on Regency Equity, cash distributions to Regency that exceed a 10% per annum return on such equity shall be deemed to reduce Regency's equity.

1.1.127 "SEC" means the Securities and Exchange Commission.

1.1.128 "Second Calculation Date" means the month end immediately following the second anniversary date of the First Closing Date.

1.1.129 "Second Earn-Out Closing Date" means the first Business Day thirty (30) days after the Second Calculation Date.

1.1.130 "Second Midland NOI Cap" means $3,200,000 if, from the First Closing Date to the Second Calculation Date, any Regency Entity commences development or redevelopment of and/or acquires shopping center developments in the Territory which are approved by Regency's investment committee and have budgeted Development Costs and/or purchase price (including the principal amount of any mortgage debt assumed) in the aggregate equal to or greater than $20,000,000. If such Development Costs and/or purchase price in the aggregate are less than $20,000,000, then the Second Midland NOI Cap shall be an amount equal to (i) $3,200,000, multiplied by (ii) the quotient of such aggregate Development Costs and/or purchase price divided by $20,000,000. In the event that the Second Midland NOI Cap was less than $3,200,000 on the Second Calculation Date, the Second Midland NOI Cap for purposes of the Third Calculation Date shall be equal to (i) $3,200,000 multiplied by (ii) the lesser of (x) one (1) or (y) the quotient of such aggregate Development Costs and/or purchase price from the First Closing Date to the Third Closing Date divided by $20,000,000.

1.1.131 "Second Midland NOI Threshold" has the meaning set forth in Schedule 1.1.131.

1.1.132 "Securities Act" means the Securities Act of 1933, as amended.

1.1.133 "Security Capital" means, collectively, Security Capital Holdings, S.A., a Luxembourg corporation, and Security Capital U.S. Realty, a Luxembourg corporation.

1.1.134 "Service Contracts" means, as to each Property, all management, service, maintenance, utility, supply, equipment rental, and other contracts listed on Schedule 1.1.134 related to the operation of each Real Property or the related Personal Property, but does not include any such contracts which are terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments over the remaining term of the contract.

1.1.135 "Shares" means shares of Common Stock.

1.1.136 "Subsequent Closing" means any Closing after the First Closing.

1.1.137 "Survey" means, collectively, a map of a stake survey of each Property which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey, which is dated not earlier than 90 days prior to the First Closing, and which is certified to the Partnership and any other applicable Transferee, the Property Entity or Joint Venture owning such Property, Regency, lenders under the Existing Mortgage Debt and the Title Company providing the Title Insurance, and dated as of the date the Survey was made. Notwithstanding the foregoing, the Survey shall, at a minimum, show the following:

(a) the metes and bounds legal description of the Property;

(b) a certificate by the surveyor certifying to the Partnership, Regency, the Property Entity or Joint Venture owning such Property, lenders under the Existing Mortgage Debt and the Title Company, in such form as may be reasonably acceptable to the Partnership, dated as of a date not earlier than the date of execution of this Agreement (and subsequently updated to within 90 days of the First Closing, if necessary);

(c) all physical matters on the ground, which may adversely affect the Property or title thereof and the number of parking spaces located on the Property;

(d) whether the Property is located in a "Special Flood

Hazard Area" as determined by review of a stated, identified, Flood Hazard Boundary Map or Flood Hazard Rate Map published by the Federal Insurance Administration of the United States Department of Housing and Urban Development;

(e) all easements of record affecting the Property with proper notation of the book and page of each easement as recorded in the public records;

(f) the lines of the public streets abutting the Property and the widths and center lines of all such streets;

(g) all encroachments and the extent thereof, if any, in feet and inches on the Property or any portion thereof; and

(h) the number of square feet (to the nearest 1/100 of a square foot) contained within the Property.

1.1.138 "Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or

addition thereto, whether disputed or not. The term "Tax" also includes any amounts payable pursuant to any tax sharing agreement to which any relevant entity is liable as a successor or pursuant to contract.

1.1.139 "Tenant Estoppels" has the meaning set forth in Section 5.13.

1.1.140 "Territory" means the states of Colorado, Illinois, Indiana, Michigan, Missouri, North Carolina, Ohio, Tennessee, Texas, Virginia and Wyoming.

1.1.141 "Third Calculation Date" means the month end immediately following the third anniversary of the First Closing Date.

1.1.142 "Third Earn-Out Closing Date" means the first Business Day thirty (30) days after the Third Calculation Date.

1.1.143 "Third Party Management Assets" means the furniture, fixtures and equipment of Midland Development (an itemized list of which shall be provided to Regency prior to the First Closing) and the other assets, including all cash, deposits (to the extent assignable), receivables and the Management Contracts, used by Midland Development in its business of (i) managing and/or leasing properties owned by third parties, (ii) developing properties for third parties, (iii) acting as real estate broker for third parties, and (iv) consulting and business services performed for third parties, including without limitation, tenant representation, asset management, construction management and other consulting services. Notwithstanding the foregoing, Third Party Management Assets shall not include rights relating to pending transactions which have been substantially agreed to and are in the process of being documented and which are set forth on Schedule 1.1.143 (or on any amendment to Schedule 1.1.143 which may be delivered at or prior to the First Closing).

1.1.144 "Third Party Management Company" means Regency Realty Group, Inc., a Florida corporation, or, at the election of Regency, Regency Realty Group II, Inc., a Florida corporation.

1.1.145 "TI Budget and Schedule" means, collectively, the tenant improvement budget and schedule for each Property or Acquisition Property, copies of which are attached as Schedule 1.1.145 (as it may be amended pursuant to Section 5.10), which describes the tenant improvements that each Property Entity or Joint Venture respectively budgeted therefor the periods shown therein.

1.1.146 "TI Contracts" means all contracts listed on Schedule 1.1.146 (as it may be amended pursuant to Section 5.10) for tenant improvements under the Leases.

1.1.147 "Title Company" means Lawyers Title Insurance Corporation.

1.1.148 "Title Defect" means any exception in the Title Insurance Commitment or any matter disclosed by the Survey, other than a

Permitted Exception.

1.1.149 "Title Insurance" means an ALTA Form B Owner's Policy of Title Insurance (Revised 10-17-70 and 10-17-84), with extended coverage (i.e., with ALTA General Exceptions 1 through 5 deleted), for such amount as Regency reasonably determines, insuring the applicable Transferee as owner of good, marketable and indefeasible fee simple title to the Properties, subject only to the Permitted Exceptions, issued by the Title Company or another title insurer acceptable to Regency.

1.1.150 "Title Insurance Commitment" means a binder whereby the Title Company agrees to issue the Title Insurance to the applicable Transferee.

1.1.151 "Topvalco" means Topvalco, Inc., an Ohio corporation and a wholly owned subsidiary of The Kroger Co.

1.1.152 "Transaction Documents" means the Partnership Agreement, the Redemption Agreement, the OTR Redemption Agreement, the Registration Rights Agreement and the various other agreements and documents executed and delivered in connection with the transactions contemplated hereby.

1.1.153 "Transferee" means the Partnership, R&M Western Partnership, any OTR Joint Venture or any NewSub (collectively, "Transferees").

1.1.154 "Unit Recipient" means each equity owner of a Contributor who receives Units at the First Closing, as set forth on the Allocation Chart (collectively, the "Unit Recipients").

1.1.155 "Unit Value" means a value per Unit of $26.5813.

1.1.156 "Units" means units of partnership interests in the Partnership to be held by the Unit Recipients as more fully described in the Partnership Agreement.

1.1.157 "Value" has the meaning set forth in the Redemption Agreement. Whenever the value is being determining for Units pledged pursuant to Article 13, the Value of a Unit shall be determined by multiplying the Value of a Share by the Unit Adjustment Factor (as defined in the Redemption Agreement).

1.1.158 "Western Properties" means the OSTRS Committed Western Properties, the OSTRS Western Option Properties, the Development Properties known as Cheyenne and Lloyd King, and any properties located in Colorado, Texas or Wyoming which become subject to this Agreement prior to the First Closing pursuant to Section 5.4.

1.1.159 "Windfall Distribution Amount" has the meaning set forth in Section 1.1.117.

1.1.160 "Work Contracts" means the TI Contracts, the Repair Contracts and the Development Contracts.

ARTICLE 2: CONTRIBUTION TO PARTNERSHIP

2.1 Contribution Values. The aggregate Contribution Value (after giving effect to the reserves for capital expenditures set forth on Schedule 2.1) of all the Assets (and the individual Contribution Value of each Property or other Asset) to be contributed hereunder by the Property Entities, and the aggregate and individual Gross Asset Value of each such Asset as of November 30, 1997, is as set forth on Schedule 2.1.

(a) The Contribution Value of each Property being contributed at the First Closing shall be adjusted (i) based upon the Annualized NOI of such Property as of the end of the month immediately preceding the First Closing, calculated in the same manner and utilizing the same capitalization percentage rates as described on Schedule 2.1 for such Property and (ii) based upon the Existing Mortgage Debt for such Property as of the First Closing. Any closing prorations and adjustments credited to the Transferees (but excluding any cash reimbursements of items such as earnest money deposits) or charged against Property Entities pursuant to Sections 5.16 (Title Insurance; Survey), 5.18 (Damage), or 5.19 (Condemnation) or Article 11 (Prorations and Adjustments) (collectively, the "Proration Items") shall increase or reduce the Contribution Value of the applicable Property, and the amount of out-of-pocket acquisition and development costs funded after the date hereof and prior to the First Closing in accordance with Section 5.2 (Preservation of Business) (other than costs funded through the incurrence of debt or costs reimbursed in

cash at the First Closing) shall increase the Contribution Value of the applicable Asset. In the event that a Closing of a Property is deferred until after the First Closing (a "Deferred Property") and the Deferred Property is expected to have a negative Contribution Value, an appropriate reserve shall be deducted from the Contribution Value of the other Assets contributed at the First Closing by the Contributor(s) who own the Deferred Properties so that, after taking such reserve into account, the Partnership will not reasonably be expected to have issued too many Units taking into consideration the Contribution Value of (i) the Assets contributed by such Contributors at the First Closing and (ii) all the Deferred Properties.

(b) The Contribution Value of the Third Party Management Assets and the Other Assets being contributed by Midland Development (i) shall be increased as of the First Closing by the estimated amount by which Midland Development's Assets constituting current assets (cash, deposits and accounts receivable) exceed the sum of Midland Development's current liabilities and the outstanding balance under its line of credit (to the extent included in the Assumed Liabilities), or (ii) shall be decreased by the estimated amount by which such current liabilities and outstanding line of credit balance (to the extent included in the Assumed Liabilities) exceed such current assets, as applicable, in either case, on the First Closing Date, as reflected on the Estimated Closing Balance Sheet).

(c) Any Additional Units issued to a Unit Recipient at a Subsequent Closing shall increase the Contribution Value of the applicable Assets to which the Additional Units relate by an amount equal to the Unit Value (or the then Value in the case of Additional Units that this Agreement requires to be issued based on the then Value) times the number of such Additional Units, less the Record Date Adjustment Amount attributable to such Units, and such increase in Contribution Value shall be allocated among such Assets as provided in the Partnership Agreement.

2.2 Capitalization of the Partnership.

(a) At the First Closing, (i) Regency shall contribute cash in return for an additional interest as general partner, in accordance with the Partnership Agreement, in the amount described in Section 10.2.2(h) hereof, which contribution shall be applied immediately following the First Closing to pay that portion of the Existing Mortgage Debt set forth on Schedule 2.2(a) and to pay the closing costs described in Section 15.5, and (ii) each Contributor shall contribute its Assets to the Partnership, subject to the Assumed Liabilities and Assumed Obligations, free and clear of all Liens, other than Permitted Exceptions, in exchange for Units representing its respective limited partner's interest. The number of Units to which a Contributor is entitled (i) shall be determined by dividing (x) the Contribution Value of the Assets as of the First Closing contributed by such Contributor by (y) the Unit Value, and subtracting the Record Date Adjustment Amount and (ii) shall be rounded to the nearest whole Unit. At Regency's election, OTR/Midland Ltd. shall contribute its Properties and other Assets to the Partnership by merging into the Partnership at the First Closing, with the Partnership being the surviving entity in the merger.

(b) At the First Closing, each Contributor shall distribute to its respective Unit Recipients, in the respective percentages set forth on the Allocation Chart (which are included at the Contributor's instructions), the Units that such entity receives in exchange for its capital contributions to the Partnership, with fractional Units paid in cash by the Partnership based on the Unit Value. At the First Closing, in lieu of issuing Units to each Contributor and then reissuing them to such entity's Unit Recipients pursuant to the steps outlined above, at the direction of each respective Contributor, the Partnership shall issue such consideration directly to such Unit Recipients pro rata in accordance with their respective percentages shown on the Allocation Chart.

(c) At the First Closing, prior to the exercise of any Redemption Right by the Unit Recipients, the Partnership shall sell the Third Party Management Assets, at a price equal to their Contribution Value, to Regency Realty Group, Inc., pursuant to a separate purchase and sale agreement.

(d) Pursuant to the Redemption Agreement, in addition to the other redemption rights granted thereunder, each Unit Recipient shall be entitled to elect to immediately cause Regency to redeem all or any portion of the Units issued to such Unit Recipient for cash in an amount equal to the Unit Value, payable at the First Closing; provided, however, that in the event the closing price per Share on the New York Stock Exchange is less than $24 per Share on the Business Day immediately preceding the First Closing, then notwithstanding the failure to elect to

immediately redeem Units for cash, each Unit Recipient may so elect at the First Closing, and the redemption price shall be payable following the First Closing, all as provided in the Redemption Agreement. Any Unit Recipient who does not elect to retain his Units or does not execute any election form or investment representation form submitted with the Disclosure Documents referred to in Section 5.6 shall be deemed to have elected to redeem all of the Units issued to such Unit Recipient for cash. Notwithstanding the foregoing, the Midland Principals may only immediately redeem their Units for cash to the extent that the Midland Principals collectively hold at least 67% of the aggregate consideration which they receive at the First Closing (other than the amounts placed in escrow pursuant to Section 2.2(e)) in the form of Units which are not so redeemed (the "Minimum Unit Requirement"). In the event that the elections of the Midland Principals to immediately redeem Units for cash at the First Closing do not in the aggregate satisfy the Minimum Unit Requirement, each Midland Principal will be deemed to elect to retain a pro rata number of Units based on the percentage allocations set forth on Schedule 2.2(c) sufficient in the aggregate to satisfy the Minimum Unit Requirement. OTR shall be entitled to certain additional redemption and other rights pursuant to the OTR Redemption Agreement.

(e) Notwithstanding the above provisions of this Section 2.2, Units representing $400,000 of the Contribution Value with respect to the St. Ann Property and Units representing $400,000 of the Contribution Value (which shall be allocable only to the Midland Affiliate owning an interest in such Property (the "Hamilton Escrow Entity")) with respect to the Hamilton Meadows Property shall be redeemed by Regency for cash and the cash redemption price shall be placed in separate escrow accounts (each, an "Escrow") with Foley & Lardner pursuant to escrow agreements to be executed at the First Closing, providing for interest to be distributed annually (i) to the Property Entity that contributes the St. Ann Property and (ii) to the Hamilton Escrow Entity, respectively (collectively, the "Escrow Entities"). Upon the election of either Regency or the Midland Representatives, Regency shall use reasonable commercial efforts to dispose of such Properties and shall use reasonable commercial efforts to effect such dispositions as "like-kind" tax deferred exchanges pursuant to Section 1031 of the Code provided that such Properties are eligible for such treatment thereunder. With respect to each of the St. Ann Property and the Hamilton Meadows Property:

(i) In the event that the Net Proceeds from the sale of such Property are greater than its Gross Asset Value as of the First Closing (determined after any Proration Items), Units with a value equal to 50% of the amount of such excess together with the funds held in the respective Escrow for such Property will be distributed to the applicable Escrow Entity.

(ii) In the event that the Net Proceeds from the sale of such Property are less than its respective Gross Asset Value as of the First Closing (determined after any Proration Items), funds equal to 50% of the excess of such Gross Asset Value over the Net Proceeds will be distributed from the respective Escrow for such Property to the Partnership, and any funds thereafter remaining in such Escrow shall be distributed to the applicable Escrow Entity.

(iii) In no event shall an Escrow Entity be responsible or liable for any deficiency in the Net Proceeds for its respective Property beyond the amount held in the respective Escrow for such Property. For purposes of this Section 2.2(e), there shall not be deducted from Net Proceeds any brokerage commissions payable to any Affiliate of Regency in connection with the sale of the Property.

(iv) The number of any new Units issuable under this Section 2.2(e) shall be (x) based on the Unit Value and (y) reduced by the Record Date Adjustment Amount.

(f) Any Unit Recipient who does not elect to exercise a Redemption Right at the First Closing may affirmatively elect, on forms provided as part of the Disclosure Documents referred to in Section 5.6, to purchase Units from the Partnership, at a price per Unit equal to the Unit Value, to be issued simultaneously with the other Units issued to such Unit Recipient at the First Closing (the "Asset Units"), in an amount (the "Adjustment Units") equal to the Record Date Adjustment Amount applicable to the Asset Units. The purchase price for such Adjustment

Units shall be equal to the Windfall Distribution Amount applicable to the Asset Units and shall be payable in cash to the Partnership on the tenth Business Day after the payment date for the first cash dividend paid by Regency on the Common Stock after the First Closing Date. The Partnership shall hold a first priority security interest in the Adjustment Units to secure the payment of the purchase price thereof. Certificates for the Adjustment Units, together with related stock powers or other powers of attorney otherwise reasonably acceptable to the Partnership, shall be held by the Partnership until the release of the security interest therein pursuant to this Section 2.2(f). Until such time as the full purchase price is paid, the Unit Recipient pledging the Adjustment Units shall (i) keep such Units free of all security interests, voting trust agreements, shareholder agreements, or other interests and encumbrances, except for the security interest granted herein, and (ii) not assign, deliver, sell, transfer, lease or otherwise dispose of (including dispositions by operation of law) any portion of the Adjustment Units or any interest therein without the prior written consent of the Partnership. The Partnership shall have the right to cancel the Adjustment Units in the event that the Partnership does not receive the full purchase price of such Units by the fifteenth Business Day after the due date thereof, and in addition, shall have all rights and remedies of a secured party under the Uniform Commercial Code. A Unit Recipient who purchases Adjustment Units hereunder shall also be deemed to have elected to purchase Adjustment Units on the same terms and conditions with respect to any Additional Units issued to such Unit Recipient at a Subsequent Closing except Units representing the Evans Crossing Land Earn-Out.

2.3 OSTRS Consideration. Notwithstanding the provisions of Section 2.2 hereof, the consideration to be received by the equity owners of OTR/Midland Ltd. at the First Closing with respect to the OSTRS Committed Eastern Properties transferred by OTR/Midland Ltd. to the Partnership at the First Closing shall be governed by this Section 2.3. Upon the transfer of such Properties to the Partnership at the First Closing as provided hereunder, OTR/Midland Ltd. shall be entitled to receive, for distribution to its equity owners, in accordance with the respective percentages set forth on the Allocation Chart (which are included at OTR/Midland Ltd.'s instructions), the Units which OTR/Midland Ltd. would receive pursuant to Section 2.2, plus an additional amount of Units with a Unit Value equal to the OSTRS Capitalization Premium. As used herein, the "OSTRS Capitalization Premium" (which shall be allocated 100% to OSTRS) means 65% of the difference between (i) the Contribution Value of the Properties owned by OTR/Midland Ltd. determined in accordance with Section 2.1(a), but using the respective capitalization rates set forth on the Allocation Chart (which is a weighted average capitalization rate of 9.486%) and (ii) the Contribution Value of such Properties determined in accordance with Section 2.1(a).

2.4 Assumptions.

2.4.1 Assumption of Liabilities. At the First Closing, each Transferee shall assume the applicable Assumed Liabilities and Assumed Obligations (but in the case of Assumed Liabilities that are non-recourse, only to the extent of the carve-outs from the non-recourse provisions) that relate to the Assets transferred to it, and the applicable Property Entity shall assign such Assumed Liabilities and Assumed Obligations to the applicable Transferee. The amount of such Assumed Liabilities that encumber Option Properties, as further described on Schedule 2.4.1, shall be deducted from the Contribution Value as of the First Closing for the adjacent Property described on Schedule 2.4.1. Except for the Assumed Liabilities and Assumed Obligations, the Transferees shall not assume or become subject at any Closing to any Liabilities of any Property Entity or Midland Affiliate unless to the extent a Transferee expressly accepts the benefits of a Contract that a Contributor neglected to transfer to the Transferee, in which case such Transferee shall be deemed to have assumed the Contributor's obligations thereunder.

2.4.2 Substitution of NewSubs in Joint Ventures.

(a) At the First Closing, each Midland Affiliate that is a member or a partner in a Joint Venture shall transfer and assign its interest in such Joint Venture to the Partnership (which may contribute all or a portion thereof in turn to one or more NewSubs), such Transferee(s) shall become the substitute members or partners of such Joint Venture and, at Regency's election, Third Party Management Company may be admitted as a one percent (1%) member or partner so long as the aggregate interests of the Regency Entities therein do not exceed fifty percent (50%).

(b) The ultimate Transferee of the Partnership shall have the right to direct that the Transaction Documents convey the interests in the Joint Ventures directly to such ultimate Transferee rather than to the

Partnership and then to the ultimate Transferee.

(c) Each Joint Venture will be obligated to transfer its Development Property to either the Partnership, R&M Western Partnership or an OTR Joint Venture (pursuant to obligations under the OTR/Midland Transfer and Contribution Agreement and the OSTRS Option Rights transferred to the Partnership and then transferred, with certain exceptions, to such other Transferees), when such Property attains the Minimum Leasing Criteria. Notwithstanding the foregoing, at Regency's election, (i) the Joint Ventures that are developing the Properties known as Cheyenne and Lloyd King, and (ii) any Joint Ventures developing Properties in Colorado, Texas or Wyoming as to which OSTRS does not exercise OSTRS Option Rights, may retain their Properties in the event that Midland Western Partnership (as defined in Section 3.1) is admitted to such Joint Ventures.

2.5 Subsequent Closings. As described in this Section 2.5, Additional Units may be issued at Subsequent Closings to Contributors that have contributed their Assets to the Partnership at the First Closing, provided that certain performance criteria are satisfied. The number of any Additional Units issuable to a Contributor pursuant to this Section 2.5 shall be based on the Unit Value, shall be reduced by the Record Date Adjustment Amount and shall be rounded to the nearest whole Unit. At the direction of the Contributor, in lieu of issuing such Additional Units to the Contributor for distribution by the Contributor to its equity owners, the Partnership shall issue the Additional Units directly to such equity owners, in accordance with the Contributor's instructions, which are included as part of the Allocation Chart. Any fractional Unit resulting from such instructions shall be paid in cash, based on the Unit Value.

2.5.1 In-Process Earn-Out. Contributors who contribute Eligible Properties shall have the right to receive Additional Units in the event that the performance criteria set forth below are satisfied (the "In-Process Earn-Out"). Such Additional Units issued on account of the In-Process Earn-Out shall be allocated to the Contributors who contributed the Eligible Properties and, in accordance with their instructions, shall be allocated among their Unit Recipients in the respective percentages set forth on the Allocation Chart.

(a) "In-Process Earn-Out Value" means as of the applicable Calculation Date, the excess of (x) the aggregate Capitalized Annualized NOI as of the Calculation Date for the Eligible Properties that have first attained the Minimum Leasing Criteria during the twelve months ending on such Calculation Date over (y) the sum of (A) the aggregate Development Costs for such Eligible Properties, plus (B) an amount equal to the Return on Regency Equity with respect to such Eligible Properties as of the applicable Calculation Date, plus (C) all rent concessions, including aggregate Abated Rent, for such Eligible Properties for the period after the applicable Calculation Date, plus (D) Regency's reasonable estimate of aggregate unrealized losses based on the value (computed using Capitalized Annualized NOI less Development Costs) of Eligible Properties deferred by the Midland Representatives pursuant to paragraph (c) below ("Loss Estimation"). If Topvalco or Dillon retains an interest in an Eligible Property on the Calculation Date, the In-Process Earn-Out Value shall be reduced to the extent of such interest. Notwithstanding the above, the In-Process Earn-Out Value with respect to the Garner Property shall be determined at anytime after the First Closing and prior to the First or Second Calculation Date, as may be designated by the Midland Representatives (referred to herein as the "Garner Calculation Date"). In the event that no such designation is made by the Midland Representatives, the In-Process Earn-Out for Garner will be determined on the applicable Calculation Date.

(b) If the In-Process Earn-Out Value is a positive number on the First Calculation Date (or on the Garner Calculation Date with respect to the Garner Property, if applicable), on the First Earn-Out Closing Date (or on the 30th day following the Garner Calculation Date, if applicable), Additional Units shall be issued in an aggregate amount equal to the quotient obtained by dividing (i) the In-Process Earn-Out Value as of the First Calculation Date (or in the In-Process Earn-Out Value of the Garner Property as of the Garner Calculation Date) by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(c) Notwithstanding the foregoing, the Midland Representatives shall have the right to defer the calculation of the In-Process Earn-Out Value with respect to an Eligible Property ("Deferred Eligible Properties") until the Second Calculation Date. If Regency makes a Loss Estimation with respect to a Deferred Eligible Property on the First Calculation Date, and as of the Second Calculation Date (i) such Eligible Property has Capitalized Annualized NOI that does not result in an unrealized loss in value or (ii) the amount of such Capitalized

Annualized NOI results in an unrealized loss in value which is less than the Loss Estimation, an amount equal to such Loss Estimation or the amount by which the Loss Estimation exceeded the actual unrealized loss in value (which amount in either case shall be a positive amount) shall be credited to the aggregate Capitalized Annualized NOI of the Deferred Eligible Properties on the Second Calculation Date. If the In-Process Earn-Out Value with respect to the Deferred Eligible Properties as of the Second Calculation Date is a positive number, on the Second Earn-Out Closing Date, Additional Units shall be issued in an aggregate amount equal to the quotient obtained by dividing (i) such In-Process Earn-Out Value as of the Second Calculation Date by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount. For purposes of computing the In-Process Earn-Out as of the Second Calculation Date, all base rent shall be computed using the initial base rent in effect as of the end of the calendar month immediately prior to the First Calculation Date or, with respect to leases which are not in effect on that date, as of the beginning of the lease term.

2.5.2 In-Place Earn-Out. The Contributors who contribute the Properties known as Maxtown, Cherry Grove and Franklin Square shall respectively have the right to receive Additional Units as provided herein in the event that the performance criteria set forth below are satisfied (the "In-Place Earn-Out").

(a) "The In-Place Earn-Out Base" shall mean the extent, if any, to which (A) the Gross Asset Value of such Property calculated as of the First Calculation Date determined on the same basis as contained in Schedule 2.1 and based on the Annualized NOI calculated as of the First Calculation Date exceeds (B) 103% of the Gross Asset Value of such Property determined as of the First Closing (after any Proration Items) pursuant to Section 2.1.

(b) If the In-Place Earn-Out Base is a positive number with respect to the Property known as Maxtown, the "In-Place Earn-Out Value" shall be equal to that percentage of the In-Place Earn-Out Base with respect to such Property that equals the aggregate percentage of ownership held by Vincent Romanelli, David Hughes and their Affiliates in the Contributor of such Property, who shall be entitled to 100% of such In-Place Earn-Out Value, pro rata in accordance with their relative individual percentage interests in such Contributor.

(c) If the In-Place Earn-Out Base is a positive number with respect to the Property known as Cherry Grove, the "In-Place Earn-Out Value" shall be equal to that percentage of the In-Place Earn-Out Base with respect to such Property that equals the aggregate percentage of ownership held by Bartlett Real Estate Limited Partnership Fund VI in the Contributor of such Property, which shall be entitled to 100% of such In-Place Earn-Out Value.

(d) If the In-Place Earn-Out Base is a positive number with respect to the Property known as Franklin Square, "In-Place Earn-Out Value" shall be equal to 100% of the In-Place Earn-Out Base with respect to such Property.

(e) If a Property named in this Section 2.5.2 produces In-Place Earn-Out Value, on the First Earn-Out Closing Date, Additional Units shall be issued to the Property Entity contributing such Property to the Partnership at the First Closing, in the amount equal to the In-Place Earn-Out Value divided by the Unit Value, less the Record Date Adjustment Amount. At the direction of the Contributor, such Additional Units shall be issued directly to the Unit Recipients entitled thereto, who are identified on Schedule 2.5.2, in accordance with the allocation procedures set forth therein (which are included at the Contributor's instructions).

2.5.3 Midland Group Earn-Out. Midland Development shall have the right to receive Additional Units in the event that the performance criteria set forth below are satisfied (the "Midland Group Earn-Out"). The Midland Group Earn-Out shall consist of two components: the Midland NOI Earn-Out and the Midland Development Earn-Out.

2.5.3.1 The Midland NOI Earn-Out.

(a) The Midland NOI shall be determined as of the First Calculation Date. An amount equal to 100% of the excess, if any, of the Midland NOI as of the First Calculation Date over the First Midland NOI Threshold shall be the "First Midland NOI Earn-Out Value"; provided, however, the First Midland NOI Earn-Out Value (including any Property Sale Participation, as defined below) shall not exceed (a) the First Midland NOI Cap, plus (b) the amount by which the In-Place Earn-Out with respect to Franklin Square, as determined pursuant to Section 2.5.2(d), is less than $1,310,000 (the "Franklin Earn-Out Deficiency") (the sum of clauses

(a) and (b) is referred to as the "Maximum First Midland NOI Earn-Out"). If the First Midland NOI Earn-Out Value is a positive number, on the First Earn-Out Closing Date, Additional Units shall be issued to Midland Development in an amount equal to the quotient obtained by dividing (i) the First Midland NOI Earn-Out Value by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(b) The Midland NOI shall be determined as of the Second Calculation Date. An amount equal to 100% of the excess, if any, of the Midland NOI as of the Second Calculation Date over the Second Midland NOI Threshold shall be the "Second Midland NOI Earn-Out Value"; provided, however, that the sum of the First Midland NOI Earn-Out Value plus the Second Midland NOI Earn-Out Value (including in either case any Property Sale Participation) shall not exceed (a) the Second Midland NOI Cap, plus (b) an amount equal to the Franklin Earn-Out Deficiency (the sum of clauses (a) and (b) is referred to as the "Maximum Possible Midland NOI Earn-Out"). If the Second Midland NOI Earn-Out Value is a positive number, on the Second Earn-Out Closing Date, Additional Units shall be issued to Midland Development equal to the quotient obtained by dividing (i) the Second Midland NOI Earn-Out Value by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(c) In the event that the Maximum Possible Midland NOI Earn-Out would not otherwise be paid on the Second Earn-Out Closing Date, and on the First Calculation Date there was Midland NOI remaining after reaching the Maximum First Midland Group Earn-Out, (i) the amount of such excess shall be carried forward to the Second Calculation Date, (ii) the Second Midland NOI Earn-Out Value shall be recomputed on that basis and (iii) Additional Units, at the Unit Value, less the Record Date Adjustment Amount, shall be issued to Midland Development for the amount by which the Second Midland NOI Earn-Out Value computed in accordance with this Section 2.5.3.1(c) exceeds the Second Midland NOI Earn-Out Value computed without regard to this Section 2.5.3.1(c), provided, however, that the sum of the First Midland NOI Earn-Out Value plus the Second Midland NOI Earn-Out Value as so recomputed (including in either case any Property Sale Participation) shall not exceed the Maximum Possible Midland NOI Earn-Out.

(d) In the event that the sum of the First Midland NOI Earn-Out Value and the Second Midland NOI Earn-Out Value is less than the Maximum Possible Midland NOI Earn-Out, the Midland NOI shall be determined as of the Third Calculation Date. An amount equal to 100% of the excess, if any, of the Midland NOI as of the Third Calculation Date over the Second Midland NOI Threshold shall be the "Third Midland Group Earn-Out Value"; provided, however, that the sum of the First Midland NOI Earn-Out Value plus the Second Midland NOI Earn-Out Value plus the Third Midland Group Earn-Out Value (including in each case any Property Sale Participation) shall not exceed the Maximum Possible Midland NOI Earn-Out. If the Third Midland Group Earn-Out Value is a positive number, on the Third Earn-Out Closing Date, Additional Units shall be issued to Midland Development equal to the quotient obtained by dividing (i) the Third Midland Group Earn-Out Value by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(e) If the maximum possible Midland NOI Earn-Out Value (without regard to the Property Participation) would not be paid on the related Earn-Out Closing Date, the deficiency may be made up in the event that a Property contributed by a Property Entity to the Partnership pursuant to Article 2 hereof (other than the Western Properties) is sold by the Partnership in the twelve calendar months immediately preceding the applicable Calculation Date. The amount of such deficiency is referred to herein as the "Earn-Out Gap." "Property Sale Participation" means an amount, but not more than the Earn-Out Gap, equal to 75% of the Net Proceeds (with no deduction for any commissions payable to a Regency Entity) from the sale of the applicable Property after deducting (A) the Gross Asset Value of the Property at the time of its acquisition by the Partnership, or (B) in the case of a Property that was a Development Property at or after the First Closing, if greater, the Development Costs thereof, plus, in either case, an amount equal to the Return on Regency Equity. On the applicable Earn-Out Closing Date, Additional Units shall be issued to Midland Development equal to the quotient obtained by dividing (i) the Property Sale Participation by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

2.5.3.2 Development Earn-Out. Midland Development shall have the right to receive Additional Units in the event that the performance criteria set forth below are satisfied (the "Development Earn-Out").

(a) The Development Earn-Out shall be determined as of the First and Second Calculation Dates, respectively. If the budgeted Development Cost of Qualified Development is equal to at least $25,000,000

as of either Calculation Date, then the Development Earn-Out for such Calculation Date shall be equal to $3,000,000. If the budgeted Development Cost of Qualified Development as of such Calculation Date is less than $25,000,000, then the Development Earn-Out as to such Calculation Date shall be arrived at by multiplying (i) $3,000,000 times (ii) the quotient of such Development Cost of Qualified Development divided by $25,000,000. A Development Cost must be approved by Regency's investment committee (and Regency agrees that the decisions of such investment committee, and the timing of such decisions, shall be made on a reasonable basis and in good faith and not for the purpose of defeating or minimizing the Development Earn-Out) as part of the applicable development budget in order to qualify as a budgeted Development Cost. If any Person other than the Partnership is expected to own an interest in a Qualified Development following its completion and attainment of the Minimum Leasing Criteria, the budgeted Development Cost with respect to such Qualified Development shall be included in the calculation of the Development Earn-Out only to the extent of the interest of Regency and its Affiliates in the Qualified Development. Without limiting the foregoing, if a Qualified Development is subject to OSTRS Option Rights, the Budgeted Development Cost for such Qualified Development shall be included in the calculation of the Development Earn-Out only to the extent of the then percentage interest of R&M Western Partnership in "Net Sale Proceeds" of the OTR Joint Venture (as defined in its partnership agreement) that has the right to acquire such Qualified Development. If the budgeted Development Cost of Qualified Development as of either Calculation Date exceeds $25,000,000 (the "Excess Qualified Development"), then Midland Development shall be entitled to reallocate the Excess Qualified Development to the other applicable Calculation Date and may calculate the Development Earn-Out as of such prior or subsequent Calculation Date, as applicable, including such Excess Qualified Development; provided, however, that (a) the sum of the Development Earn-Out for the First and Second Earn-Out Closing Dates shall not exceed $6,000,000 and (b) Midland Development shall not be entitled to any Development Earn-Out as of a Calculation Date to the extent that the budgeted Development Cost of Qualified Development for the immediately preceding twelve calendar months does not exceed $10,000,000, excluding any reallocation of Excess Qualified Development.

(b) If applicable, on the First Earn-Out Closing Date, Additional Units shall be issued to Midland Development equal to the quotient obtained by dividing (i) the Development Earn-Out as of the First Calculation Date by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(c) If applicable, on the Second Earn-Out Closing Date, Additional Units shall be issued to Midland Development equal to the quotient obtained by dividing (i) the Development Earn-Out as of the Second Calculation Date by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

(d) In the event that (i) a Qualified Development is transferred to an OTR Joint Venture and is sold at any time prior to the Third Earn-Out Calculation Date, (ii) the maximum possible cumulative Development Earn-Out has not been paid as of the date of the next Earn-Out Calculation Date, and (iii) as a result of such sale the interest of R&M Partnership in "Net Sales Proceeds" of the OTR Joint Venture (as defined in its partnership agreement) increases because OSTRS has received the preferential return to which it is entitled, the Development Earn-Out shall be recalculated based on the increased percentage interest of R&M Western Partnership in the Qualified Development, and Additional Units shall be issued at the Unit Value, less the Record Date Adjustment Amount, on the next Calculation Date, for the amount by which the Development Earn-Out computed in accordance with this Section 2.5.3.2 exceeds the Development Earn-Out computed without regard to this Section 2.5.3.2, but only to the extent that the maximum possible cumulative Development Earn-Out has not previously been paid.

2.5.4 Worthington Outparcel Earn-Out. Subject to the satisfaction of the conditions precedent set forth in Section 8.2.11 with respect to the Property known as Worthington Park Centre, the Unit Recipients having an equity interest in the outparcel Properties identified on Schedule 2.5.4 (the "Worthington Outparcels") shall have the right to receive Additional Units in the event the conditions set forth below are satisfied (the "Worthington Outparcel Earn-Out").

(a) "Worthington Outparcel Earn-Out Value" means the excess of (x) the Annualized NOI of a Worthington Outparcel calculated as of the month end of the month in which such Worthington Outparcel has attained the Minimum Leasing Criteria (the "Stabilization Date"), divided by a capitalization rate of 11.0%, over (y) the Development Cost of such Worthington Outparcel, plus the Return on Regency Equity invested in developing such Worthington Outparcel through the date of issuance of the

Additional Units plus rent concessions and Abated Rent for the period after the Stabilization Date.

(b) In the event that the Partnership develops a Worthington Outparcel, the Outparcel Earn-Out Value shall be calculated as to such Worthington Outparcel as of the Stabilization Date. If the Worthington Outparcel Earn-Out Value is a positive number, the Unit Recipients owning an equity interest in such Worthington Outparcel shall be entitled to receive their respective percentage allocations, as shown on the Allocation Chart, of that number of Additional Units arrived at by dividing (i) the Worthington Outparcel Earn-Out Value by (ii) the Unit Value, after subtracting the Record Date Adjustment Amount.

2.5.5 Evans Crossing Land Earn-Out. The Midland Affiliate contributing its equity interest in the Joint Venture owning the outparcel Property identified on Schedule 2.5.5 (the "Evans Crossing Outparcel") shall have the right to receive Additional Units in the event the conditions set forth below are satisfied (the "Evans Crossing Land Earn-Out"). The Partnership shall have the right to deliver such Additional Units to an agent named by such Midland Affiliate, for delivery in turn to the Person(s) entitled to receive the same, in the event that such Midland Affiliate dissolves, and if the Midland Affiliate fails to name such an agent, the Partnership shall have no responsibility for locating such Person(s).

(a) "Evans Crossing Land Earn-Out Value" means the excess of (x) the Annualized NOI of the Evans Crossing Outparcel calculated as of the month end of the month in which the Evans Crossing Outparcel has attained the Minimum Leasing Criteria (the "Stabilization Date"), divided by a capitalization rate of 11.0%, over (y) the sum of the Development Cost of the Evans Crossing Outparcel, plus the Return on Regency Equity invested in the Evans Crossing Outparcel through the date of issuance of the Additional Units plus all rent concessions and Abated Rent for the Evans Crossing Outparcel for the period after the Stabilization Date.

(b) In the event that the Partnership develops the Evans Crossing Outparcel prior to the later of (i) the R&M Redemption Date or (ii) the tenth anniversary of the First Closing Date, the Evans Crossing Land Earn-Out Value shall be calculated as of the Stabilization Date. "R&M Redemption Date" means the date on which Midland Western Partnership no longer holds any interest in R&M Western Partnership. If the Evans Crossing Land Earn-Out Value is a positive number, the Midland Affiliate owning an equity interest in such Evans Crossing Outparcel shall be entitled to receive that number of Additional Units arrived at by dividing (i) 50% of the Evans Crossing Land Earn-Out Value, by (ii) the Unit Value, and then subtracting the Record Date Adjustment Amount.

2.6 Subsequent Closings for OSTRS Eastern Option Properties. At Subsequent Closings to take place within 105 days after OSTRS receives notice that the OSTRS Option Rights with respect to an OSTRS Eastern Option Property have become exercisable, OSTRS shall be entitled to receive additional consideration as provided herein for the release of its investment rights with respect to such Property hereunder (the "OSTRS Release Price"). The OSTRS Release Price shall be equal to 65% of the excess of (a) OSTRS Capitalized Annual NOI over (b) Capitalized NOI for such Property, assuming a Calculation Date as of forty-five (45) days after such Property achieves Minimum Leasing Criteria. "OSTRS Capitalized Annual NOI" means the quotient of (a) Annualized NOI divided by (b) 9.486%. At a Closing for the payment of the OSTRS Release Price, Additional Units, rounded to the nearest whole Additional Unit, shall be issued to OSTRS equal to the quotient obtained by (i) dividing the amount of the OSTRS Release Price by the Unit Value and (ii) then subtracting the Record Date Adjustment Amount.

ARTICLE 3: FORMATION OF SUBPARTNERSHIPS

3.1 R&M Western Partnership. No later than the First Closing, Regency shall cause the formation of R&M Western Partnership, the general partner of which shall be Third Party Management Company. At the First Closing, an entity to be formed by the Midland Affiliates owning interests in the Joint Ventures for the applicable Western Properties ("Midland Western Partnership") and the Partnership shall be admitted as limited partners in R&M Western Partnership. At the First Closing, OTR/Midland Ltd. shall assign to the Partnership, for contribution in turn to R&M Western Partnership, for contribution in turn to the applicable OTR Joint Ventures formed pursuant to Section 3.2, OTR/Midland Ltd.'s rights to acquire properties, including the OSTRS Western Option Properties, pursuant to (i) the OSTRS Option Rights and (ii) the OTR/Midland Transfer and Contribution Agreement. R&M Western Partnership shall retain the rights to acquire the Properties in Texas and Colorado as to which OSTRS does not exercise OSTRS Option Rights and those Properties which are not

subject to OSTRS Option Rights. At the First Closing, the Partnership also shall contribute the Creekside and Village Center Properties (immediately following their contribution to the Partnership) to R&M Western Partnership, for contribution in turn to the applicable OTR Joint Venture.

3.1.1 Partnership Agreement of R&M Western Partnership. The Partnership Agreement of R&M Western Partnership shall contain the provisions regarding such entity's purpose, the disposition of its assets and the allocation of distributions in substantially the form attached hereto as Exhibit 3.1.1.

3.2 OTR Joint Ventures. No later than the First Closing, Regency shall cause the formation of the OTR Joint Ventures, the general partner of which shall be R&M Western Partnership. A separate OTR Joint Venture shall be formed for the properties in Texas as to which OSTRS exercises OSTRS Option Rights, and a separate OTR Joint Venture shall be formed to acquire all the properties in states other than Texas as to which OSTRS exercises OSTRS Option Rights. The limited partnership agreement of each OTR Joint Venture shall be identical in substance to the operating agreement of OTR/Midland Ltd., except that it shall exclude the OSTRS Committed Eastern Properties and the OSTRS Eastern Option Properties. At the First Closing, OTR shall be admitted to the OTR Joint Ventures. At Regency's election, in lieu of creating a new limited partnership to serve as an OTR Joint Venture, Regency may cause OTR/Midland Texas Limited Partnership to be reorganized to serve as an OTR Joint Venture in Texas, with R&M Western Partnership as general partner and OTR as limited partner.

3.2.1 Mechanics of Contribution. The ultimate Transferee of Assets to be transferred pursuant to this Article 3 shall have the right to direct that the Transaction Documents convey such Assets directly to such ultimate Transferee rather than to the Partnership and then to any intervening Transferee and then to the ultimate Transferee.

ARTICLE 4: ADDITIONAL CLOSING AND POST-CLOSING TRANSACTIONS

4.1 Purchase Option. Each Property Entity owning an Option Property, as set forth on Schedule 4.1, shall grant, and the Midland Principals shall use reasonable commercial efforts to cause each joint venture owning an Option Property to grant, to the Partnership at the First Closing an option to purchase the Option Property for cash (the "Purchase Option"), which shall be exercisable separately for each Option Property. The Purchase Option as to each Option Property shall have a term ending at the later of: (a) one year from the date of the First Closing or (b) the end of the Hold Period applicable to such Option Property (the "Option Expiration Date") and shall have an exercise price as set forth on Schedule 4.1 plus reimbursement of the actual cost of any capital expenditures and ad valorem Taxes and special assessments paid by the optionor after the First Closing Date and prior to the date of the closing of the exercise of the Purchase Option. Each Purchase Option shall be evidenced by a written agreement in substantially the form attached hereto as Exhibit 4.1, subject to revisions required by the Law of the jurisdiction in which the Option Property is located ("Option Agreement") and by a Memorandum of Option in the form attached hereto as part of Exhibit 4.1 (the "Memorandum of Option"). The Memorandum of Option shall be recorded in the appropriate public records for the jurisdiction in which the Option Property is located, together with restrictive covenants regarding the use and operation of the Option Property to supplement existing restrictive covenants to the extent that such existing restrictive covenants do not cover all the types of restrictions that Regency customarily requires, all as further described on Schedule 4.1. The closing of the exercise of the Purchase Option shall take place no later than sixty (60) days following the notice of exercise.

4.2 Right of First Refusal. At the First Closing, the Property Entity owning an Option Property shall grant, and the Midland Principals shall use reasonable commercial efforts to cause each joint venture owning an Option Property to grant, to the Partnership a right of first refusal to purchase the Option Property for cash, to the extent such Option Property is not purchased pursuant to a Purchase Option (the "Right of First Refusal"). The Right of First Refusal as to each Option Property shall have a term of four years beginning on the Option Expiration Date. The Partnership shall have the right to purchase an Option Property pursuant to a Right of First Refusal upon any notice from the optionor that it intends to accept a bona fide written offer to purchase such Option Property (a "Third Party Offer"). The Right of First Refusal may be exercised at a purchase price equal to 90% of the purchase price pursuant to the Third Party Offer. The Partnership shall have 15 days from the date of the optionor's notice to elect to exercise its Right of

First Refusal, by executing a form of purchase agreement containing the same terms as the Third Party Offer. Each Right of First Refusal shall be evidenced by the Memorandum of Option relating to the applicable Option Property. In the event the Partnership does not exercise its Right of First Refusal, the optionor shall have 180 days after the deadline for the Partnership's notice of exercise of its Right of First Refusal in which to sell the Option Property on substantially the same terms as set forth in the Third Party Offer, and if such Property Entity does not do so within such period, the Option Property shall again be subject to the Right of First Refusal as if such Third Party Offer had never occurred.

4.3 Transfer of Options. In the event that a Purchase Option or Right of First Refusal is for an outparcel or expansion land for a Property or Acquisition Property (a "Related Property") that is transferred to a Transferee hereunder other than the Partnership, the Partnership may transfer the Purchase Option and Right of First Refusal for such Option Property to the Transferee that takes title to the Related Property, and such Transferee may transfer the Purchase Option and Right of First Refusal to any Person to which such Transferee may transfer the Related Property. However, except as provided in the preceding sentence, the Purchase Options and Rights of First Refusal are not transferable.

4.4 Additional Outparcels. In the event that after the date hereof any Midland Principal becomes aware that he owns a 20% or greater equity interest in any outparcel, expansion land or other property to be developed which is contiguous or adjacent to Properties but which is not an Asset or Option Property under this Agreement or properties set forth on Schedule 4.4, such Midland Principal shall give Regency written notice within 30 days of becoming aware of such property and shall use reasonable commercial efforts to cause the Person owning such property to execute a Memorandum of Option granting an Option and Right of First Refusal with respect thereto within 90 days after delivering such notice to Regency.

4.5 Management Contracts. With respect to each real property constituting an Excluded Asset and each real property identified on Schedule 6.2.1, including real property subject to Acquisition Rights and Development Rights (as those terms are defined in Section 6.2.1), which are grocery-anchored shopping centers which are or will be subject to contracts for property leasing and/or management services, each Midland Principal directly or indirectly owning an interest in such real property shall use reasonable commercial efforts to cause the record owner of such real property to enter into agreements for such services with Third Party Management Company or its Affiliates based on customary fees and terms.

ARTICLE 5: COVENANTS

Each Property Entity, as to itself, each Midland Affiliate, as to itself and as to any Property Entity or Joint Venture in which it owns an interest, and each Midland Principal, as to himself, hereby covenants as provided in this Article 5, as applicable. A covenant herein of a Joint Venture or Property Entity that is not a party to this Agreement shall be the covenant of the Midland Affiliate and each Midland Principal owning an equity interest therein to use reasonable commercial efforts to cause such Joint Venture or Property Entity to fulfill such covenant. For purposes of this Article 5, each Property Entity and Joint Venture is referred to as a "Property Owner." In all events that Regency's approval is requested under this Article 5, if Regency does not grant approval or give notice that it has withheld its consent within 10 Business Days after such request is made, such consent shall be deemed to have been granted.

5.1 Implementing Agreement. Subject to the terms and conditions hereof, each party hereto shall use reasonable commercial efforts to take all action required of it to fulfill its obligations under the terms of this Agreement, to cause the conditions to Closing to be satisfied and to facilitate the consummation of the transactions contemplated hereby and thereby. Without limiting the foregoing, each Midland Principal shall use reasonable commercial efforts to cause each Contributor and Joint Venture in which such Person owns an equity interest to fulfill its obligations hereunder.

5.2 Preservation of Business. From the date of this Agreement to the First Closing, each Property Owner shall cause its Properties or Third Party Management Assets, as applicable, to be operated only in the ordinary and usual course of business and consistent with past practice, shall not sell or list for sale any of its Properties (other than Excluded Assets) or (except as provided below) Option Properties until such time as the Purchase Options granted in Section 4.1 have expired, shall use its reasonable commercial efforts to preserve its good will and advantageous relationships with tenants, customers, suppliers, independent contractors, employees and other Persons material to the operation of its Properties or

Third Party Management Assets, as applicable, shall perform its material obligations under the Leases and other material agreements affecting its Properties and Option Properties, shall perform its material obligations under the Management Contracts, as applicable, shall use reasonable commercial efforts to develop its Development Properties substantially in accordance with their respective Development Budget and Schedules, and shall not take or permit any action or omission which would cause any of its representations or warranties contained herein to become inaccurate in any material respect or any of the covenants made by it to be breached in any material respect. Without limiting the foregoing, no Property Owner will cause or permit any default to occur under the Existing Mortgage Debt or cause or permit any increase in the outstanding aggregate principal balance thereof from the date hereof until the First Closing, except to fund expenditures made in substantial conformity with the Development Budget and Schedule, Capital Expenditure Budget and Schedule and the TI Budget and Schedule. The Property Owners shall not agree to any material change orders or additions to tenant improvements or changes in the scope of work or specifications with respect to any Work Contract without Regency's prior written approval, which shall not be unreasonably withheld or delayed. Each Property Owner shall continue to maintain all insurance policies referred to in Section 6.1.11 in full force and effect up to and including the First Closing Date. Notwithstanding the foregoing, the Property Owners shall be entitled to sell the outparcels constituting Option Properties listed on Schedule 5.2 provided that the Net Proceeds from any such sale are applied to pay down the Existing Mortgage Debt encumbering the Property to which such outparcel relates.

5.3 Consents and Approvals. Each party shall use its reasonable commercial efforts to obtain all consents, approvals, certificates and other documents required in connection with the performance by it of this Agreement and the consummation of the transactions contemplated hereby and thereby, including the consents listed on Schedules 6.1.2(b) and 7.2(b), and shall make all filings, applications, statements and reports to all Government Entities and other Persons which are required to be made prior to the First Closing Date by or on behalf of such party or any of their Affiliates pursuant to any applicable Law or contract in connection with this Agreement and the transactions contemplated hereby.

5.4 Additional Acquisitions. The parties shall cooperate in pursuing any acquisition opportunities in the ordinary course of business agreed on by both parties, and if prior to the First Closing a Property Owner enters into a binding contract for an acquisition, with Regency's consent, which shall not be unreasonably withheld or delayed, the parties shall enter into mutually agreed amendments to this Agreement (including applicable Schedules) and to the applicable Transaction Documents taking into appropriate account the additional Assets to be so acquired pursuant to this Agreement.

5.5 Continuation of Employees. Midland Development agrees to use reasonable commercial efforts to persuade those of its employees designated by Regency in writing to Midland Development to accept employment with the Partnership immediately following the First Closing, and Regency agrees to cause the Partnership to hire such employees immediately following the First Closing provided that any such employee does not engage in malfeasance prior to the First Closing. Regency agrees that any "stay bonuses" for such employees shall be an expense of the Partnership. Regency shall pay severance compensation for employees whose employment is terminated by Midland Development prior to the First Closing or by the Partnership after the First Closing, in either case because their services will not be required by the Partnership following the First Closing; provided, however, that all such severance compensation shall not exceed $50,000. Midland Development shall be responsible for any severance compensation that exceeds such amount, and if any such excess severance compensation is paid by the Partnership after the First Closing, the Partnership shall be entitled to deduct such excess amount from the Midland Group Earn-Out at the First Earn-Out Closing. Regency shall make capital contributions to the Partnership for the purpose of funding severance compensation or stay bonuses expressly assumed by Regency hereunder. Nothing herein is intended to make any employee hired by the Partnership other than an employee at will, and nothing herein is intended to obligate Regency with respect to independent contractor brokers who perform services for Midland Development.

5.6 Disclosure.

5.6.1 The parties hereto agree to cooperate in preparing and distributing as promptly as practicable following the execution of this Agreement, (i) a disclosure document for use by the Unit Recipients whose consent is required under Section 6.1.2(b) in determining whether to consent to the transactions contemplated by this Agreement, and (ii) a disclosure document delivered to each other Unit Recipient notifying them

of this Agreement and the transactions contemplated hereby including (a) the contribution of the Assets to the Partnership, (b) the distribution of the proceeds therefrom to the Unit Recipients, (c) provisions in this Agreement and the other Transaction Documents regarding other transactions between the Regency Entities and Midland Development and the Midland Principals, and (d) provisions in this Agreement and the other Transaction Documents regarding other transactions involving OSTRS (collectively, the "Disclosure Documents"). In either case, the Disclosure Documents shall provide information to each Unit Recipient with respect to (i) Regency and the Partnership, (ii) the Units to be issued at the First Closing and any Subsequent Closing, (iii) the right of Unit Recipients to elect to redeem Units for cash immediately following the First Closing and certain consequences thereof, and (iv) the Redemption Rights applicable to Unit Recipients in the event that such an election is not made, including in certain circumstances the right to receive Shares pursuant to such Redemption Rights. In addition to the applicable Disclosure Document, each Unit Recipient shall receive a form of election relating to the right to elect to redeem Units for cash immediately following the First Closing, and, in the event such election is not made with respect to all Units distributable to such Unit Recipient, (i) an investor questionnaire and agreement between such Unit Recipient and the Partnership, (ii) a Redemption Rights Agreement between such Unit Recipient and the Partnership and (iii) a Registration Rights Agreement between such Unit Recipient and the Partnership.

5.6.2 The Midland Principals, the Midland Affiliates and each Property Owner agree to supply information for the Disclosure Documents concerning such Property Owner, the Assets owned by it, the solicitation of any required consents for the transactions contemplated by this Agreement and the allocation among the equity owners of each Contributor of the consideration to be received in exchange for the Assets contributed by it.

5.6.3 Regency agrees to supply information concerning Regency and the securities being offered by Regency or the Partnership to the Unit Recipients pursuant to the transactions contemplated by this Agreement.

5.6.4 The information provided by the Midland Principals, Midland Affiliates and Property Owners for inclusion in the Disclosure Documents is referred to hereinafter as the "Midland Information" and the information provided by Regency for inclusion in the Disclosure Documents is referred to hereinafter as the "Regency Information; provided, however, that information concerning any Property Owner as adjusted in the pro forma combined financial information relating to Regency or the Partnership or which relates to the expected operation of the Assets as part of Regency or the Partnership shall be deemed "Regency Information."

5.6.5 The Midland Principals and Regency each shall advise the other if such party becomes aware of any additional information that should be included in the Midland Information or the Regency Information, respectively, for inclusion in the Disclosure Documents or a supplement thereto.

5.6.6 Each Property Owner and Midland Affiliate covenants that its Midland Information and each Midland Principal covenants that all the Midland Information shall not, and Regency covenants that the Regency Information shall not, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make such Midland Information or the Regency Information, respectively, that is included in the Disclosure Documents, in light of the circumstances under which it was made, not misleading.

5.6.7 The Midland Principals, Property Owners and Midland Affiliates acknowledge that nothing herein is intended to impose on Regency, or relieve any Midland Principal, Property Owner or Midland Affiliate of, the fiduciary duties such Person may have in connection with consummating the transactions contemplated by this Agreement.

5.7 Exclusivity. Unless and until this Agreement is terminated pursuant to its terms, no Midland Principal, Midland Affiliate or Property Owner shall, directly or indirectly, through any Affiliate, officer, director, partner, agent or otherwise, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Competing Transaction, or enter into or maintain or continue discussions or negotiate with any Person in furtherance of such inquiries or to obtain a Competing Transaction, or agree to or endorse any Competing Transaction, or authorize or knowingly

permit any of the officers, directors, partners or employees of such party or any of its Affiliates or any investment banker, financial advisor, attorney, accountant or other representative retained by such party or any of such party's Affiliates to take any such action, and any Midland Principal, Midland Affiliate, Property Owner or Affiliate of such Property Owner shall notify Regency orally (within one business day) and in writing (as promptly as practicable) of all of the relevant details relating to all inquiries and proposals which a Midland Principal, Midland Affiliate, Property Owner or Affiliate of such Property Owner or any such officer, director, employee, partner, investment banker, financial advisor, attorney, accountant or other representative may receive relating to any of such matters. A "Competing Transaction" means, whether in a single transaction or a series of transactions, the sale by any Midland Principal or Midland Affiliate of any equity interest in a Midland Affiliate or Property Owner, or the sale or other transfer by any Contributor or Joint Venture of its assets or business other than an Excluded Asset, in whole or in part, whether through direct sale, merger, consolidation, asset sale, exchange, recapitalization, other business combination, liquidation, or other action out of the ordinary course of business but shall exclude (a) any transaction that results from the exercise by any equity owner of a Property Owner (other than a Midland Principal or Midland Affiliate) of a right of first refusal, option or buy-sell right the exercise of which is triggered by the transactions contemplated by this Agreement, (b) any sale of excess land or outparcels which do not constitute Option Properties, or (c) any transfer of an equity interest in a Midland Affiliate so long as the Midland Principals collectively own at least a majority of the voting securities of each Midland Affiliate. Unless and until this Agreement is terminated pursuant to its terms, Regency shall not, directly or indirectly, through any officer, director, agent or otherwise, negotiate, undertake or consummate a business combination, whether through a direct purchase, merger, consolidation, asset purchase, exchange, recapitalization, other business combination, or other action out of the ordinary course of business, which would prevent or hinder Regency from consummating the transactions contemplated by this Agreement or which have a Material Adverse Effect on Regency.

5.8 New Contracts. Without Regency's prior written consent in each instance (which shall not be unreasonably withheld or delayed), no Property Owner will enter into, or grant concessions regarding, any Contract that will be an obligation affecting the Properties or Option Properties or binding on any Transferee or Joint Venture after the Closing except Contracts entered into in the ordinary course of business that either involve payments which total less than $10,000 in the aggregate or are terminable without cause or any termination fee on 30 days' or less notice, and each Property Owner agrees to terminate such Contracts by the First Closing if Regency gives such Property Owner notice at least 60 days prior to the First Closing.

5.9 Leasing Arrangements. As to any Lease in excess of 5,000 square feet of usable space in any Property or Option Property, no Property Owner will amend, terminate, grant concessions regarding, or enter into any Lease unless Regency has given its written consent, which consent shall not be unreasonably withheld or delayed. As to Leases for 5,000 square feet or less of usable space, no Property Owner will amend, terminate, grant concessions regarding, or enter into any new Lease without the prior written consent of Regency (which will not be unreasonably withheld or delayed) if such action would require approval by any owner of the Property Owner, Topvalco, Dillon or OSTRS. A new Lease shall be deemed reasonable if in compliance (i) with the financial criteria contained in the 1998 budget and/or (if applicable) the Development Budget and Schedule as to such Property and (ii) with the Leasing Criteria. The respective Property Owner shall provide Regency with all material information related to each request for consent, including without limitation, lease form, lease terms, leasing commissions, tenant improvement obligations and other lease procurement costs, description of tenant's business, and tenant's financial statements or a Dunn & Bradstreet credit report (to the extent available). The respective Property Owner shall provide such information concerning all other new Leases promptly after the execution of each new Lease.

5.10 Obligation to Supplement Information. From time to time prior to the First Closing, the Midland Principals, the Property Owners and Midland Affiliates, on the one hand, and Regency, on the other hand, will promptly disclose in writing to the other party any matter hereafter arising or discovered which, if existing, occurring or known at the date of this Agreement would have been required to be disclosed by any party or which would render inaccurate any representation or warranty by any party. Additionally, the Midland Principals, Property Owners and Midland Affiliates agree to provide Regency with prompt written notice of any matter hereafter arising or discovered with respect to a Property or Option Property which could have a Material Adverse Effect on the

condition, operations or prospects of such Property or Option Property. No information provided to a party pursuant to this Section 5.10 shall be deemed to cure any breach of any representation, warranty or covenant made in this Agreement. Notwithstanding the foregoing, the parties contemplate that certain Schedules to this Agreement will be updated periodically and any such update shall not be deemed a breach of any representation, warranty or covenant made with respect to the Schedule being updated if the additional information contained in such update is not likely to cause any damage or loss to the parties or parties who are the beneficiaries of a corresponding representation, warranty or covenant or such update is made in conformity with the following requirements. The Capital Expenditure Budget and Schedule, the Development Budget and Schedule, the TI Budget and Schedule and the list of TI Contracts (Schedule 1.1.146) may be updated by the Contributors from time to time in the ordinary course of business, with the prior written consent of Regency (which will not be unreasonably withheld or delayed). A proposed change to a Development Budget and Schedule shall be deemed reasonable if it would not reasonably be expected to cause the Development Property to be developed at a loss.

5.11 Access to Information; Environmental Audits. At all times before the First Closing, during customary business hours and other mutually convenient times, the Property Owners and Midland Affiliates shall provide Regency and its Affiliates, their respective agents, employees, consultants, and representatives, with continuing and reasonable access to all files, books, records and other materials in their possession or control relating to their respective Properties and Assets, the Third Party Management Assets and the business and operations of the Property Owners and the right to examine, inspect and make copies of such materials as appropriate (including for the purpose of reviewing or preparing audited financial statements required to be filed by Regency with the SEC). During such period, Regency and its Affiliates shall have reasonable physical access to the Properties, which may be in the presence of Midland Development personnel, for the purpose of conducting surveys, architectural, engineering, geotechnical and environmental inspections and tests (including sampling and invasive testing performed in connection with Phase I and Phase II environmental audits), feasibility studies and any other inspections, studies or tests reasonably required by them. With reasonable advance notice to the respective Property Owners, Regency may conduct a "walk-through" of tenant spaces upon appropriate notice to tenants and subject to the rights of tenants, which "walk-throughs" shall, at the option of Midland Development, be in the presence of and accompanied by Midland Development personnel. In the course of its investigations, Regency may make inquiries to third parties, including, without limitation, contractors, property managers, parties to Work Contracts, lenders, tenants and Government Entities. Regency shall keep the Properties free of any liens claimed by Regency's contractors or consultants in connection with such entry, shall indemnify, defend and hold the respective Property Owners harmless from all Claims and Liabilities caused by Regency, its contractors or consultants that are asserted against or incurred by the respective Property Owners as a result of such entry and investigation and shall maintain insurance customary in the industry with respect to such Claims and Liabilities. Any liability or loss related to a condition of any Property discovered or disclosed by Regency or any consultant or contractor of Regency in connection with such investigation is not a liability that is covered by this indemnity. At all times before the First Closing, Regency shall provide the Property Owners and their respective agents, employees, consultants, and representatives, with continuing and reasonable access to all files, books, records and other materials in Regency's possession or control relating to the business and operations of Regency and the right to examine, inspect and make copies of such materials as appropriate. No investigation made by a party shall limit, qualify or modify any representations, warranties, covenants or indemnities made by another party hereunder, irrespective of the knowledge and information obtained as a result of any such investigation, but if a party discovers as a result of any investigation made by it prior to the First Closing that any representation or warranty made herein by the other party is materially inaccurate, it shall promptly notify and advise the other party.

5.12 Monthly Updates of Rent Rolls and Operating Statements. Each Property Owner will promptly provide Regency with monthly updates of the Rent Roll and operating statements for its Properties.

5.13 Tenant Estoppels. Each Property Owner shall endeavor to secure and deliver to Regency estoppel certificates in the form of Exhibit 5.13 from all tenants under all Leases (collectively, the "Tenant Estoppels"), dated no earlier than 30 days before the First Closing Date. Regency and the Property Owners will consult and cooperate with each other as to the timing of solicitation of Tenant Estoppels with the goal of obtaining the Tenant Estoppels at least three days before the First Closing Date.

5.14 Service Contracts. The applicable Transferee will assume the obligations arising from and after the First Closing Date under those Service Contracts that are not in default as of the First Closing Date and which the applicable Property Owner and Regency have agreed will not be terminated and which are not terminable as a result of such assumption under its terms. Each Property Owner shall terminate at the First Closing all Service Contracts that such Property Owner has agreed will not be so assumed to the extent such Service Contracts are terminable upon notice and at no cost to the terminating entity.

5.15 Work Contracts. Ten days before the First Closing, each Property Owner shall notify Regency in a written progress report as to those Work Contracts that will not be completed by the First Closing.

5.16 Title Insurance; Survey. Regency shall order the Title Insurance Commitments from the Title Company and each Survey from a reputable surveyor familiar with the Property (the Property Owners agreeing to furnish to Regency copies of any existing surveys and title information in its possession promptly after execution of this Agreement) and shall use reasonable commercial efforts to obtain such items as promptly as practicable following the execution of this Agreement. Regency will have the later of (i) ten (10) days from (x) the date of this Agreement or (y) 30 days prior to the applicable Subsequent Closing with respect to any Property to be conveyed by a Property Owner in which Regency does not then own an equity interest, or (ii) twenty (20) days from receipt of the later to be received of the Title Insurance Commitment (including legible copies of all recorded exceptions noted therein) and Survey to notify the Property Owner owning such Property in writing of any Title Defects, encroachments or other matters not acceptable to Regency which are not Permitted Exceptions by this Agreement. Any Title Defect or other objection disclosed by the Title Insurance Commitment or the Survey which is not timely specified in Regency's written notice to the respective Property Owner owning the Property in question shall be deemed a Permitted Exception. The respective Property Owner shall notify Regency in writing within ten (10) days of Regency's notice if such Property Owner intends to cure any Title Defect or other objection. If such Property Entity elects to cure, it shall use diligent efforts to cure the Title Defects and/or objections by the First Closing Date (as it may be extended), which may include insuring over or bonding off such Title Defects and/or objections at such Property Owner's expense. If such Property Owner elects not to cure or if such Title Defects and/or objections are not cured and if such Title Defects and/or objections are likely to have a Material Adverse Effect upon the Property ("Material Uncured Title Defect"), Regency shall have the right, in its sole discretion, subject to the satisfaction or waiver by Regency of the condition to the First Closing set forth in Section 8.1.1 (aggregate assets), to either (i) extend the time for the date of the Closing with respect to such Property thirty (30) days to afford additional time for the respective Property Owner to cure (after which Regency may proceed under (ii) or (iii) if not cured); (ii) waive such Title Defects and/or objections and close the purchase of the Property hereunder, subject to Regency receiving a credit for the amount necessary to pay or bond off such Title Defects; or (iii) elect not to acquire any or all Property subject to such Material Uncured Title Defects and receive a credit for the Contribution Value of such Property as set forth in Schedule 2.1 against the consideration required to be delivered by Regency at the First Closing. In the case of a Title Defect that is not a Material Uncured Title Defect, Regency's remedy shall be limited to receiving a credit pursuant to clause (ii) in the preceding sentence. Any Property which Regency elects not to acquire pursuant to clause (iii) above shall be an Excluded Asset and shall no longer be subject to this Agreement.

5.17 Later Title Exceptions. In the event that a Property Owner becomes aware that an exception to title has been filed of record subsequent to the date of the Title Commitment and prior to the Closing (a "Later Exception"), such Property Owner shall send written notice of such Later Exception to Regency. Regency shall have the right to postpone the Closing for a period up to thirty (30) days in order to give the respective Property Owner owning the Property in question sufficient time to satisfy, release, cure or remove such lien or exception. Upon such Property Owner's cure, removal, insurance over or bonding off of any such Later Exception, at such Property Owner's expense, the Closing shall be scheduled upon ten (10) days prior written notice to the respective Property Owner as to the Property in question but in no event earlier than the First Closing Date notwithstanding such Later Exception. If such Property Owner is unable, within said thirty-day period, or elects not to cure, remove, bond off or otherwise dispose of any Later Exception, and if such Later Exception is likely to have a Material Adverse Effect upon the Property ("Material Later Exception"), Regency may in its sole discretion, subject to the satisfaction or waiver by Regency of the condition to the First Closing set forth in Section 8.1.1 (aggregate assets), either (i)

waive such objection to the Later Exception and proceed with the Closing, receiving a credit for the amount necessary to pay or bond off such Later Exception; (ii) postpone the date of the Closing with respect to such Property for a reasonable time to allow the respective Property Owner additional time to remedy said Later Exception, and if thereafter such Property Owner is unable to remedy said Later Exception, at that time Regency may elect either (i) or (iii); or (iii) elect not to acquire any or all Property subject to such Later Exception and receive a credit for the Contribution Value of such Property as set forth in Schedule 2.1 against the consideration required to be delivered by Regency at the Closing. In the case of a Later Exception that is not a Material Later Exception, Regency's remedy shall be limited to receiving a credit pursuant to clause (i) in the preceding sentence. At the First Closing, the Title Company will issue the Title Insurance. Any Property which Regency elects not to acquire (pursuant to clause (iii) above) shall be an Excluded Asset and shall no longer be subject to this Agreement.

5.18 Damage. The Property Owners shall promptly give Regency written notice of any damage to their respective Properties, describing such damage whether such damage is covered by insurance and the estimated cost of repairing such damage. If such damage would not have a Material Adverse Effect on the damaged Property, (i) the respective Property Owner owning the Property in question shall, to the extent possible, begin repairs prior to the First Closing, (ii) at the First Closing the Partnership shall receive all insurance proceeds not applied to cure the damage with respect to such Property prior to the First Closing (including rent loss insurance applicable to any period from and after the First Closing) due to a Property Entity for the damage, together with an assignment of any unsettled insurance claim, and in the case of a Property owned by a Joint Venture, such Joint Venture shall not assign, transfer or encumber any such unapplied proceeds and unsettled insurance claim, (iii) any uninsured damage, coinsurance or deductible and any rent abatement not covered by rent loss insurance proceeds delivered to a Property Owner, as reasonably estimated by Regency, shall be credited to the Partnership at the First Closing, and (iv) and, in the case of a Property owned by a Property Entity, the Partnership shall assume the responsibility for the repair after the First Closing. The Partnership shall be entitled to any excess of the proceeds of the respective Property Entity's insurance over and above the actual cost of repair and restoration. If such damage is likely to have a Material Adverse Effect on the damaged Property which cannot be substantially remedied by applying insurance proceeds to cure the Material Adverse Effect ("Unremedied Material Damage"), Regency may elect, subject to the satisfaction or waiver by Regency of the condition to the First Closing set forth in Section 8.1.1 (aggregate assets), by notice to the respective Property Owner as to the Property in question given within 20 Business Days after Regency is notified of such damage (and the Closing as to such Property shall be extended, if necessary, to give Regency such 20 Business Day period to respond to such notice) to (i) proceed in the same manner as in the case of damage that is not material, receiving a credit at the Closing equal to the amount by which the Contribution Value of such Property as set forth on Schedule 2.1 is reduced by such damage, or (ii) elect not to acquire the Property in question and receive a credit for the Contribution Value of such Property as set forth in Schedule 2.1 against consideration required to be delivered by Regency at the Closing. In the case of damage that does not constitute an Unremedied Material Damage, Regency's remedy shall be limited to receiving a credit pursuant to clause (i) in the preceding sentence. Any Property which Regency so elects not to acquire pursuant to clause (ii) above shall be an Excluded Asset and shall no longer be subject to this Agreement.

5.19 Condemnation. Each Property Owner will give Regency prompt written notice of the institution or threat of any exercise of the power of eminent domain on any of the Properties. If the proceedings in eminent domain would have a Material Adverse Effect on the Property subject to such proceedings ("Material Eminent Domain Proceedings"), by notice to the respective Property Owner as to the Property in question given within 20 Business Days after Regency receives notice of proceedings in eminent domain that are contemplated, threatened or instituted by any Government Entity having the power of eminent domain with respect to the Properties, Regency may, subject to the satisfaction or waiver by Regency of the condition to the First Closing set forth in Section 8.1.1 (aggregate assets), (i) elect not to purchase the Property subject to such proceedings and receive a credit for the Contribution Value of such Property as set forth in Schedule 2.1 against the consideration required to be delivered by Regency at the Closing, or (ii) proceed under this Agreement. If Regency elects to proceed under this Agreement, the respective Property Entity owning the Property in question shall assign to the Partnership at the Closing its entire right, title and interest in and to any condemnation award or, if the Property in question is owned by a Joint Venture, such Joint Venture shall not assign any right, title or

interest in such condemnation award, and the Partnership shall have the sole right during the pendency of this Agreement to negotiate and otherwise deal with the condemning authority in respect of such matter. If necessary, the Closing as to such Property shall be extended to give Regency the full 20 Business Day period to make such election. Any Property which Regency elects not to acquire shall be an Excluded Asset and shall no longer be subject to this Agreement.

5.20 Windmiller. Regency, the Midland Principals, OTR/Midland Ltd. and the Midland Affiliates that own equity interests in OTR/Midland Ltd. agree to use reasonable commercial efforts to enter into an agreement together with Topvalco and the Property Entity that owns the Property known as Windmiller substantially in the form attached hereto as Exhibit 5.20. In the event that the parties are unable to reach an agreement with respect to such matters, Windmiller shall be deeded to the Partnership at a Deferred Closing (as defined in Section 10.1.2) after it has been platted; provided, however, that such Deferred Closing shall not be required to take place within thirty (30) days of the First Closing.

5.21 Future Joint Venture Agreements. The Midland Principals shall promptly provide to Regency true and complete copies of the governing documents of each of the Kroger Joint Ventures and King Soopers Joint Ventures to be formed with respect to the Acquisition Properties upon formation of such Joint Ventures. Such governing documents shall be substantially similar to the governing documents of each other Kroger Joint Venture and King Soopers Joint Venture, respectively.

ARTICLE 6: REPRESENTATIONS, WARRANTIES AND FURTHER COVENANTS OF MIDLAND

The representations and warranties contained in this Article 6 are made as of the date of this Agreement. Except as specifically provided, all representations and warranties contained in this Article 6 are several and not joint and several; provided, however, that the representations of Midland Development shall also be made jointly and severally by the Midland Principals. The survival of and liability for the representations and warranties contained in this Article 6 after the First Closing Date shall be governed solely by Article 13 (Indemnification) hereof and the remedies set forth in Article 13 shall be the sole remedies after the First Closing Date for any breach of such representations and warranties. All representations that are made "to the knowledge of the Midland Principals" means to the actual knowledge of such individuals after reasonable inquiry. All representations that are made "to the knowledge of Midland Development" means to the actual knowledge of the individuals listed on Schedule 6 after reasonable inquiry. All representations that are made "to the knowledge of the Property Entity" means to the actual knowledge of individuals for such Property Entity listed in Schedule 6 after reasonable inquiry. All representations that are made "to knowledge of the Midland Affiliate" means to the knowledge of the individuals for such Midland Affiliate listed on Schedule 6 after reasonable inquiry. All representations that are made "to the knowledge of the Property Owner" means to the actual knowledge of the individuals for such Property Owners listed on Schedule 6 after reasonable inquiry. The Midland Principals, each Midland Affiliate (as to the individuals shown on Schedule 6 with respect to such Midland Affiliate) and each Property Entity (as to the individuals shown on Schedule 6 with respect to such Property Entity) represent that such individuals are the appropriate individuals who, in the course of their duties, would normally be aware of material issues and facts affecting the Properties, the Option Properties, the Midland Affiliates, the Property Entities and the Joint Ventures and that such individuals have made reasonable inquiry to have a reasonable basis for the matters represented.

6.1 As to Property Entities, Joint Ventures, Midland Affiliates and Midland Principals. Each Property Entity (including Midland Development), as to itself, and each Midland Affiliate, as to itself and as to any Property Entity or Joint Venture in which it owns an interest, and each Midland Principal, as to himself, represents and warrants as follows:

6.1.1 Due Organization, etc. Such Property Entity, Joint Venture and Midland Affiliate is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization, with all requisite power and authority to own, lease, operate and sell its assets and to carry on its businesses as they are now being conducted. Such Property Entity, Joint Venture and Midland Affiliate is in good standing as a foreign entity authorized to do business in each jurisdiction where it engages in business.

6.1.2 Due Authorization; Consents; No Violations.

(a) Such Property Entity, Joint Venture and Midland Affiliate has made available to Regency true and complete copies of its respective partnership agreement or other governing document, as applicable, including each amendment thereto, of which a complete list is set forth on Schedule 6.1.2(a). Such Property Entity and Midland Affiliate has full power and authority to enter into this Agreement and the Transaction Documents, and to consummate the transactions contemplated hereby and thereby, and the Persons executing this Agreement and applicable Transaction Documents on behalf of such Property Entity or Midland Affiliate have been duly authorized to do so on behalf of such Property Entity or Midland Affiliate. Subject to the last sentence of this paragraph, the execution, delivery and performance by such Property Entity or Midland Affiliate of this Agreement have been, and the Transaction Documents to be executed and delivered by it pursuant to this Agreement shall be, duly and validly approved by such Property Entity or Midland Affiliate and by all necessary partnership, corporate or other applicable action, and no other action or proceeding on the part of any Midland Principal, Property Entity or Midland Affiliate or any other Person is necessary to authorize this Agreement and the Transaction Documents to be executed and delivered by such Midland Principal, Property Entity or Midland Affiliate pursuant hereto and the transactions contemplated hereby and thereby, other than obtaining the consents set forth on Schedule 6.1.2(b). Subject to the last sentence of this paragraph, this Agreement has been duly and validly executed and delivered by such Midland Principal, Property Entity and Midland Affiliate and, assuming due authorization, execution and delivery of this Agreement by the other parties hereto, this Agreement constitutes, and the Transaction Documents to be executed and delivered by such Midland Principal, Property Entity or Midland Affiliate pursuant to this Agreement when executed will constitute, valid and binding obligations of each such Midland Principal, Property Entity or Midland Affiliate enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies. The representations and warranties contained in this paragraph are subject to obtaining the required consents under the applicable partnership agreement or operating agreement or other governing document with respect to such Property Entity or Midland Affiliate, which consents are listed in Schedule 6.1.2(b).

(b) Except for obtaining the consents set forth on Schedule 6.1.2(b), no consents, waivers, exemptions or approvals of, notices to, or filings or registrations by such Midland Principal, Property Entity, Joint Venture or Midland Affiliate with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery and performance by such Midland Principal, Property Entity or Midland Affiliate of this Agreement or the Transaction Documents to which he or it is a party or to be delivered by Midland Principals, Property Entities and Midland Affiliates pursuant to this Agreement or the consummation of the transactions contemplated hereby and thereby which involve responsibilities by such Property Entity or Midland Affiliate, including but not limited to notices to any employees thereof.

(c) Upon obtaining those consents set forth on Schedule 6.1.2(b) (and assuming receipt of such consents), the execution, delivery and performance by such Midland Principal, Property Entity and Midland Affiliate of this Agreement and the Transaction Documents to be executed, delivered and performed by such Midland Principal, Property Entity and Midland Affiliate pursuant hereto, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any Law or Order; (ii) violate or conflict with, result in a breach of, constitute a default (or an event which with the passage of time or the giving of notice, or both, would constitute a default) under, or will result in the termination of, or accelerate the performance require by, or permit cancellation of, or result in the creation of any Lien upon any of his or its Assets under any Contract to which such Midland Principal, Property Entity, Joint Venture or Midland Affiliate is a party or by which such Midland Principal, Property Entity, Joint Venture or Midland Affiliate or any of his or its Assets are bound or by which such Midland Principal, Property Entity, Joint Venture or Midland Affiliate or any of his or its Assets may be affected; (iv) permit the acceleration of the maturity of any indebtedness of such Midland Principal, Property Entity, Joint Venture or Midland Affiliate or any indebtedness secured by his or its Assets; or (v) violate or conflict with any provision of the partnership agreement or governing document of such Property Entity, Joint Venture or Midland Affiliate.

(d) Except as set forth in the Allocation Chart, no Person holds any options, warrants, securities or other rights with respect to

such Property Entity, Joint Venture or Midland Affiliate entitling, or which if exercised would entitle, them to receive Units or Additional Units to be delivered pursuant to this Agreement.

6.1.3 Existing Mortgage Debt. Except as set forth on Schedule 6.1.3, there are no defaults (and no Property Entity, Joint Venture or Midland Affiliate has received any notice of a default asserted by any lender) under the Existing Mortgage Debt of such Property Entity, Joint Venture or Midland Affiliate, or facts or circumstances which through the passage of time or the giving of notice, or both, would result in such a default, nor will such Property Entity or Midland Affiliate cause or permit any default to occur thereunder or cause or permit any increase in the outstanding aggregate principal balance thereof from the date hereof until the First Closing, except to fund expenditures made substantially in conformity with the Development Budget and Schedule and the TI Budget and Schedule. The documents described on Schedule 1.1.40 are all of the loan documents executed in connection with such Existing Mortgage Debt of such Property Entity, Joint Venture or Midland Affiliate, and such documents have not been modified or amended except as noted thereon. The aggregate principal balance outstanding to each lender under such Existing Mortgage Debt as of the Recent Balance Sheet Date is set forth on Schedule 1.1.40.

6.1.4 Financial Statements. To the knowledge of such Property Entity or Midland Affiliate, the financial statements of such Property Entity or Joint Venture reflected in the Midland Financial Statements fairly present the financial condition, results of operations and cash flows of such Property Owner for the periods indicated therein, do not reflect any transactions which are not bona fide transactions of such entity, have been prepared in accordance with the books and records of such entity and make full and adequate disclosure of, and provision for, all Liabilities of such entity required to be reflected in accordance with GAAP as of the dates thereof. Regency and its independent certified accountants shall be given access to the books of such entity at any time prior to the First Closing upon reasonable advance notice in order that they may prepare audited financial statements described in Section 14.1.

6.1.5 No Adverse Change. To the knowledge of such Midland Affiliate or Property Entity, since the Recent Balance Sheet Date, there has not been (i) any event, circumstance or change in such Property Entity, Joint Venture or Midland Affiliate, its respective business or prospects which would cause or reasonably be expected to result in a Material Adverse Effect on any such entity or its Assets, or (ii) any material loss, damage or destruction to any of its Assets (whether or not covered by insurance) or any other event or condition which has had or is likely to have a Material Adverse Effect on such entity or its Assets. Since the Recent Balance Sheet Date, there has not been any sale, lease or other transfer or disposition of the Assets of such Property Entity, Joint Venture or Midland Affiliate, or any cancellation of any debts or claim of any such entity, except in the ordinary course of its business. Since the Recent Balance Sheet Date, such Property Entity's, Joint Venture's or Midland Affiliate's business has been conducted in all material respects only in the ordinary course and with respect to any of its Properties, consistent with its contemplated use.

6.1.6 No Litigation. Except as set forth on Schedule 6.1.6, there is no Litigation pending or, to the knowledge of such Midland Principal, Midland Affiliate or Property Entity, threatened (a) against such Property Entity, Joint Venture, Midland Affiliate or the Assets of such Property Entity, Joint Venture or Midland Affiliate, the Option Properties of such Property Entity or Joint Venture or its respective business or directors or officers or Persons performing comparable functions (in such capacity), or (b) which challenges or impairs such Midland Principal's, Property Entity's or Midland Affiliate's ability to execute, delivery or perform its obligations under this Agreement and the Transaction Documents to be executed and delivered by such Midland Principal, Property Entity or Midland Affiliate pursuant to this Agreement, nor does such Midland Principal, Property Entity or Midland Affiliate know of any facts which are reasonably likely to be the basis for any such Litigation. Except as set forth on Schedule 6.1.6, neither such Midland Principal, Property Entity or Midland Affiliate nor any of the Assets or Option Properties of such Midland Principal, Property Entity, Joint Venture or Midland Affiliate is subject to any Order.

6.1.7 Leased Real Property. Schedule 6.1.7 lists all leases pursuant to which such Property Entity, Joint Venture or Midland Affiliate holds any real property used in connection with its respective business. True and complete copies of all such leases have been delivered to Regency, together with copies of all reports of any engineers, environmental consultants or other consultants which relate to any property subject to such a lease, if any.

6.1.8 Leased Personal Property. Schedule 6.1.8 lists all leases pursuant to which such Property Entity or Joint Venture holds equipment, vehicles, furniture or any other item of personal property used in connection with its respective business, other than leases terminable without penalty on less than thirty (30) days or less notice or requiring less than $10,000 in aggregate payments over the remaining term of the lease. All of the personal property leased by such Property Entity or Joint Venture under such leases is presently utilized by such Property Entity or Joint Venture in the ordinary course of its business. True and complete copies of all such leases have been made available to Regency.

6.1.9 Intellectual Property. Except for the "Midland" name and the name of each individual Property, there are no trade names, trademarks, service marks or copyrights (or any registrations with any Government Entity of, or applications for registration pending with respect to, any of the foregoing) owned or licensed by such Midland Principal, Property Entity or Joint Venture that are material to the conduct of the business of such Property Entity or Joint Venture.

6.1.10 Contracts. Except as set forth on Schedule 6.1.10, and except for the partnership agreements, operating agreements or other governing documents of the Joint Ventures listed on Schedule 6.1.2(a), and those other contracts disclosed elsewhere in the Schedules to this Agreement, including but not limited to the Leases described on the Rent Roll, Schedules 1.1.2 (Acquisition Contracts), 1.1.27 (Development Contracts), 1.1.40 (Existing Mortgage Debt), 1.1.70 (Management Contracts), 1.1.125 (Repair Contracts), 1.1.134 (Service Contracts), 1.1.146 (TI Contracts), 6.1.7 (Leased Real Property), 6.1.8 (Leased Personal Property), 6.1.11 (Insurance Policies) and 6.2.7 (Brokers), include all of the Contracts of the following types (i) to which such Joint Venture is a party or is bound, (ii) to which such Property Entity is a party or is bound and which its respective Transferee is assuming, or (iii) to which any of the Assets or Option Properties of such Property Entity or Joint Venture are subject or are bound:

(a) all property management agreements, asset management agreements, and development agreements;

(b) all partnership agreements or other governing documents;

(c) any Contract of any kind with any equity owner of the Property Entity or Joint Venture or any Affiliate of such equity owner;

(d) any Contract with a dealer, broker, leasing agency, advertising agency or other Person engaged in sales, or promotional activities (other than Contracts terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments under the remaining term of the contract);

(e) any Contract of any nature which involves an unperformed commitment in excess of, or services having a value in excess of, $10,000;

(f) any Contract pursuant to which the Property Entity or Joint Venture has made or will make loans or advances, or has or will have incurred debts or become a guarantor, indemnitor or surety or pledged its credit on or otherwise become contingently or secondarily liable with respect to any undertaking or obligation of any other Person (except for the negotiation or collection of negotiable instruments in transactions in the ordinary course of business);

(g) any indentures, credit agreements, loan agreements, notes, letters of credit, mortgages, security agreements, leases of real property or personal property, deeds of trust or other agreements for financing;

(h) any Contract involving a partnership, joint venture or other cooperative undertaking;

(i) any Contract involving any restrictions relating to the Property Entity or Joint Venture with respect to the geographical area of operations or scope or type of business of the Property Entity or Joint Venture;

(j) any power of attorney or agency agreement or arrangement with any Person pursuant to which such Person is granted the authority to act for or on behalf of the Midland Principal, Property Entity, Joint Venture or Midland Affiliate;

(k) any Contract under which the requirements for performance extend beyond thirty (30) days from the date of this Agreement

(other than Contracts requiring less than $10,000 in aggregate payments over the term of the contract); and

(l) all other Contracts relating to the business of the Property Entity or Joint Venture not made in the ordinary course of business which are to be performed at or after the date of this Agreement (other than Contracts terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments over the term of the contract).

Such Property Entity, Joint Venture or Midland Affiliate has made available to Regency each Contract listed on Schedules 1.1.2 (Acquisition Contracts), 1.1.27 (Development Contracts), 1.1.40 (Existing Mortgage Debt), 1.1.70 (Management Contracts), 1.1.125 (Repair Contracts), 1.1.134 (Service Contracts), 1.1.146 (TI Contracts), 6.1.7 (Leased Real Property), 6.1.8 (Leased Personal Property), 6.1.11 (Insurance Policies) and 6.2.7 (Brokers) with respect to its business or Assets, and a written description of each oral arrangement so listed. All such Contracts are duly authorized and enforceable in accordance with their terms by such Property Entity or Joint Venture, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies.

6.1.11 Insurance. The Property Entity or Joint Venture has in full force and effect policies of insurance of the types and amounts customarily maintained by organizations similarly situated sufficient to insure it against loss of its respective Assets and Option Properties and will continue to maintain all such insurance in full force and effect up to and including the First Closing Date. Schedule 6.1.11 is a list of all casualty, liability, business interruption and other insurance policies insuring against loss of its Assets and Option Properties. True and complete copies of such policies shall be delivered to Regency as promptly as practicable following the date of this Agreement. The parties shall use reasonable commercial efforts to (i) determine whether there will be any gaps in insurance for the Property Entities and Joint Ventures, on the one hand, and the Transferees, on the other hand, in their respective insurance coverages before and after the First Closing, and (ii) name each other, where appropriate, at no additional cost as additional named insureds on each other's policies.

6.1.12 Tax Matters.

(a) No Midland Tax is Payable by Transferees. Except as provided on Schedule 6.1.12, and except to the extent reflected in the Proration Items, there are no unpaid Taxes arising from the operation of the business of the Property Entity or Joint Venture (or as a result of the Property Entity or Joint Venture succeeding to the Liabilities of any other Person by operation of law pursuant to a purchase of assets or stock, merger, consolidation or similar transaction) during any period prior to the First Closing Date for which the Joint Venture or any Transferee will become liable or which will become a Lien against any of the Assets or Option Properties of such Property Entity or Joint Venture following the First Closing, including but not limited to payroll, withholding and social security Taxes for any employee or person deemed to be an employee of such entity.

(b) Tax Audits. Except as provided on Schedule 6.1.12, such Property Entity or Joint Venture has not received from the IRS or from the Tax authorities of any state, county, local or other jurisdiction (i) any notice of underpayment of Taxes or other deficiency which has not been paid, (ii) any objection to any Tax return or report filed by such Property Entity or Joint Venture, nor (iii) any notice of audit with respect to any Tax, nor is such Property Entity or Joint Venture currently the subject of any such audit. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax return or report filed by such Property Entity or Joint Venture.

(c) Leases. All of the services provided by the Property Entity or Joint Venture (or any other Person acting as lessor or landlord for any of its Assets or Option Properties) to the tenants of its Properties (including the Development Properties) or Acquisition Properties under its respective leases are customary in that geographic area for first class shopping centers and are primarily for the convenience of the tenant as described in Section 856(d) of the Code. No formula for determining percentage rents under any lease with a tenant of the Property Entity or Joint Venture (including the Development

Properties) or any of its Acquisition Properties has the effect of basing such rent on the income (as opposed to revenues) or profits of any Persons. Any rent payable by tenants of its Properties (including the Development Properties) or its Acquisition Properties attributable to personal property does not exceed 15% of the total rent under the relevant Lease attributable to both real and personal property (determined in accordance with Section 856(d)(1)(C) of the Code). Schedule 1.1.134 lists any Service Contract (including those which are terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments over the remaining term of the contract) for the provision of services to any Property as to which the Property Entity or Joint Venture receives a mark-up.

6.2 Representations of Midland Principals, the Property Entities and the Midland Affiliates. The following representations are made jointly and severally by the Midland Principals as to each matter set forth herein (except as to Section 6.2.1 and 6.2.2 for which each Midland Principal represents severally as to himself and in the case of Section 6.2.2, jointly and severally as to each entity named therein in which such Midland Principal owns an equity interest), by each Property Entity, as to itself, and by each Midland Affiliate, as to itself, and as to each Property Entity in which it owns an equity interest:

6.2.1 Retained Properties. Other than the real property constituting Excluded Assets and the real property identified on Schedule 6.2.1, such Midland Principal does not, directly or indirectly, (a) own more than a 20% interest in real property which is either presently or is contemplated to be a grocery store anchored shopping center ("Grocery Related Real Estate") and which is not an Asset or an Option Property hereunder, (b) possess the right to acquire any interest in Grocery Related Real Estate ("Acquisition Rights") which is not an Acquisition Contract, or (c) possess the right, directly or indirectly, to develop or redevelop Grocery Related Real Estate ("Development Rights") other than the Development Contracts. For purposes of this Section 6.2.1, a Midland Principal's passive investment in securities of a publicly traded enterprise which, together with any of such Midland Principal's Affiliates, does not exceed 5% of the outstanding shares of the publicly-traded stock of such enterprise shall not constitute the foregoing indirect ownership or possession.

6.2.2 Securities.

(a) Such Property Entity will acquire the Units for its own account and not with a view to or for sale in connection with any public distribution thereof within the meaning of the Securities Act, except that the Units may be distributed to the Unit Recipients pursuant to the transactions contemplated by this Agreement, and such Midland Principal receiving Units in such distribution will acquire such Units for his own account and not with a view to or for sale in connection with any public distribution.

(b) Such Midland Principal, Property Entity and Midland Affiliate has sufficient knowledge and experience in financial and business matters to enable him or it to evaluate the merits and risks of investment in the Units and the Common Stock issuable upon exercise of the Redemption Rights (collectively, the "Regency Securities"), and has the ability to bear the economic risk of acquiring the Regency Securities.

(c) Such Midland Principal, Property Entity and Midland Affiliate has been furnished with a copy of the Regency Exchange Act Reports and all other materials which he or it has requested from Regency, and such Midland Principal, Property Entity and Midland Affiliate has had a full opportunity to ask questions of and receive answers from Regency or Persons acting on behalf of Regency concerning Regency and the terms and conditions of the acquisition of the Regency Securities.

(d) Such Midland Principal, Property Entity and Midland Affiliate hereby acknowledges that the Regency Securities are not registered under the Securities Act or any state securities Laws and cannot be resold without registration thereunder or exemption therefrom. Such Midland Principal, Property Entity and Midland Affiliate agrees that he or it will not transfer all or any portion of the Regency Securities except as contemplated hereby unless such transfer has been registered or is exempt from registration under the Securities Act and any applicable state securities Laws, and he or it shall require the Unit Recipients to be bound by the same agreement as a condition of the distribution to them of the Units. The Regency Securities shall, unless otherwise registered, contain a prominent legend with respect to the restrictions on transfer under the Securities Act and other applicable state securities Laws.

(e) To the knowledge of the Midland Principals, no more

than 35 Unit Recipients do not qualify as an "accredited investor," as such term is defined in Regulation D promulgated under the Securities Act. Each such Midland Principal is such an "accredited investor."

(f) Schedule 6.2.2(f) lists the jurisdiction of residence of each Unit Recipient.

6.2.3 Distributions and Payments. Upon obtaining the consents set forth in Schedule 6.1.2(b) applicable to such Property Entity and upon the execution of the other documents contemplated by this Agreement, Midland Affiliate or Joint Venture, the allocation of the consideration, including Units and Additional Units, to be received in exchange for the Assets among all of the equity owners of the respective Contributor as described in Article 2 of this Agreement (including the Allocation Chart) or set forth elsewhere in the Transaction Documents will not violate (or when such Transaction Document is executed will not violate) any of the partnership agreements or other governing documents applicable to such Property Entity, Joint Venture or Midland Affiliate, and neither the Partnership nor Regency shall have any Liability as to any such matters. The Midland Principals represent and warrant that such allocation among all the Contributors of the consideration, including Units and Additional Units, to be received in exchange for the Assets will not violate any governing documents, agreements or duties applicable to any Property Entity, Joint Venture or Midland Affiliate, and neither the Partnership nor Regency shall have any Liability as to any such matters.

6.2.4 Tax Advice. The Midland Principals, Property Entities, Joint Ventures and Midland Affiliates have relied on their accountants, attorneys and other advisors for advice in connection with structuring the transactions contemplated by this Agreement and are not relying on Regency or Regency's accountants, attorneys or other advisors with regard to the structure of such transactions.

6.2.5 Foreign Person. No Unit Recipient, Property Entity or Midland Affiliate is a "foreign person" within the meaning of Section 1445(f)(3) of the Code, and each Unit Recipient, Property Entity and Midland Affiliate will furnish to the Partnership, if requested by the Partnership, an affidavit in form satisfactory to the Partnership confirming the same.

6.2.6 No Employees. Except as set forth on Schedule 6.2.6, no Property Entity or Joint Venture has ever had any employees.

6.2.7 Brokers. Except as disclosed on Schedule 6.2.7, neither Regency, the Partnership nor any Affiliate of either has or shall have any Liability or otherwise suffer or incur any loss as a result of or in connection with any brokerage or finder's fee or other commission of any Person retained by any Midland Principal, Property Entity, Joint Venture or Midland Affiliate in connection with the transactions contemplated by this Agreement.

6.2.8 Insolvency. There is not pending (nor to the knowledge of such Property Entity or such Midland Affiliate threatened) against any Property Entity, Joint Venture or Midland Affiliate a petition in bankruptcy or any other insolvency proceeding, whether voluntary or otherwise, any petition seeking reorganization or arrangement or appointment of a receiver or trustee, or any other action brought under the bankruptcy laws of the United States or any state, nor has any Property Entity, Joint Venture or Midland Affiliate made an assignment for the benefit of creditors, nor entered into an arrangement with creditors, nor admitted in writing its inability to pay debts as they become due.

6.3 Additional Matters Relating to Joint Ventures. Each Midland Affiliate that owns an interest in a Joint Venture and each Midland Principal owning an interest in such Midland Affiliate hereby represents and warrants as follows with respect to such Joint Venture:

6.3.1 Tax Matters. The Joint Venture is qualified, and since the date of its formation has been qualified to be treated as a partnership for federal income tax purposes. The Joint Venture has never applied for any Tax ruling or entered into a closing agreement with any Taxing authority.

6.3.2 No Defaults. Except to the extent any default or non-compliance is not likely to cause a Material Adverse Effect as to such Joint Venture, the Joint Venture has not: (a) breached any provision of, nor is it in default under the terms of, any Contract to which it is a party or under which it has any rights or by which it is bound or which relates to its businesses, Assets or Option Properties and to the knowledge of the Midland Affiliate, no other party to any such Contract has breached such Contract or is in default thereunder (nor has the Joint

Venture waived any such default), and to the knowledge of the Midland Affiliate, no event has occurred and no condition or state of facts exists which with the passage of time or the giving of notice, or both, would constitute such a default or breach by the Joint Venture or by any such other party, or give right to an automatic termination or the right of discretionary termination thereof; (b) each of the Joint Venture and the Midland Affiliate owning an interest therein has complied with its obligations, and has not breached any of its duties, under the respective partnership agreement or other documents governing such entity; (c) each of its Assets and Option Properties is in compliance with, and no violation exists under, any Law or Order applicable in any way to the Joint Venture, any of its Assets or Option Properties; and (d) no notice from any Government Entity has been received by or on behalf of the Joint Venture claiming any violation of any Law (including any building, zoning or other ordinance) or Order, or requiring any work, construction or expenditure.

6.3.3 Other. Except as disclosed on Schedule 6.3.3, the Joint Venture has not succeeded to the Liabilities of any other Person by operation of Law pursuant to a purchase of stock, merger, consolidation or similar transaction.

6.4 Additional Representations of Midland Development. The following representations are made by Midland Development and by each Midland Principal, jointly and severally:

6.4.1 No Defaults. Except to the extent any default or non-compliance is not likely to cause a Material Adverse Effect as to Midland Development or the Third Party Management Assets, Midland Development has not: (a) breached any provision of, nor is it in default under the terms of, any Contract to which it is a party or under which it has any rights or by which it is bound or which relates to its business and Assets and to the knowledge of the Midland Principals, no other party to any such Contract has breached such Contract or is in default thereunder (nor has Midland Development waived any such default), and no event has occurred and no condition or state of facts exists which with the passage of time or the giving of notice, or both, would constitute such a default or breach by Midland Development or by any such other party, or give right to an automatic termination or the right of discretionary termination thereof; (b) Midland Development has complied with its obligations, and has not breached any of its duties, under the documents governing such entity; (c) its Assets are in compliance with, and no violation exists under, any Law or Order applicable in any way to Midland Development or its Assets; and (d) no notice from any Government Entity has been received by or on behalf of Midland Development claiming any violation of any Law (including any building, zoning or other ordinance) or Order, or requiring any work, construction or expenditure.

6.4.2 Management Contracts. Except as disclosed on Schedule 6.4.2 and except as would not be likely to cause a Material Adverse Effect as to Midland Development or the Third Party Management Assets, no other party to a Management Contract has rights of set-off or counterclaim against Midland Development under such Management Contract. Except as set forth on Schedule 6.4.2, neither Midland Development nor any Midland Principal has received notice of termination of any Management Contract from any other party thereto, nor is Midland Development or any Midland Principal aware that any other party presently intends to terminate, or contemplates terminating a Management Contract.

6.4.3 Permits. To the knowledge of Midland Development and each Midland Principal, except as provided on Schedule 6.4.3, the Third Party Management Business possesses all of the permits, certificates, franchises, rights, variances, interim permits, approvals, authorizations or consents, whether federal, state, local or foreign, currently necessary for the lawful operation of such business, the absence of which would have a Material Adverse Effect.

6.4.4 Title To and Condition of Assets. Midland Development has good and marketable title to its Assets, free and clear of all Liens other than the Permitted Exceptions. To the knowledge of the Midland Principals and Midland Development, the tangible assets constituting the Assets owned by Midland Development are free from defects that would have a Material Adverse Effect on Midland Development or the Third Party Management Business.

6.4.5 Employee Benefit Plans.

(a) Disclosure. Schedule 6.4.5 identifies each employee benefit plan, fund, program, contract, policy or arrangement covering or benefitting employees of Midland Development, including, but not limited to, all "employee benefit plans," as defined in Section 3(3) of ERISA, and

specifically including each retirement, pension, profit sharing, stock bonus, savings, thrift, bonus, medical, health, hospitalization, welfare, life insurance, disability, accident insurance, group insurance, sick pay, holiday and vacation programs, executive or deferred compensation plans or contracts, stock purchase, stock option or stock appreciation rights, plans or arrangements, employment and consulting contracts, and severance agreements or plans (collectively, the "Employee Benefit Plans"). With respect to each of the Employee Benefit Plans:

(1) No such plan has been terminated so as to subject, directly or indirectly, the Transferees, the Assets, or the Option Properties to any Liability or the imposition of any Lien;

(2) If any such plan were terminated, neither the Transferees, the Assets nor the Option Properties would be subject, directly or indirectly, to any Liability or the imposition of any Lien;

(3) No condition or event has occurred, currently exists or currently is expected to occur, including violations of any Laws, that could subject, directly or indirectly, the Transferees, the Assets or the Option Properties to any Liability or the imposition of any Lien;

(4) No such plan is a "multiemployer plan" or "defined benefit plan" (as defined in Section 4001 of ERISA), and neither Midland Development nor any member of its controlled group (as defined in Section 4001(a)(14) of ERISA) has ever contributed or been obligated to contribute to any such plan; and

(5) There have been no "prohibited transactions" within the meaning of Section 406 or 407 of ERISA or Section 4975 of the Code for which a statutory or administrative exemption does not exist, and the consummation of the transactions contemplated by this Agreement will not result in any prohibited transaction.

(b) Successor Liability. No condition or event could subject, directly or indirectly, the Transferees, the Assets or the Option Properties to any Liability or the imposition of any Lien under ERISA as a result of Midland Development having succeeded to the Liabilities of any other Person by operation of law pursuant to a purchase of assets or stock, merger, consolidation or similar transaction prior to the First Closing Date.

6.4.6 Other Employee Matters. Midland Development has and currently is conducting its business in full compliance with all Laws relating to employment and employment practices, terms and conditions of employment, wages and hours and nondiscrimination in employment, the violation of which would have a Material Adverse Effect on any Property Entity, Joint Venture, the Third Party Management Assets or the transactions contemplated by this Agreement.

6.5 As to the Properties. Each Property Entity (other than Midland Development), as to itself, each Midland Affiliate, as to itself and as to any Property Entity or Joint Venture in which it owns an interest, and each Midland Principal, as to himself and to each of the foregoing in which he owns an equity interest, makes the representations and warranties set forth in this Section 6.5. For purposes of this Section 6.5, each Property Entity (other than Midland Development) and Joint Venture is referred to as a "Property Owner."

6.5.1 Title; Purchase Commitments. Except for that portion of the Worthington Shopping Center which is a ground leasehold interest held by the Property Owner as a tenant, the Property Owner is the sole owner of, and has had good and indefeasible title to an undivided fee simple interest in its Properties and Option Properties, subject only to the Permitted Exceptions. The Property Owner shall cause the encumbrances listed on Schedule 6.5.1 to be fully paid and discharged of record on or prior to the First Closing Date. The Property Owner has not entered into any agreement to lease, sell, mortgage or otherwise encumber or dispose of its interest in its Properties and Option Properties or any part thereof, except with respect to the Existing Mortgage Debt, the Permitted Exceptions, and this Agreement.

6.5.2 Physical Condition. All buildings and improvements on the Properties of the Property Owner and all Personal Property constituting a part thereof, including, without limitation, all heating and air conditioning equipment, plumbing and electrical systems and paving are in as good condition and repair as was the case on the date of Regency's (or its representatives') on-site inspection of such Properties (as set forth in Schedule 6.5.2), except items calling for repair due to normal wear and tear. Without limiting the generality of the foregoing, except for the

Properties set forth on Schedule 6.5.2 or as disclosed in the Capital Expenditure Budget and Schedule, to the knowledge of such Property Owner, Midland Affiliate and Midland Principal, the roofs, walls and foundations

of the buildings are free from leaks and seepage of moisture except as disclosed in the engineering reports prepared on behalf of Regency or the applicable Transferee in respect of such Properties or in Schedule 6.5.2.

6.5.3 Rentable Area and Parking Spaces. With the exception of the Development Properties and Acquisition Properties, each Property of the Property Owner, on the First Closing Date, will contain the number of square feet of rentable area and number of parking spaces specified in Schedule 6.5.3. Each Development Property and Acquisition Property is projected to contain the number of square feet of rentable area and number of parking spaces specified in Schedule 6.5.3.

6.5.4 Compliance with Laws. To the knowledge of such Property Owner, Midland Affiliate and Midland Principal (without inquiry of any tenants of the Properties or Option Properties), other than non-compliance or violations which are not likely to have a Material Adverse Effect, each Property or Option Property of such Property Owner and the operation thereof conform with all applicable Laws of all applicable public authorities and private restrictions except for non-conformity or violations which are disclosed on Schedule 6.5.4, and each such Property (or in the case of Development Properties and Acquisition Properties, upon completion) may be operated in its present manner as a shopping center and with all accessory uses which now exist for such Property without violating any federal, state, local or other governmental building, zoning, health, safety (including, without limitation, fire and life safety), disability-related, platting or subdivision Laws, or any applicable private restrictions, and no such use is a preexisting, nonconforming use. Except as contained in Schedule 6.5.4, no notices or citations of any applicable private restriction or of the violation of any zoning regulation or directive of any governmental authority or authorities having jurisdiction relating to any such Property or Option Property or any parts thereof have been received by the Property Owner, Midland Affiliate or Midland Principal other than restrictions or violations not likely to have a Material Adverse Effect.

6.5.5 Insurability. Neither the Property Owner, the Midland Affiliate nor the Midland Principal, nor to the knowledge of such Property Owner, Midland Affiliate or Midland Principal, any tenant of any Property or Option Property of such Property Owner, has received any notices from any insurance company of any defects or inadequacies in such Property or Option Property or any part thereof which would affect adversely the insurability of such Property or Option Property, and, to the knowledge of the Property Owner, Midland Affiliate or Midland Principal, each such Property or Option Property complies with the requirements of all insurance carriers providing insurance therefor.

6.5.6 Utilities; Permits. Except for the Properties set forth on Schedule 6.5.6, all water, sewer, gas (if any) , electric, telephone and drainage facilities and any other utilities required by law for the normal operation of each Property of the Property Owner are installed to the property line thereof and are connected with valid permits, and are sufficient to permit full compliance with all requirements of Law and of the Leases applicable thereto. Except for the Properties set forth on Schedule 6.5.6, all permits and connection fees with respect to such Properties are fully paid and any action necessary on the part of the Property Entity to transfer such permits will be accomplished as of the First Closing.

6.5.7 Contract Payments. Except for the Development Properties, the applicable Property Owner will have paid for all work, labor and material furnished to each Property on or prior to the First Closing Date except as disclosed on Schedule 6.5.7 in respect of the punch list items for which there is retainage, and there will be no Liens or the possibility thereof in connection therewith relating to any work or labor done or materials furnished prior to the First Closing Date, except as disclosed on Schedule 6.5.7.

6.5.8 Assessments. Each Property of the Property Owner is assessed for full value as a completed unit for real estate tax purposes, except as set forth on Schedule 6.5.8. Except as set forth on Schedule 6.5.8, neither the Property Owner, the Midland Affiliate nor the Midland Principal has received any notice or order from any governmental authority in respect of any proposed change in the valuation of such Property or Option Property for personal property or real estate tax purposes from that assessed for the current assessment period, nor do such Property Owner, Midland Affiliate or Midland Principal know of any action or proceeding designed to levy any special assessments against such Property

or Option Property. Neither the Property Owner, the Midland Affiliate nor the Midland Principal have been notified of possible future improvements by any public authority, any part of the cost of which would or might be assessed against such Property or Option Property or of any contemplated future assessments of any kind, except as set forth on Schedule 6.5.8.

6.5.9 Accuracy of Documents. The Contracts, Leases and other documents pertaining to each Property or Option Property of the Property Owner which have been or will be delivered by the Property Owner to the applicable Transferee hereunder will be true, accurate and complete and constitute all Leases and Contracts with respect to such Property or Option Property as of the First Closing Date.

6.5.10 Rent Roll and Leases. The Rent Rolls attached hereto as Schedule 1.1.124 are complete and accurate as to each Property and Option Property of the Property Owner; each Lease with respect to such Property or Option Property is in full force and effect; no tenant or any other person has any option to renew or extend its Lease except to the extent indicated on Schedule 6.5.10 and no tenant or any other person has any other right to possess or acquire any interest in any part of such Property or Option Property; to the knowledge of the Property Owner, the Midland Affiliate or the Midland Principal, no tenant under the Leases with respect to such Property or Option Property is in default thereunder except to the extent indicated on Schedule 6.5.10; the landlord under each of such Leases has neither committed nor suffered any act or omission which with the giving of notice or the lapse of time, or both, would constitute a default on its part, or would entitle the respective tenants thereunder to damages under the terms of any of such Leases or a right of set-off or a right to terminate the Lease; none of the tenants has notified any Property Owner, Midland Affiliate or Midland Principal in respect of any materially defective condition of such Property or Option Property or of any material alleged default on the part of any such Property Owner, Midland Affiliate or Midland Principal except to the extent indicated on Schedule 6.5.10; no tenant under any of such Leases has paid any rental more than thirty (30) days in advance (other than as required by its Lease) or is in arrears in rent payments for more than thirty (30) days, except to the extent listed on Schedule 6.5.10; except as provided in Schedule 6.5.10 as of the date hereof in respect of such Property or Option Property, all tenants have accepted and are occupying the leased premises; except as set forth in such Leases or in Schedule 6.5.10, no tenant is entitled to receive any concession, rental or otherwise, or other similar compensation in connection with renting the space it occupies or by reason of any reduction in service; except as provided in Schedule 6.5.10, the Property Owner has eliminated or satisfied all of the landlord's obligations under such Leases which are conditions to the obligations of the respective tenants thereunder to pay rent. Neither the Property Owner, the Midland Affiliate or the Midland Principal have any obligation continuing after the First Closing Date to do any maintenance or make any improvements in respect of any leased premises except as set forth in Schedule 6.5.10 and no commissions to any broker or leasing agent are due or will become due on account of any of such Leases or upon extension or renewal of the term thereof or upon the leasing of additional space in such Property or Option Property, whether or not pursuant to an option or other right contained in any such Lease, except as set forth in Schedule 6.5.10 or except to the extent reflected in the "Proration Items."

6.5.11 Permits. To the knowledge of such Property Owner, Midland Affiliate and Midland Principal, the copies of the licenses and permits delivered by the Property Owner to the applicable Transferee prior to the First Closing Date constitute all licenses and permits (and with the exception of the Development Properties, including, without limitation, occupancy permits) which are required from all governmental authorities having jurisdiction over each Property or Option Property of such Property Owner which are necessary for the operation thereof in the manner operated by the Property Owner at the time of the First Closing or to insure vehicular and pedestrian ingress to and egress from such Property or Option Property and neither the Property Owner, the Midland Affiliate or the Midland Principal have received any notice regarding, nor do such Property Owner, Midland Affiliate or Midland Principal have any knowledge of, any default or violation under any of such licenses or permits or any other licenses or permits applicable to such Property or Option Property.

6.5.12 Service Contracts. No Property Owner, Midland Affiliate or Midland Principal has any written or, to the knowledge of such Property Owner, Midland Affiliate or Midland Principal, oral contract for services, equipment, supplies or the like relating to the ownership, operation or management of any Property or Option Property of such Property Owner, including, but not limited to, management, rubbish removal, equipment leasing, furnishing of supplies, cleaning or employment

contracts other than those listed on Schedule 1.1.134 and other than those which are terminable without penalty on thirty (30) days or less notice or requiring less than $10,000 in aggregate payments over the remaining terms of the contract. Each of such Contracts is in full force and effect, no default or any event which with notice or lapse of time or both would constitute a default exists under any such Contract and all payments are current thereunder.

6.5.13 Security Deposits. All security deposits to be paid by tenants pursuant to the Leases on the Property or Option Property of such Property Owner which require security deposits have been paid and the amount of security deposits (and interest thereon, if required to be paid by law) that will be transferred to the applicable Transferee (as set forth in Schedule 6.5.13) will be equal to the total amount of the security deposits made by tenants (plus interest thereon to the extent applicable) pursuant to such Leases that are in effect on the First Closing Date.

6.5.14 Condemnation. Except as set forth on Schedule 6.5.14, there are no condemnation, environmental, zoning or other land use regulations or proceedings pending of which the Property Owner has received written notice or, to the knowledge of the Property Owner, Midland Affiliate or Midland Principal, contemplated which would affect all or any part of any Property or Option Property of such Property Owner. No portion of any such Property or Option Property has been affected by fire or other casualty, except for such portions which have been fully repaired or restored to their condition prior to such fire or other casualty.

6.5.15 Environmental Matters. For purposes of this subparagraph 6.5.15, the following definitions apply:

(a) "Environmental Conditions" means circumstances in respect of soil, surface waters, groundwaters, stream sediment, air and similar environmental media, both on-site and off-site a Property or Option Property, that could require remedial action and/or that may result in claims and/or demands by and/or liabilities to third parties, including, but not limited to governmental entities. Environmental Conditions shall include those discovered after the First Closing Date that do not directly result from the applicable Transferee's (or their assignees') operation of the Properties or Option Properties after the applicable Closing Date.

(b) "Environmental Assessment Reports" means all environmental studies, reports, surveys and assessments made by environmental consultants on behalf of any of the Property Owner, Midland Affiliate or Midland Principal or Regency or the applicable Transferee.

(c) "Existing Environmental Compliance Liability" means any or all claims and/or demands by and/or liabilities to third parties including, but not limited to, governmental entities arising from any and all Laws applicable to any Property or Option Property as of or prior to the First Closing Date for such Property or Option Property, including, without limitation, compliance with all Permits.

(d) "Hazardous Materials" means any petroleum, petroleum products, fuel oil, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.

(e) "Laws" shall mean all applicable laws, ordinances or regulations existing on or before the Closing Date for such Property or Option Property relating to the environment, including, without limitation, those pertaining to air and water quality, solid waste, Hazardous Materials, worker and community right-to-know hazardous materials communication, toxic substance control, radioactive material management and waste disposal.

(f) "Notice" shall mean any written communication in respect of such Property or Option Property from the United States Environmental Protection Agency ("USEPA"), Department of Environmental Protection of the state where each Property or Option Property is located, or any other federal, state or local agency or authority, or any other entity or any individual, concerning any intentional or unintentional act or omission which has resulted in or which may result in the Release of any Hazardous Material into the

environment including, the surface water, groundwater, soil, air or other environmental media, or other violation or alleged violation of environmental laws and shall expressly include the imposition of any lien pursuant to any Laws.

(g) "Permits" shall mean permits, consents, licenses, certificates, approvals, registrations or authorizations in connection with environmental matters as required by the Laws.

(h) "Release" means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, ejecting, escaping, leaching, disposing, seeping, infiltrating, draining or dumping in violation of any Laws. This term shall be interpreted to include both the present and past tense, as appropriate.

Except as disclosed in the Environmental Assessment Reports described in Schedule 6.5.15:

To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, there are no Permits which are required by the Laws. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, each of the Property Owner, Midland Affiliate and Midland Principal has been and is in compliance with and has no liability or obligation arising under applicable Laws in respect of the Properties or Option Properties of such Property Owner. Neither the Property Owner, Midland Affiliate nor Midland Principal has received any Notice from any applicable governmental agency seeking any information or alleging any violation of such Laws in connection with such Properties or Option Properties. Neither the Property Owner, Midland Affiliate nor Midland Principal has caused or permitted any such Property or Option Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process any Hazardous Materials or solid waste, except in compliance with all applicable laws and has not caused or permitted and the Property Owner, Midland Affiliate and Midland Principal have no knowledge of the Release of any such Hazardous Materials on-site of such Properties or Option Properties. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, no buildings or other improvements on any such Property or Option Property contains any asbestos or other Hazardous Materials, and no such materials are located on, in or under any such Property or Option Property, except to the extent they comply with applicable Laws. There is not located at any such Property or Option Property any underground or above-ground tanks; to the knowledge of such Property Owner, Midland Affiliate or Midland Principal, the removal of any tank previously removed from such Properties or Option Properties has been carried out in compliance with all applicable Laws. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, no condition, circumstance or set of facts exists in respect of such Properties or Option Properties that constitutes a significant hazard to health, safety, property or the environment for which any of the Property Owner, Midland Affiliate and Midland Principal is or may be liable under the Laws. No representation, warranty or statement of such Property Owner, Midland Affiliate or Midland Principal contained in this Agreement or contained in any exhibit, certificate, schedule or other document furnished by the Property Owner, Midland Affiliate and Midland Principal to Regency or the applicable Transferee, pursuant to this Section 6.5.15 or in connection with a transaction contemplated in this Section 6.5.15, contains any untrue statement of a material fact or omits disclosing a material fact with regard to environmental matters. The applicable Transferee and such Property Owner, Midland Affiliate or Midland Principal recognize that present, past or future Environmental Conditions may exist which could require remedial action and/or may result in claims and/or demands by and/or liabilities to third parties, including, but not limited to, governmental entities. Subject to the limitations set forth in Schedule 6.5.15, it is the obligation of the Property Owner, Midland Affiliate and Midland Principal to comply or ensure compliance with all matters arising out of all Laws, agreements with governmental entities, and court and administrative orders in respect of on-site and off-site Environmental Conditions which may exist at each such Property on the First Closing Date, or Option Property on the applicable closing date, and which do not become Environmental Conditions as a result of a change in the Laws after the First Closing Date or applicable closing date. Such obligation, and any liability that such Property Owner, Midland Affiliate or Midland Principal may have for any breach thereof, shall survive the First Closing for the period of time set forth in Section 13.1, below (the "Survival Period") and shall include Environmental Conditions discovered after the First Closing Date but within the Survival Period. In the event that the

applicable Transferee is notified by a third party or governmental entity or discovers the existence of any Environmental Condition prior to the expiration of the Survival Period, the result of which may require remedial action or form the basis for the assertion of a claim by any third party, including claims of governmental entities, such Transferee shall notify such Property Owner, Midland Affiliate and Midland Principal prior to the expiration of the Survival Period thereof, and subject to the limitations set forth in Article 13 below, the Property Owner, Midland Affiliate and Midland Principal shall proceed with due diligence to take the appropriate action and respond thereto. In the event that the Property Owner, Midland Affiliate and Midland Principal fail to proceed with due diligence, such Transferee, at its option, may proceed to take the appropriate action and shall continue to have all rights to indemnity as set forth in this Agreement.

6.5.16 Flood Hazard. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, no buildings now existing or to be constructed prior to the First Closing Date on any Property or Option Property of the Property Owner are or will be located in an area designated by any governmental entity as a flood hazard zone, except as disclosed on the Surveys performed in respect of such Property or Option Property.

6.5.17 Zoning. Each Property or Option Property of the Property Owner is zoned to permit the continued existence on the Real Property comprising a portion of such Property or Option Property of the buildings and other improvements now located thereon without relying on any variance or other waiver of the requirements of the applicable zoning laws except as disclosed on Schedule 6.5.17; no application for variance or change in zoning is pending; and each such Property or Option Property comprises a real estate tax lot or lots taxed separately from any other property, except as disclosed on Schedule 6.5.17.

6.5.18 Access. Except for those Properties or Option Properties set forth on Schedule 6.5.18, each Property or Option Property of the Property Owner has direct access to all streets and roadways abutting such Property or Option Property, as shown on the Survey performed in respect of such Property or Option Property, and all such streets and roadways are dedicated streets and roadways which have been accepted by the appropriate governmental authority.

6.5.19 No Defects. Neither the Property Owner, Midland Affiliate nor Midland Principal has any knowledge of any defective condition (latent or otherwise) in respect of the Properties or Option Properties of such Property Owner or any condition which is likely to have a Material Adverse Effect on the ownership, operation or maintenance of any such Property or Option Property.

6.5.20 Use of Property. Neither such Property Owner, Midland Affiliate nor Midland Principal knows of any facts or has misrepresented or failed to disclose any material fact which would prevent the applicable Transferee from using and operating any Property or Option Property of such Property Owner after the First Closing Date as a shopping center except as set forth on Schedule 6.5.20.

6.5.21 No Default. The execution, delivery or performance of this Agreement will not constitute a default under any agreement, Lease, Contract, Permitted Exception, indenture, order or other instrument or document by which the Property Owner or any Property or Option Property of such Property Owner may be bound, subject to any consents required to be obtained by the Property Owner (which consents are identified on Schedule 6.1.2(b)) or which are a condition for Closing pursuant to Section 8.2 of this Agreement. Such Property Owner, Midland Affiliate and Midland Principal agree to use their best efforts to obtain all such consents prior to the First Closing Date.

6.5.22 Development Properties. A true and correct copy has previously been furnished to Regency of the budget and development or redevelopment schedule therefor prepared by or for the Property Owner as applicable, for each of the Development Properties of such Property Owner and to the extent they have been prepared for any Acquisition Property of such Property Owner, each dated as of the date set forth on Schedule 6.5.22 (collectively, as they may be amended pursuant to Section 5.10, the "Development Budget and Schedule"). Except as set forth on Schedule 6.5.22, each such Development Property is zoned for the lawful development and/or redevelopment thereon, and the Property Owner has obtained all permits, licenses, consents and authorizations required for the current stage of development or redevelopment thereon. To the knowledge of the Property Owner, Midland Affiliate and Midland Principal, except as set forth on Schedule 6.5.22, there are no material impediments to or

constraints on the development or redevelopment of any such Development Property, substantially within the time frame and not substantially in excess of the cost set forth in the Development Budget and Schedule applicable thereto. To the knowledge of the Property Owner, Midland Affiliate and Midland Principal, in the case of each such Development Property, the development or redevelopment of which has commenced, the costs and expenses incurred in connection with such Development Property and the progress thereof are consistent and substantially in compliance with all aspects of the Development Budget and Schedule applicable thereto, except as disclosed in Schedule 6.5.22. The Property Owner, Midland Affiliate and Midland Principal have made available to Regency all feasibility studies, soil tests, due diligence reports and other studies, tests or reports performed by or for the Property Owner, Midland Affiliate and Midland Principal, or otherwise in their possession, which relate to the Development Properties.

6.5.23 Acquisition Properties. Each Acquisition Contract of the Property Owner is enforceable by such Property Owner and neither such Property Owner, nor to such Property Owner's knowledge, any other party thereto, is in default under any such Acquisition Contract. Without limiting the foregoing, the contract seller is not in breach of any representations and warranties made by it in any such Acquisition Contract.

6.5.24 Work Contracts. The Work Contracts relating to Properties of the Property Owner are in full force and effect, no party is in material default thereunder or under any construction loans applicable thereto, nor are there any facts or circumstances which with the passage of time or the giving of notice, or both, would result in any such material default, except as disclosed in Schedule 6.5.24. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, except as disclosed in Schedule 6.5.24, the progress and remaining expenditures under such Work Contracts are substantially consistent with the Development Budget and Schedule, the TI Budget and Schedule and the Capital Expenditures Budget and Schedule. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, except as disclosed in Schedule 6.5.24, any remaining work under such Work Contracts to be performed after the First Closing will not exceed substantially the amounts budgeted therefor on the foregoing schedules. To the knowledge of such Property Owner, Midland Affiliate or Midland Principal, except as disclosed in Schedule 6.5.24, the work remaining under such Work Contracts will be sufficient to complete the respective projects to which they relate, without material change orders, so as to comply with existing development obligations of such Property Owner (including, without limitation, obligations under any letters of intent to lease), obligations for tenant improvements under Leases with respect to such Properties or for repairs or other necessary work.

6.5.25 Budgets and Projections. To the knowledge of such Property Owner, except as set forth on Schedule 6.5.25, all budgets and projections, including without limitation, the Capital Expenditure Budget and Schedule and the TI Budget and Schedule for each Property and Acquisition Property of such Property Owner represent such Property Owner's best estimate of capital expenditures anticipated to be made in each year covered by such budget.

6.6 Limit on Representations. Except for the express representations and warranties set forth in this Agreement, the Partnership and Regency acknowledge and agree that the Assets are being contributed to the Partnership "as is, where is, and with all faults" without any other representation or warranty by the Midland Principals, Property Entities, Joint Ventures, Midland Affiliates or any other individual or entity, and no such Person nor any other individual or entity has made any other express or implied representation or warranty with respect to the Assets whatsoever, and except for the representations and warranties expressly set forth in this Agreement, the Partnership and Regency acknowledge that the Partnership accepts the Assets without relying upon any such other representation or warranty whatsoever by such Persons or any other Person or entity, and based solely upon the Partnership's own inspections, investigations and analysis of the Assets.

ARTICLE 7: REPRESENTATIONS, WARRANTIES AND FURTHER COVENANTS OF REGENCY

Regency hereby represents, warrants and covenants to the Property Entities as of the date of this Agreement as follows. All representations that are made "to Regency's knowledge" means to the actual knowledge of the individuals listed on Schedule 7 attached hereto after reasonable inquiry. Regency represents that such individuals are the appropriate individuals who, in the course of their duties, would normally be aware of

material issues and facts affecting Regency.

7.1 Due Incorporation, etc.

(a) Regency is duly organized, validly existing and in good standing under the Laws of the State of Florida, with all requisite power and authority to own, lease, operate and sell its assets and to carry on its business as it is now being conducted. Regency is in good standing as a foreign entity authorized to do business in each jurisdiction where it engages in business, except to the extent such violation or failure does not cause or is not reasonably expected to cause a Material Adverse Effect.

(b) Regency owns all of the outstanding capital stock of its subsidiaries listed on Exhibit 21 of Regency's Form 10-K annual report filed with the SEC for the fiscal year ended December 31, 1996, except that Regency owns 100% of the outstanding preferred stock and 5% of the outstanding common stock of Regency Realty Group, Inc. and of Regency Realty Group II, Inc. Except as set forth on Schedule 7.1(b) and except for its interests in its subsidiaries, Regency does not hold any interest in any security issued by any other Person.

7.2 Due Authorization; Consents; No Violations.

(a) Regency has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Regency of this Agreement have been, and the Transaction Documents to be executed and delivered by it pursuant to this Agreement shall be, duly and validly approved by Regency, and no other proceeding on the part of Regency is necessary to authorize this Agreement and the transactions contemplated hereby (other than obtaining the consents set forth on Schedule 7.2(b)). This Agreement has been duly and validly executed and delivered by Regency and, assuming due authorization (including the consummation of the matters described in the foregoing sentence), execution and delivery of this Agreement by the other parties hereto, this Agreement constitutes, and the Transaction Documents to be executed and delivered by Regency pursuant to this Agreement when executed will constitute, valid and binding obligations of Regency enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies.

(b) Except as set forth on Schedule 7.2(b) and except for an application to list the Shares issuable pursuant to the transactions contemplated by this Agreement on the New York Stock Exchange, no consents, waivers, exemptions or approvals of, notices to or filings or registrations by Regency with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery and performance by Regency of this Agreement or the consummation of the transactions contemplated hereby, except to the extent the failure to obtain the same does not cause or is not expected to cause a Material Adverse Effect on Regency or the transactions contemplated by this Agreement.

(c) Upon obtaining those consents set forth on Schedule 7.2(b) (and assuming receipt of such consents) except to the extent same does not cause or is not reasonably expected to cause a Material Adverse Effect, the execution, delivery and performance by Regency of this Agreement and the Transaction Documents to be executed, delivered and performed by Regency pursuant hereto, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any Order applicable to or binding on Regency or its assets; (ii) violate any Law; (iii) violate or conflict with, result in a breach of, constitute a default (or an event which with the passage of time or the giving of notice, or both, would constitute a default) under, permit cancellation of, accelerate the performance required by, or result in the creation of any Lien upon any of Regency's assets under, any contract or other arrangement of any kind or character to which Regency is a party or by which Regency or any of its assets are bound; (iv) permit the acceleration of the maturity of any indebtedness of Regency, or any indebtedness secured by any of Regency's assets; or (v) violate or conflict with any provision of the Articles of Incorporation or Regency's bylaws.

7.3 Capitalization.

7.3.1 The authorized capital stock of Regency consists of (i) 25,000,000 shares of Common Stock, (ii) 10,000,000 shares of Special Common Stock, $0.01 par value, and (iii) 10,000,000 shares of preferred

stock, $0.01 par value. As of December 16, 1997, there were 23,991,277 shares of Common Stock issued and outstanding, and 2,500,000 shares of Class B Non-voting Common Stock, par value $0.01, issued and outstanding.

7.3.2 No shares of Regency's stock are entitled to preemptive rights. Except as disclosed in the Regency Exchange Act Reports, in the Articles of Incorporation relating to the Class B Non-voting Common Stock, in this Agreement, in the Partnership Agreement or on Schedule 7.3.2, there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of Regency or any of its subsidiaries, or contracts or other arrangements by which Regency or any of its subsidiaries is or may become bound to issue additional shares of capital stock of Regency or any of its subsidiaries. Regency has furnished to the Property Entities true and correct copies of the Articles of Incorporation and Regency's bylaws, as in effect on the date hereof.

7.3.3 Except as set forth on Schedule 7.3.3, Regency has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its capital stock or any interest therein or to pay any dividend or make any other distribution in respect thereof.

7.3.4 Except for the agreements listed on Schedule 7.3.4, Regency has no knowledge of any voting agreements, voting trusts, stockholders' agreement, proxies or other agreements or understandings that are currently in effect or that are currently contemplated with respect to the voting of any capital stock of Regency.

7.3.5 All of the outstanding securities of the Company were issued in compliance with all applicable federal and state securities laws.

7.4 Valid Issuance of Shares. The Shares issuable upon the exercise of the Redemption Rights will be duly and validly reserved for such issuance and will be duly and validly issued, fully paid and nonassessable, assuming that such exercise will not result in the value of Regency's outstanding equity securities being owned directly or indirectly by Persons who are Non-U.S. Persons (as defined in the Articles of Incorporation).

7.5 Regency Exchange Act Reports.

7.5.1 Since November 5, 1993, Regency has timely filed all Regency Exchange Act Reports. As of their respective dates, (i) the Regency Exchange Act Reports complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the Regency Exchange Act Reports, and (ii) no Regency Exchange Act Report contained, and no documents subsequently filed by Regency with the SEC pursuant to the Exchange Act will contain, any untrue statement of material fact or omitted a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

7.5.2 The financial statements of Regency included in the Regency Exchange Act Reports comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and on that basis present fairly in all material respects the consolidated financial position and assets and Liabilities of the entities included therein as going concerns, and the results of the operations of such entities and changes in their financial position for the periods covered thereby and as of the dates thereof. Such financial statements are in accordance with the books and records of the entities included therein, do not reflect any transactions which are not bona fide transactions and do not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading. Such financial statements make full and adequate disclosure of, and provision for all material Liabilities of the entities included therein (including Regency's subsidiaries) as of the dates thereof. Except as set forth in the balance sheets included in the Regency Exchange Act Reports, there are no Liabilities (including "off-balance sheet" Liabilities), whether due or to become due, which have had or are reasonably likely to have a Material Adverse Effect.

7.6 Permits. Regency holds all licenses, certificates,

permits, franchises, rights, variances, interim permits, approvals, authorizations or consents, whether federal, state, local or foreign, which are currently necessary for the lawful operation of Regency's business, except for those the absence of which would not cause and would not be reasonably expected to cause a Material Adverse Effect on Regency.

7.7 No Adverse Change. Since the Recent Balance Sheet Date, there has not been (i) any event or circumstance or change in Regency, its business or prospects which would cause or reasonably be expected to result in a Material Adverse Effect on Regency, (ii) any material loss, damage or destruction to any of Regency's assets (whether or not covered by insurance) or any other event or condition which has had or could reasonably be expected to have a Material Adverse Effect on Regency, (iii) any contract or other transaction entered into by Regency relating to, or otherwise affecting in any way, its business or the operation thereof, other than in the ordinary course of business, (iv) any sale, lease or other transfer or disposition of any of Regency's assets, or any cancellation of any debts or claim of Regency, except in the ordinary course of business, and (v) any changes in the accounting systems, policies or practices of Regency. Since the Recent Balance Sheet Date, Regency's business has been conducted in all material respects only in the ordinary course and consistent with past practices.

7.8 No Defaults or Violations. Except to the extent any default or non-compliance does not cause or is not reasonably expected to cause a Material Adverse Effect as to Regency: (a) Regency has not materially breached any provision of, nor is it in material default under the terms of, any lease, contract or commitment to which it is a party or under which it has any rights or by which it is bound or which relates to its business or its assets and, to Regency's knowledge, no other party to any such lease, contract, or other commitment has breached such lease, contract or commitment or is in default thereunder (nor has Regency waived any such default) in any material respect, and no event has occurred and no condition or state of facts exists which with the passage of time or the giving of notice, or both, would constitute such a default or breach by Regency, or to Regency's knowledge, by any such other party, or give right to an automatic termination or the right of discretionary termination thereof; (b) Regency is in material compliance with, and no Liability or material violation exists under, any Law or Order applicable in any way to Regency; and (c) no notice from any Government Entity has been received by Regency claiming any violation of any Law (including any building, zone or other ordinance) or Order, or requiring any work, construction or expenditure.

7.9 Litigation. Except for certain matters which, to Regency's knowledge, do not have a Material Adverse Effect on Regency or the transactions contemplated by this Agreement, there is no Litigation pending or, to Regency's knowledge, threatened against any of the properties or businesses of Regency or relating to its assets or the transactions contemplated by this Agreement. Except as disclosed on Schedule 7.9, neither Regency nor any of its assets are subject to any Order which has had or could have a Material Adverse Effect on Regency.

7.10 Title to Properties; Leasehold Interests. Regency has good and marketable title to each of the properties and assets owned by it. Certain real and personal property used by Regency in the conduct of its business is held under lease, and, to Regency's knowledge, there is no pending or threatened Claim by any lessor of any such property to terminate any such lease. None of the properties owned or leased by Regency is subject to any Liens which could reasonably be expected to materially and adversely affect the assets, properties, liabilities, business, affairs, results of operations, condition (financial or otherwise) or prospects of Regency. Each lease or agreement to which Regency is a party under which it is the lessee of any property, real or personal, is a valid and subsisting agreement without any material default of Regency thereunder and, to the best of Regency's knowledge, without any material default thereunder of any other party thereto. No event has occurred and is continuing which, with due notice or lapse of time or both, would constitute a default or event of default by Regency under any such lease or agreement or, to the best of Regency's knowledge, by any party thereto, except for such defaults that would not individually or in the aggregate have a Material Adverse Effect on Regency. Regency's possession of such property has not been disturbed and, to the best of Regency's knowledge, no claim has been asserted against it adverse to its rights in such leasehold interests.

7.11 Environmental Matters. For purposes of this Section 7.11, the term "Regency" means Regency and its Affiliates, and the term "Regency Property" means a property owned or leased by Regency or its Affiliates and any property in which Regency or its Affiliates has an interest. The parties acknowledge that Regency does not possess any expertise with

regard to Materials of Environmental Concern and, accordingly, the following representations and warranties are based exclusively on reports prepared by environmental consultants to Regency.

(a) Regency is and each Regency Property is not presently in violation of any applicable Environmental Law;

(b) Regency has not stored or used any Materials of Environmental Concern at any Regency Property;

(c) Regency has not received any notice, complaint, warning letter or notice of violation from any Government Authority or any other person that Regency is in violation of any Environmental Law or environmental permit or that it is responsible (or potentially responsible) for the assessment or remediation of any release of any Material of Environmental Concern at, on or beneath any Property;

(d) Regency is not the subject of any actual or, to Regency's knowledge, threatened federal, state, local or private litigation involving a claim of liability or a demand for damages arising out of violation of any Environmental Law or from the release or threatened release of any Material of Environmental Concern;

(e) Except for those matters described in Schedule 7.11, Regency has timely filed all reports required by any applicable Environmental Law and has generated and maintained all data, documentation, and records required under any Environmental Law;

(f) Except for those matters described in Schedule 7.11, which, to Regency's knowledge, do not have a Material Adverse Effect on Regency, Regency is not aware of any release or threatened release of a Material of Environmental Concern, the presence of any current or former drycleaning facility, the presence of any current or former storage tanks, the presence of any asbestos containing material, or the presence of any condition or circumstance which could subject the owner or operator of any Regency Property to liability or claims under the Environmental Laws or any private cause of action arising out of an environmental condition;

(g) No Regency Property is subject to, and Regency has no knowledge of any imminent restriction on the ownership, occupancy, use, or transferability of any Regency Property; or

(h) To Regency's knowledge, there are no conditions or circumstances at any Regency Property which pose a risk to the environment or the health or safety of any Person.

7.12 Taxes. Regency has filed all federal, state, local and other Tax returns and reports (except for foreign returns and reports the failure to file which has not and is not reasonably expected to cause a Material Adverse Effect), and any other material returns and reports with any Government Entity, required to be filed by it. Regency has paid or caused to be paid all Taxes that are due and payable, except those which are being contested by it in good faith by appropriate proceedings and in respect of which adequate reserves are being maintained on its books in accordance with GAAP consistently applied. Regency does not have any material Liabilities for Taxes other than those incurred in the ordinary course of business and in respect of which adequate reserves are being maintained by it in accordance with GAAP consistently applied. Federal and state income Tax returns for Regency have not been audited by the IRS or any state authority. No deficiency assessment with respect to or proposed adjustment of Regency's federal, state, local or other Tax returns is pending or, to the best of Regency's knowledge, threatened. There is no Tax Lien, whether imposed by any federal, state, local or other tax authority, outstanding against the assets, properties or business of Regency. There are no applicable Taxes, fees or other governmental charges payable by Regency in connection with the execution and delivery of this Agreement.

7.13 REIT Status. Regency qualifies as a REIT under the Code. Regency Atlanta, Inc. is a "qualified REIT subsidiary" within the meaning of Code Section 856(i).

7.14 Employees: ERISA. Regency has good relationships with its employees and has not had and does not expect any substantial labor problems. Regency does not have any knowledge as to any intentions of any key employee or any group of employees to leave the employ of Regency. Other than as disclosed in the Regency Exchange Act Reports and materials provided to the Midland Principals, Property Entities and Midland Affiliates, Regency has not established, sponsored, maintained, made any contributions to or been obligated by law to establish, maintain, sponsor or make any contributions to any "employee pension benefit plan" or

"employee welfare benefit plan" (as such terms are defined in ERISA), including, without limitation, any "multi-employer plan." Regency has complied in all material respects with all applicable Laws relating to the employment of labor, including provisions relating to wages, hours, equal opportunity, collective bargaining and the payment of Social Security and other Taxes, and with ERISA.

ARTICLE 8: CONDITIONS PRECEDENT TO OBLIGATIONS OF REGENCY

8.1. Conditions for the First Closing as to the Transaction. The obligation of Regency to consummate the First Closing is subject to the fulfillment, at or prior to the First Closing, of each of the following conditions precedent, and, as described herein, the failure to satisfy any such condition precedent, after written notice of such failure followed by a thirty (30) day period in which to cure such failure, shall excuse and discharge all obligations of Regency to carry out the provisions of this Agreement unless such failure is waived in writing by Regency.

8.1.1 Aggregate Assets. The exclusion of Assets from the transactions contemplated by this Agreement by Regency pursuant to the provisions of Section 8.2, together with the exclusion of Assets from the transactions contemplated by this Agreement on account of any Material Uncured Title Defect or other objection pursuant to Section 5.16, any Material Later Exception pursuant to Section 5.17, any Unremedied Material Damage as described in Section 5.18 and any Material Eminent Domain Proceedings pursuant to Section 5.19, shall not result in the Assets to be contributed to the Partnership hereunder having a Gross Asset Value as of the date of the First Closing of less than 80% of the aggregate Gross Asset Value as shown on Schedule 2.1 of all the Assets.

8.1.2 Representations and Warranties. The representations and warranties made in Article 6 other than those described in Section 8.2.1, and the statements and information contained in any certificate, instrument, schedule, document or exhibit delivered by or on behalf of any Property Entity, Joint Venture, Midland Affiliate or Midland Principal in connection with the First Closing pursuant to this Agreement, shall be true, correct and complete on and as of the date hereof, and shall be true, correct and complete on and as of the First Closing Date with the same effect as though such representations and warranties were made on and as of the First Closing Date, other than a breach of a representation or warranty which is not likely to have a Material Adverse Effect on the transactions contemplated by this Agreement taken as a whole; provided, however, that if any representation and warranty is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply. Each Midland Principal, Midland Affiliate and Property Entity shall have delivered to Regency at the First Closing certificates in form and substance reasonably satisfactory to Regency dated as of the First Closing Date to such effect.

8.1.3 Compliance with Covenants and Agreements. The covenants, obligations and agreements of the Property Entity, Joint Venture, Midland Affiliate or Midland Principals other than those described in Section 8.2.2 to be performed and complied with on or before the First Closing Date shall have been duly performed and complied with other than non-performance or non-compliance which is not likely to have a Material Adverse Effect on the transactions contemplated by this Agreement taken as a whole.

8.1.4 No Material Adverse Change. Since the date of execution of this Agreement, there shall not have been any change, circumstance or event which has had or would reasonably be expected to have a Material Adverse Effect on the transactions contemplated by this Agreement taken as a whole.

8.1.5 No Injunction. There shall not be in effect any Order which enjoins or prohibits consummation of the transactions contemplated hereby.

8.1.6 Delivery of Documents. All of the documents and agreements required to be delivered and performed pursuant to Section 10.2.1 which do not relate to a specific Asset have been so delivered and performed.

8.1.7 Consents. Regency shall have obtained the consents set forth on Schedule 7.2(b) and Midland Development and the Midland Affiliates shall have obtained the consents set forth on Schedule 8.1.7.

8.1.8 No Notice of Material Claims. Regency shall not have received notice of a failure to satisfy Section 9.1.1 which failure could

result in a claim or liability having a Material Adverse Affect on Regency.

8.1.9 Additional Indemnity. Regency and the Transferees shall have obtained indemnification (a) from OSTRS with respect to the Properties in which it owns an equity interest and (b) from such other Unit Recipients with respect to Properties in which OSTRS does not own an equity interest in substantially the form attached as Exhibit 8.1.9.

8.2 Conditions for the First Closing as to a Property. The obligation of Regency to consummate the First Closing as to a Property or the Third Party Management Assets is subject to the fulfillment, at or prior to the First Closing, of each of the following conditions precedent, and, as described herein, the failure to satisfy any such condition precedent, after written notice of such failure followed by a thirty (30) day period in which to cure such failure, shall excuse and discharge all obligations of Regency to carry out the provisions of this Agreement as to such Property or the Third Party Management Assets, as applicable, unless such failure is waived in writing by Regency. Subject to the satisfaction or waiver by Regency of the condition to the First Closing set forth in Section 8.1.1 (aggregate assets), Regency shall consummate the First Closing with respect to those Properties as to which the conditions to closing set forth in this Section 8.2 have been satisfied or waived, the time and date for the Closing shall be extended thirty (30) days with respect to the remaining Property or Properties to afford additional time for the respective Property Owner(s) to cure the failure(s) of condition. In the event that such failure of a condition for Closing with respect to a Property has not been cured or waived within such thirty (30) day period, Regency, at its election, may determine not to consummate the Closing with respect to such Property.

8.2.1 Representations and Warranties. The representations and warranties made in Article 6, and the statements and information contained in any certificate, instrument, schedule, document or exhibit delivered by or on behalf of any Property Entity, Joint Venture, Midland Affiliate or Midland Principal with respect to the Property or the Third Party Management Assets in connection with the First Closing pursuant to this Agreement, shall be true, correct and complete on and as of the date hereof, and shall be true, correct and complete on and as of the First Closing Date with the same effect as though such representations and warranties were made on and as of the First Closing Date, other than a breach of a representation or warranty which is not likely to have a Material Adverse Effect on the applicable Property or Assets to be transferred by the applicable Contributor hereunder, provided, however, that if any representation and warranty is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply, and provided, further, that an appropriate reduction agreed on by the Contributor and Regency shall be made as of the First Closing Date to the Contribution Value for the Asset to take account of any breach discovered before the First Closing which is not likely to have such a Material Adverse Effect (and if the parties are not able to so agree, Regency's remedies with such breach shall be governed by Article 13). Each Midland Principal, Midland Affiliate and Property Entity shall have delivered to Regency at the First Closing certificates in form and substance reasonably satisfactory to Regency dated as of the First Closing Date to such effect.

8.2.2 Compliance with Covenants and Agreements. The covenants, obligations and agreements of the Property Entity, Joint Venture, Midland Affiliate or Midland Principals to be performed and complied with on or before the First Closing Date with respect to the Property or the Third Party Management Assets shall have been duly performed and complied with other than non-performance or non-compliance which is not likely to have a Material Adverse Effect on the Assets of such Property Entity, Joint Venture, Midland Affiliate or Midland Principal; provided, however, that if any such covenant, obligation or agreement is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply.

8.2.3 No Material Adverse Change. Since the date of execution of this Agreement, there shall not have been any change, circumstance or event in the Assets, Option Properties, business or prospects of such Property Entity or Joint Venture which has had or would reasonably be expected to have a Material Adverse Effect on such Property Entity or Joint Venture or the Assets or Option Properties owned by such Property Entity or Joint Venture (except such as may have arisen by reason of any matter approved by Regency pursuant to Sections 5.4 (Additional Acquisitions), 5.8 (New Contracts), 5.9 (Leasing Arrangements) or 5.10 (Obligation to Supplement Information)).

8.2.4 No Injunction. There shall not be in effect any Order

which enjoins or prohibits consummation of the transactions contemplated hereby with respect to the Assets of such Property Entity, Midland Affiliate or Joint Venture.

8.2.5 Title. The Title Company shall have delivered to the Partnership and any other applicable Transferee the Title Insurance Commitment marked down to constitute the effective Title Insurance and the Endorsements (with such coinsurance or reinsurance as Regency may reasonably require) as of the date and time of the First Closing with respect to such Property.

8.2.6 Lender Estoppels. Estoppel letters shall have been received from each lender under the Existing Mortgage Debt encumbering such Property in form and substance reasonably acceptable to Regency.

8.2.7 Tenant Estoppels. Tenant Estoppels relating to such Property shall have been received from each of the tenants identified on Schedule 8.2.7 and 80% of all other tenants, without any material exceptions, covenants or changes to the forms accepted by Regency pursuant to Section 5.13.

8.2.8 Work Contract Estoppels. Estoppel letters in form and substance reasonably acceptable to Regency shall have been received from each contractor, engineer and architect contracted with pursuant to the Work Contracts for all contracts relating to such Property which have an amount due and owing of greater than $10,000.

8.2.9 Delivery of Documents. All of the documents and agreements required to be delivered and performed pursuant to Section 10.2.1 relating to such Property or Third Party Management Assets have been so delivered and performed, except documents required pursuant to Section 10.2.1(g) for the transfer of Assets which Regency has elected not to acquire hereunder.

8.2.10 Consents. The Property Entity shall have obtained its applicable consents set forth on Schedule 6.1.2(b).

8.2.11 Romanelli and Hughes Properties. As to the Properties known as the Worthington Park Centre, East Point Shopping Center and Maxtown Road Shopping Center, Regency shall have received documentation in form and substance satisfactory to it as to the transfer, option or restriction, as applicable, of certain outparcels and expansion lands relating to such Property, as described in the letter from Regency dated December 4, 1997, attached hereto as Exhibit 8.2.11.

8.2.12 Waiver of Rights of First Refusal. The tenants listed on Schedule 8.2.12 who have rights of first refusal to acquire the Properties listed on Schedule 8.2.12 shall have waived such rights in writing.

8.2.13 Lake Pine Road Construction. As to the Property known as Lake Pine, Regency and T & M Lake Pine Development Co. LLC (the "Lake Pine Entity") shall have entered into an agreement in form and substance satisfactory to Regency pursuant to which the Lake Pine Entity agrees to fulfill its obligations under that certain Shepards Vineyard Drive Agreement dated as of November 25, 1997 by and between the Lake Pine Entity and Faith Baptist Church.

ARTICLE 9: CONDITIONS PRECEDENT TO OBLIGATIONS OF CONTRIBUTORS

9.1 Conditions for the First Closing. The obligation of each Contributor to consummate the First Closing as to the Assets owned by such Contributor is subject to the fulfillment, at or prior to the First Closing, of each of the following conditions precedent, and the failure to satisfy any such condition precedent, after written notice of such failure followed by a thirty (30) day period in which to cure such failure, shall excuse and discharge all obligations of such Contributor to carry out the provisions of this Agreement as to the Assets owned by such Contributor unless such failure is waived in writing by such Contributor.

9.1.1 Representations and Warranties. The representations and warranties made by Regency in Article 7 and the statements and information contained in any certificate, instrument, schedule, document or exhibit delivered by or on behalf of Regency in connection with the First Closing pursuant to this Agreement, shall be true, correct and complete on and as of the date hereof, and shall be true, correct and complete as of the First Closing Date with the same effect as though such representations and warranties were made on and as of the First Closing Date other than a breach of a representation or warranty which is not likely to have a Material Adverse Effect on Regency; provided, however, that if any

representation and warranty is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply. Regency shall have delivered to the Property Entities at the First Closing certificates in form and substance reasonably satisfactory to the Property Entities dated as of the First Closing Date to such effect.

9.1.2 Compliance with Covenants and Agreements. The covenants, obligations and agreements of Regency to be performed and complied with on or before the First Closing Date shall have been duly performed and complied with other than non-performance or non-compliance which is not likely to have a Material Adverse Effect on Regency or on such Contributor's transactions contemplated by this Agreement, taken as a whole.

9.1.3 No Material Adverse Change. Since the date of this Agreement, there shall not have been any change, circumstance or event in the business or prospects of Regency which would reasonably be expected to have a Material Adverse Effect on Regency or a Material Adverse Effect on such Contributor's transactions contemplated by this Agreement.

9.1.4 No Injunction. There shall not be in effect any Order which enjoins or prohibits consummation of such Contributor's contribution of Assets contemplated hereby.

9.1.5 Delivery of Documents. All of the documents and agreements required to be delivered and performed pursuant to Section 10.2.2 that are relevant to the Contributor have been so delivered and performed.

9.1.6 Midland Consents. Such Contributor shall have obtained its applicable consents set forth on Schedule 6.1.2(b) and Midland Development and the Midland Affiliates shall have obtained the consents set forth on Schedule 8.1.7, and Regency shall have obtained the consents set forth on Schedule 7.2(b); provided, however, the consent of any lender to the Property Entities shall not be required if Regency elects, in its sole discretion, and causes a Transferee to pay off the loan from such lender at the First Closing.

9.1.7 No Notice of Material Claims. Such Contributor shall not have received notice of a failure to satisfy Section 8.1.2, which failure could result in a claim or liability having a Material Adverse Affect on such Contributor.

9.1.8 Minimum Asset Contribution. Assets of Contributors representing not less than 80% of the aggregate Gross Asset Value of the Assets as set forth on Schedule 2.1 shall be acquired by the Transferees at the First Closing.

9.1.9 Regency Reorganization. The assets of Regency Centers, Inc. shall have been transferred to the Partnership, whether by deed, operation of law or otherwise.

9.1.10 Partnership Agreement. The Partnership Agreement shall not have been substantially revised in a manner materially adverse to the Unit Recipients as a result of negotiations between Regency and the existing limited partners of the Partnership. Making the interests of all or any portion of the existing limited partners senior to the Units shall not be deemed adverse to the Unit Recipients as long as the condition in Section 9.1.9 (Regency reorganization) is satisfied.

9.1.11 Joint Venture Debt. The applicable Midland Principals and Midland Affiliates shall be released effective at the First Closing from their guarantees of construction debt incurred by the Joint Ventures or shall be indemnified by Regency with respect to such guaranties.

ARTICLE 10: CLOSINGS

10.1 Closing.

10.1.1 Time and Place. The First Closing shall take place at a time and place mutually agreed upon by the parties as soon as practicable following the satisfaction or waiver of all conditions precedent to the First Closing, but the parties will use all reasonable efforts to close on or before January 30, 1998. A pre-closing conference shall commence at least five Business Days before the First Closing Date, during which all deliveries (other than any delivery of cash) shall be made into an escrow with the Title Company, or, at the option of the parties, such deliveries may be made in such other manner as the parties may determine. All deliveries made during the pre-closing period shall be deemed deliveries made at the First Closing. Upon completion of the deliveries hereunder and satisfaction of the other conditions to the First

Closing herein set forth, the parties shall direct the Title Company to make such deliveries and disbursements according to the terms of this Agreement and under a joint escrow instruction letter reasonably acceptable to the Midland Representatives and Regency and their respective counsel. Funds shall be delivered through the Title Company's closing escrow account at a bank satisfactory to Regency and the Property Entities. All Subsequent Closings shall take place on the dates specified in Sections 2.5, 2.6, 5.16, 5.17, 5.18, 5.19 and 8.2 at such time and location as the parties mutually agree.

10.1.2 Representations, Warranties and Covenants as to Deferred Property Closings. Section 2.6 and Section 8.2, among others, provide for Closings on certain Properties to take place (each a "Deferred Closing") after the First Closing takes place with respect to the other Properties. Anything in this Agreement to the contrary notwithstanding, all representations and warranties with respect to a Property that is the subject of a Deferred Closing and that is owned by a Property Owner in which Regency does not then own an equity interest which representations and warranties are required to be made as of the First Closing Date herein shall be deemed to be made as of the date of the Deferred Closing and all covenants with respect to such Property that are required to be performed as of the date of the First Closing shall be required to be performed as of the date of the Deferred Closing.

10.2 Contribution to the Partnership.

10.2.1 Deliveries by Midland. At the First Closing, in addition to any other documents or agreements required under any other provision of this Agreement, each Property Entity and, unless otherwise indicated, each Midland Affiliate and Midland Principal shall make the following deliveries and performance:

(a) Certificates. The certificates required pursuant to Section 8.1.2 and Section 8.2.1.

(b) Partnership Agreement. The Partnership Agreement, executed by or on behalf of the Property Entities;

(c) OTR Joint Venture Agreements. The joint venture agreements described in Section 3.2, executed by OTR;

(d) R&M Western Partnership Agreement. The Agreement of Limited Partnership of R&M Western Partnership described in Section 3.1, executed by Midland Western Partnership;

(e) Redemption Agreement. The Redemption Agreement, executed by or on behalf of the Property Entities, for the benefit of the Unit Recipients;

(f) OTR Redemption Agreement. The OTR Redemption Agreement, executed by OTR;

(g) Transfer Documents. The deeds, assignments and other transfer documents which are listed on Schedule 10.2.1(g) transferring title to its respective Assets free of any claims, except for the Permitted Exceptions, including assignment of the interests of the Midland Affiliates in the Joint Ventures to the applicable Transferee;

(h) Memorandum of Option. The Memoranda of Option described in Section 4.1;

(i) Registration Rights Agreements. The Registration Rights Agreement, executed by the Property Entities, for the benefit of the Unit Recipients;

(j) Non-Compete Agreements. Non-Compete Agreements, in the form attached as Exhibit 10.2.1(j), executed by each Midland Principal and the officers of Midland Development identified on Schedule 10.2.1(j);

(k) Lock-Up Agreements. Lock-Up Agreements in the form attached as Exhibit 10.2.1(k) executed by each Midland Principal;

(l) Escrow Agreements. The Escrow Agreements described in Section 2.2(e), executed by the Escrow Entities described therein;

(m) Legal Opinion. An opinion of Greensfelder, Hemker & Gale, P.C., with respect to each Property Entity, Midland Affiliate and Joint Venture, as to due organization, due authorization, consents, waiver or expiration of all options, rights of first refusal and buy-sells of which such firm has knowledge triggered by the transactions contemplated by this Agreement, violations (to such firm's knowledge), litigation (to

such firm's knowledge), the absence of statutory or contractual appraisal rights of any equity owner thereof, enforceability and such other matters as counsel to Regency may reasonably request prior to the First Closing, which opinion may rely on the opinion of The Stolar Partnership, and The Stolar Partnership may rely on the opinion of local counsel acceptable to Regency, if The Stolar Partnership opines that such reliance is reasonable;

(n) Existing Mortgage Documents. The documents evidencing the assumption of the Existing Mortgage Debt executed by the respective Property Entities and all deliveries of such Property Entities required thereunder;

(o) Notice to Tenants. A notice of conveyance to each tenant in form satisfactory to the parties hereto;

(p) State Law Disclosures. Such disclosures and reports as are required by applicable state and local Law in connection with the conveyance of real property;

(q) Affidavits. Owner's affidavits to the extent reasonably and customarily required by the Title Company to issue the Title Policy to the Partnership and the other Transferees and to close this transaction in accordance with the terms hereof, and any other documents which are reasonably and customarily required by the Title Company to provide the Endorsements and to issue the Title Policy subject only to the Permitted Exceptions;

(r) Permits and Approvals. Evidence reasonably satisfactory to Regency to the effect that the Property Entities possess the material licenses, permits, approvals, zoning exceptions and approvals, consents and Orders of Government Entities relating to the ownership, operation and use of the Properties, including, without limitation, certificates of occupancy for the Properties, and assignments thereof to the Partnership or the applicable Transferee, to the extent they are assignable;

(s) Terminations. Terminations, effective no later than the First Closing, of those Service Agreements which Regency and the Property Entities have agreed that the Partnership shall not assume;

(t) Lien Waivers. Affidavits or other evidence reasonably satisfactory to Regency that no Person has a right now or in the future to file any liens against the Properties for brokerage commissions or fees in connection with the Leases or the transactions set forth herein;

(u) Authority. Evidence of the existence, organization and authority of each Property Entity, Midland Affiliate and Joint Venture and of the authority of the Persons executing documents on behalf of each Property Entity or Midland Affiliate reasonably satisfactory to the Title Company and Regency;

(v) Possession. Possession of the Assets, subject only to the applicable Permitted Exceptions;

(w) Books and Records. Delivery to the offices of the Partnership of the original Leases and Contracts (or copies if the originals cannot be located) and to the extent now or subsequently coming into the possession or control of any Midland Principal, Property Entity or Midland Affiliate: copies or originals (including information stored electronically) of all books and records of account; contracts; copies of correspondence with tenants and suppliers; receipts for deposits; unpaid bills and other papers or documents which pertain to the Properties or the Third Party Management Assets; all advertising materials, booklets, keys and other items, if any, used in the operation of the Properties or the Third Party Management Assets; and, if in the possession or control of any Midland Principal, Property Entity and Midland Affiliate, the original "as-built" plans and specifications and all other available plans and specifications. The Property Entities shall cooperate with the Transferees after the First Closing to provide to the Partnership any such information stored electronically and to answer questions of the Transferees from time to time regarding pre-Closing matters (e.g., in connection with the preparation of Tax returns or financial statements);

(x) Additional Documents. Any additional documents that Regency may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

10.2.2 Deliveries by Regency. At the First Closing, Regency shall make the following deliveries and performance:

(a) Certificates. The certificates required by Section 9.1.1;

(b) Partnership Agreement. The Partnership Agreement, executed by Regency, together with any filings with any Government Entity required to be made by or on behalf of the Partnership;

(c) OTR Joint Venture Agreements. The joint venture agreements described in Section 3.2, executed by R&M Western Partnership;

(d) R&M Western Partnership Agreement. The Agreement of Limited Partnership of R&M Western Partnership described in Section 3.1, executed by the Partnership and Third Party Management Company;

(e) Redemption Agreement. The Redemption Agreement, executed by the Partnership and Regency;

(f) OTR Redemption Agreement. The OTR Redemption Agreement, executed by the Partnership and Regency;

(g) Transferee Ratification. The written ratification of this Agreement by the Transferees and their agreement to perform the obligations of the Transferees that are to be performed after the First Closing;

(h) Initial Capital Contribution. A cash capital contribution to the Partnership sufficient to pay: (1) that portion of the Existing Mortgage Debt which may be prepaid without incurring penalties or "make whole" payments; and (2) the closing costs and adjustments payable by the Partnership for the Properties at the First Closing; and (3) other Partnership obligations related to the Closing (the sum of (1) through (3) being the "Regency Capital Contribution") (provided that the Regency Capital Contribution plus amounts paid by Regency to redeem Units at the First Closing shall not exceed $80 million). Regency shall not be obligated to deposit the Regency Capital Contribution into the escrow until the closing statements have been executed and all deliveries by or on behalf of all Midland Principals, Property Entities, and Midland Affiliates have been made into escrow;

(i) Units. Issuance by the Partnership to the Contributors of that number of Units specified in Section 2.2(a);

(j) Redemption. Redemption by Regency of all Units in exchange for cash which are required to be redeemed at the First Closing pursuant to the terms of the Redemption Agreement;

(k) Application of Capital Contribution. Application by the Partnership of the Regency Capital Contribution in accordance with this Agreement;

(l) Assumption Agreements. Execution by the applicable Transferee of the transfer documents listed on Schedule 10.2.1(g) and any other documents as the Property Entities may reasonably require to evidence the assumption of the Assumed Liabilities and Assumed Obligations by the applicable Transferee;

(m) Registration Rights Agreement. The Registration Rights Agreement, executed by Regency;

(n) Authority. Evidence of existence, organization and authority of Regency and the Transferees and the authority of the Person executing documents on behalf of each of Regency and the Transferees reasonably satisfactory to the Property Entities;

(o) Legal Opinion. An opinion of Foley & Lardner, counsel for Regency, as to due organization; due authorization, enforceability of Redemption Rights (as described in the Redemption Agreement) and the valid issuance of Shares upon exercise of Redemption Rights, subject to the assumptions in Section 7.4; enforceability of the Redemption Agreement and Registration Rights Agreement; due organization and existence of the Transferees; violations (to such firm's knowledge); litigation (to such firm's knowledge), enforceability; the qualification of Regency as a REIT under the Code; and such other matters as counsel to the Property Entities may reasonably request prior to the First Closing;

(p) Existing Mortgage Debt. The documents evidencing the assumption of the Existing Mortgage Debt, executed by the applicable Transferee, and all deliveries of the applicable Transferee required thereunder;

(q) State Law Disclosures. Such disclosures and reports

as are required by applicable state and local Law in connection with the conveyance of real property;

(r) Election to Board. Certified Board resolutions creating an additional seat on Regency's Board of Directors and electing Lee S. Wielansky to fill the vacancy, effective immediately following the First Closing, and an Indemnity Agreement executed by Regency, in the standard form entered into between Regency and its directors; and

(s) Additional Documents. Any additional documents that the Property Entities or the holders of the Existing Mortgage Debt may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

10.3 Closing Statements/Escrow Fees. The Property Entities and Regency shall deposit with the Title Company executed closing statements consistent with this Agreement.

ARTICLE 11: PRORATIONS AND ADJUSTMENTS

11.1 Prorations. Before the First Closing, the Property Entities shall provide such information and verification reasonably necessary to support the prorations and adjustments under this Article 11. All prorations set forth below in this Section 11.1 shall be as of the First Closing Date (the "Cutoff Date"), with the Cutoff Date being a day of income and expense to the Property Entities. All income and expense with respect to the Assets and all items customarily prorated in real estate closings shall be prorated as of the Cutoff Date between the Transferee and the Property Entity with respect to the Assets contributed by such Property Entity, except as otherwise provided herein. No prorations shall be made with Midland Development for the Third Party Management Assets, and no prorations shall be made with respect to the Joint Ventures.

11.1.1 Taxes and Assessments. The Transferee shall receive a credit for any real estate and tangible personal property Taxes (and any assessments imposed by private covenant), whether or not then due or payable, imposed in respect of a Property and applicable for the portion of the current year or other applicable Tax period which has elapsed by the Cutoff Date (and to the extent unpaid, for prior years or Tax periods). If the amount of any such Taxes have not been determined as of the First Closing, such credit shall be based on a reasonable estimate of the parties as to the full assessed value of the Properties (based on their Gross Asset Value as of the First Closing Date where the parties anticipate that Taxes for the current year will be based on such amount) and the assessment ratios and Tax rates anticipated to be in effect for the current year (and if the parties are not able to agree on such rate, the most recent ascertainable rate shall be used). The Transferee shall receive a credit for the total amount of any special assessments or similar charges which are levied or charged against a Property before the First Closing, whether or not due and payable on the Cutoff Date. Any such proration for Taxes and assessments shall be offset by the estimated portions of such taxes which are recoverable from tenants of the Transferees based on Leases in effect as of the applicable Cutoff Date.

11.1.2 Collected Rent. The Transferee shall receive a credit for any rent and other income under Leases (and any applicable or local Tax on rent) collected by the applicable Property Entity before the First Closing and applicable to any period of time after the Cutoff Date. The Property Entity shall receive a credit for receivables from tenants (less any agreed on discount for uncollectibility) for rent and other income under Leases (and any applicable or local Tax or rent) applicable to any period of time prior to the Cutoff Date, except to the extent that the Property Entity and Regency agree that such receivables are unlikely to be collectible ("Doubtful Receivables"). All collections of accounts receivable other than Doubtful Receivables after the First Closing shall be retained by the Transferee. After the First Closing, the Partnership shall apply all rent and income collected by the Transferees from a tenant, unless the tenant properly identifies the payment as being for a specific item, first to such tenant's monthly rental for the month in which First Closing occurred to the extent not already paid and then to arrearages in the reverse order in which they were due, remitting to the Property Entity, after deducting collection costs, any rent properly allocable to receivables constituting Doubtful Receivables for the period ending on the Cutoff Date. The Transferees shall bill and attempt to collect such rent arrearages constituting Doubtful Receivables in the ordinary course of business, but shall not be obligated to engage a collection agency to collect any such rent arrearages except at the Contributor's expense, or to take legal action to collect any such rent arrearages. After the First Closing, the Property Entities shall not have the right to seek collection of any rents or other income applicable to

any period before the Cutoff Date. Any rent or other income received by any Property Entity after the First Closing which are owed to the Transferees shall be held in trust and remitted to the Transferees promptly after receipt, and any rent collected by the Transferee which is owed to the Property Entity shall be held in trust and remitted to the Property Entity promptly after receipt.

11.1.3 Percentage Rents. Estimated percentage rents accrued from any tenant under any Lease for any lease year in which the First Closing occurs (with any such percentage rents to be deemed to have been earned and received on an equal per diem basis spread throughout such lease year) shall be prorated between the Property Entity and the Transferees as of the Cutoff Date.

11.1.4 Operating Expense Pass-Throughs. The Property Entities, as landlords under the Leases, are currently collecting from tenants under the Leases additional rent to cover Taxes, insurance, utilities, maintenance and other operating costs and expenses (collectively, "Operating Expense Pass-Throughs") incurred by them in connection with the ownership, operation, maintenance and management of the Properties. If a Property Entity collected estimated prepayments of Operating Expense Pass-Throughs in excess of any tenant's share of such expenses, then if the excess can be determined by the First Closing, the applicable Transferee shall receive a credit for the excess or, if the excess cannot be determined at the First Closing, the Transferees shall receive a credit based upon an estimate. The applicable Transferee shall be responsible for crediting or repaying those amounts to the appropriate tenants. At the First Closing, the Property Entities shall pay or provide for all Operating Expense Pass-Throughs for the period through the Cutoff Date except to the extent reflected in the Proration Items.

11.1.5 Service Contracts. Each Property Entity shall receive a credit for regular charges under Service Contracts assumed by its Transferees pursuant to this Agreement paid and applicable to the period after the Cutoff Date and the Transferee shall receive a credit for such charges payable and applicable to the period ending on the Cutoff Date.

11.1.6 Utilities. The Property Entities shall cause the meters, if any, for utilities to be read on the Cutoff Date and to pay the bills rendered on the basis of such readings, except for utilities paid directly by tenants. If any such meter reading for any utility is not available, then adjustment therefor shall be made on the basis of the most recently issued bills therefor which are based on meter readings no earlier than 30 days before the Cutoff Date.

11.2 Work Contracts. At the First Closing, the Property Entities and Regency shall prorate the cost of all work under the Work Contracts, other than the Development Contracts, that has been performed through the Cutoff Date. Regency shall receive a credit against the purchase price for the Property Entities' pro rata share of the work performed under the Work Contracts, other than the Development Contracts, through the Cutoff Date. At the First Closing, the Transferees shall assume the obligation to complete the Work Contracts. TI Contracts, Repair Contracts and Development Contracts shall be included in the warranties described as Intangible Property related to the applicable Properties. At the First Closing, the Property Entities shall provide for Work Contracts under which all the work described therein has been substantially completed, lien waivers, payment affidavits, certificates of completion, and Tenant Estoppels. For Work Contracts which are not substantially completed at the Cutoff Date, the Property Entities shall provide contractor progress reports and estoppels and other evidence reasonably necessary to confirm the Property Entities' compliance with its obligations pursuant to the Work Contracts and this Section 11.2. Notwithstanding the foregoing, lien waivers and payment affidavits will not be required for Work Contracts under which all the work described therein has been substantially completed but payment for contractual retention has not been made pending completion of punch list items. At the First Closing, the Property Entities shall also provide such indemnity or other assurance to enable the Title Company to issue the Title Policy without exception for mechanics' and materialmens' liens related to work performed by the Property Entities under the Work Contracts.

11.3 Tenant Deposits. All tenant security deposits (and interest thereon if required by Law or contract to be earned thereon) shall be transferred to the Transferees at the First Closing without adjustment to any party. As of the First Closing, the applicable Transferee shall assume each Property Entity's obligations related to tenant security deposits, but only to the extent they are properly transferred or credited to the Transferee.

11.4 Deposits. The Partnership shall reimburse each Contributor

(other than a Midland Affiliate contributing an interest in a Joint Venture) in cash at the First Closing for utility deposits, earnest money deposits held by the seller under Acquisition Contracts, and escrows for taxes and insurance and for similar types of deposits and escrows (but excluding escrows for capital expenditures), to the extent that such items are assigned to the Transferees at Closing. To the extent that any such deposits are not transferable, promptly after the First Closing, the Partnership shall make its own deposits and request a refund to the Contributors of their own deposits.

11.5 Wages. The Partnership shall not be liable for any wages, fringe benefits, payroll Taxes, unemployment insurance contributions, accrued vacation pay, accrued pay for unused sick leave, accrued severance pay and other compensation accruing prior to the First Closing for employees of the Property Entities except to the extent reflected on the Final Closing Balance Sheet.

11.5.1 Determination of Midland Development Value Adjustment.

(a) Estimated Closing Balance Sheet. For purposes of determining any adjustment pursuant to Section 2.1(b), not less than five (5) Business Days prior to the First Closing Date, Midland Development shall, in consultation with Regency, prepare and deliver to Regency an estimated balance sheet of Midland Development as of the close of business on the Cutoff Date which shall represent Midland Development's reasonable estimate of the Final Closing Balance Sheet; such balance sheet to be in form and detail identical to, and in its accounting principles and policies consistent in every respect with, the Midland Financial Statements relating to Midland Development and accompanied by schedules setting forth in reasonable detail all current assets (other than accounts receivable for (i) brokerage transactions that are evidenced on the First Closing Date by a signed agreement, (ii) any other transactions listed in Schedule 1.1.143 (Third Party Management Assets), or (iii) advances to brokers, all of which shall be retained by Midland Development (collectively, the "Retained Items") and current liabilities (including the outstanding balance of the line of credit) included therein. Such balance sheet or the accompanying schedules shall contain sufficient detail of such current assets and liabilities for the determination of any adjustment pursuant to Section 2.1(b). In the event Regency shall object to any of the information set forth on the balance sheet or accompanying schedules as presented by Midland Development, the parties shall negotiate in good faith and agree on appropriate adjustments to the end that such balance sheet and accompanying schedules reflect a reasonable estimate of the Final Closing Balance Sheet (the estimated balance sheet as finally determined by the parties pursuant to this subsection is herein referred to as the "Estimated Closing Balance Sheet"), except that the current liabilities on the Estimated Closing Balance Sheet, but not on the Final Closing Balance Sheet, shall be increased by $50,000 as a reserve for payables that are not exactly determinable as of the First Closing Date. In connection with the determination of the Estimated Closing Balance Sheet, Midland Development shall provide to Regency such information and detail as Regency shall reasonably request.

(b) Final Closing Balance Sheet. The balance sheet of Midland Development prepared as of the Cutoff Date shall be prepared as follows:

(i) Within thirty (30) days after the First Closing Date, Regency shall deliver to Midland Development an unaudited balance sheet of Midland Development as of the Cutoff Date, prepared in accordance with GAAP (except for the exclusion of the Retained Items) from the books and records of Midland Development, on a basis consistent with GAAP theretofore followed by Midland Development in the preparation of the Midland Financial Statements relating to Midland Development and in accordance with this Section 11.5.1(b), and fairly presenting the financial position of Midland Development as of the Cutoff Date. The balance sheet shall be accompanied by detailed schedules of the current assets and current liabilities (including the outstanding balance of its line of credit) of Midland Development.

(ii) Within sixty (60) days following the delivery of the balance sheet referred to in (i) above, Midland Development or its independent accountants ("Midland Development's Accountants") may object to any of the information contained in said balance sheet or accompanying schedules which could affect the necessity or amount of any Midland Development Value Adjustment. Any such objection shall be made in writing and shall state Midland

Development's determination of the amount of the Midland Development Value Adjustment. Any dispute regarding the determination of the Final Closing Balance Sheet shall be resolved by a "Big 6" accounting firm other than a firm that provides services to Midland Development or Regency (which shall be selected by lot or such other procedure as the parties may agree) whose decision shall be binding on the parties. As used in this Agreement, the term "Final Closing Balance Sheet" shall mean the balance sheet of Midland Development as of the Cutoff Date as finally determined or agreed to for purposes of this Section 11.5.1(b).

(iii) Regency agrees to permit Midland Development and its respective representatives, during normal business hours, to have reasonable access (at a location in St. Louis, Missouri) to, and to examine and make copies of, all books and records of Midland Development, including but not limited to the books, records, schedules and work papers of Regency, which documents and access are necessary to review the balance sheet delivered by Regency in accordance with Section 11.5.1(b)(i). Midland Development similarly agrees to permit Regency and its representatives, during normal business hours, to have reasonable access to any books and records of Midland Development which do not constitute Assets contributed hereunder, in order to enable them to prepare such balance sheet.

(iv) Notwithstanding any provision contained herein requiring that the Final Closing Balance Sheet be prepared in a manner consistent with Midland Development's past practices or in accordance with GAAP, the Final Closing Balance Sheet shall be prepared excluding the Retained Items and stating accounts receivable and notes receivable net of an appropriate reserve for doubtful accounts and anticipated collection expenses.

11.5.2 Midland Development Value Adjustment. The Midland Development Value Adjustment shall be determined by comparing any adjustment made to the Contribution Value of the Third Party Management Assets pursuant to Section 2.1(b) based on the Estimated Closing Balance Sheet and the adjustment that should have been made had the Final Closing Balance Sheet been available at the First Closing. The adjustment that needs to be made, after taking into account any adjustment made at the First Closing, shall be a Positive Midland Development Value Adjustment if the Contribution Value with respect to such Assets should be increased based on the Final Closing Balance Sheet and shall be a Negative Midland Development Value Adjustment if such Contribution Value should be decreased based on the Final Closing Balance Sheet.

11.5.3 Payment of Midland Development Value Adjustment. On or before the fifth Business Day following the final determination of the Final Closing Balance Sheet (such date being hereinafter referred to as the "Settlement Date"), either (i) Midland Development shall pay to Regency in cash the amount, if any, of a Negative Midland Development Value Adjustment, as reflected on the Final Closing Balance Sheet; or (ii) Regency shall deliver to Midland Development that number of Additional Units arrived at by dividing the Unit Value into the amount, if any, of a Positive Midland Development Value Adjustment, as reflected on the Final Closing Balance Sheet, and then subtracting the Record Date Adjustment Amount. In the event that Midland Development fails to pay the Negative Midland Development Adjustment Amount, the Partnership shall have the right to offset such amount against the Midland Group Earn-Out payable at the First Earn-Out Closing.

11.6 Due Diligence Costs. The Partnership shall reimburse the applicable Contributors with respect to all reasonable costs of due diligence applicable to an Acquisition Contract contributed to a Regency Entity or owned by a Joint Venture an interest in which is contributed to a Regency Entity and to the extent that such amounts are not reimbursable to the applicable Contributor by Topvalco or Dillon. In addition, the Partnership shall assume all payables with respect to such items, and shall acquire as an Asset all receivables from Topvalco or Dillon with respect to such items. Such due diligence costs shall include without limitation all reasonable costs of environmental investigation, legal fees, survey costs, title costs, construction inspections, site investigations, architectural plans and all other expenses applicable with respect to the investigation of the applicable property as a site suitable for building and development.

ARTICLE 12: TERMINATION AND REMEDIES

12.1 Termination. This Agreement may be terminated:

12.1.1 At any time prior to the First Closing Date, with the written consent of Regency and Midland Development;

12.1.2 At any time prior to the First Closing Date, by Regency (provided it has not caused a failure of a condition to Closing by reason of its breach of any of its material obligations hereunder), if there shall have been a failure of any condition to Regency's obligation to close, and such failure shall not have been remedied within the applicable period to cure after notice has been provided pursuant to Article 5 or 8 (and the First Closing Date shall be extended to provide for such cure period);

12.1.3 At any time prior to the First Closing Date, by Midland Development (provided no Midland Principal, Property Entity or Midland Affiliate has caused a failure of a condition to Closing by reason of its breach of any of its material obligations hereunder), if there shall have been a failure of any condition of the Contributors' obligation to close, and such failure shall not have been remedied within the applicable period to cure after notice has been provided pursuant to Article 9 (and the First Closing Date shall be extended to provide for such cure period); or

12.1.4 If the First Closing has not taken place by March 31, 1998, at any time thereafter, by Midland Development or Regency, upon delivery of written notice of termination to the other so long as the cause for delay is not attributable to a default of this Agreement by the terminating party.

12.2 Effect of Termination. If this Agreement is terminated pursuant to Section 12.1, all obligations of the parties hereunder shall terminate, except for the obligations that expressly survive the termination of this Agreement. No such termination shall relieve any party from liability pursuant to Section 12.3 below.

12.3 Remedies.

12.3.1 All rights and remedies of any party hereunder are cumulative and in addition to any rights and remedies which such party may have under applicable law. The exercise of any one right or remedy against one party hereto will not deprive the exercising party of any right or remedy against that party or any other parties hereto. No right, power or remedy conferred upon or reserved to a party under this Agreement or any other of the Transaction Documents is exclusive of any other right, power or remedy in any of the Transaction Documents, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under any other Transaction Documents, or now or hereafter existing at law, in equity or by statute.

12.3.2 If (i) any Contributor receives prior to the First Closing an offer for a Competing Transaction (as defined in Section 5.7), and (ii) such Contributor fails to obtain its applicable consents shown on Schedule 6.1.2(b) for any reason, and (iii) Contributors agree to or consummate Competing Transactions on or before December 31, 1998 involving more than 25% of the aggregate Gross Asset Value of the Assets as shown on Schedule 2.1, and (iv) Regency is not in material breach of any covenant, representation or warranty made by it in this Agreement and has performed all material obligations required to be performed by it at or before the First Closing, each Contributor (jointly and severally with each Midland Principal who directly or indirectly owns an equity interest in such Contributor) whose Assets are subject to such Competing Transactions shall immediately pay to Regency upon the closing of such Competing Transactions (by wire transfer) a break-up fee in an amount equal to 2% of the Gross Asset Value of such Assets disposed of by such Contributor in the Competing Transaction as shown on Schedule 2.1, whereupon such Contributor shall have no further liability to Regency whatsoever arising out of any Competing Transaction.

ARTICLE 13: INDEMNIFICATION

13.1 By Midland Principals. For a period of one year from the First Closing Date (except for (i) Claims related to a breach of the representations and warranties set forth in Sections 6.1.1 (Due Organization), 6.1.2 (Due Authorization; Consents; No Violations), 6.2.2 (Securities) and 6.3 (Joint Ventures), for which the survival period shall be two years, and (ii) Claims related to a breach of the representations and warranties set forth in Section 6.2.6 (No Employees), Section 6.4.5 (Employee Benefit Plans), Section 5.6 (Disclosure) and Section 6.2.3

(Distributions and Payments), and related to any Tax, for which the survival period shall be the applicable statute of limitation related to such Claim), the Midland Principals hereby agree to indemnify, defend and hold harmless Regency, each Transferee and their respective directors, officers, employees and other Affiliates, from and against all Claims asserted against, resulting to, imposed upon, or incurred, directly or indirectly, by any such Person or the Assets transferred to such Transferee pursuant to this Agreement by reason of, arising out of or resulting from (i) the inaccuracy or breach of any representation or warranty of (x) such Midland Principal, or (y) any Property Entity (including Midland Development) or (z) Midland Affiliate in which he owns an equity interest contained in or made pursuant to this Agreement, including closing certificates (regardless of whether such breach is deemed "material"); (ii) the breach of any covenant of (x) such Midland Principal or (y) any Property Entity (including Midland Development) or Midland Affiliate in which he owns an equity interest contained in this Agreement (regardless of whether such breach is deemed "material"); or (iii) any Claim accruing prior to the First Closing Date not constituting an Assumed Liability or Assumed Obligation. Notwithstanding the foregoing, with respect to an Indemnified Claim which results from (i) the inaccuracy or breach of any representation or warranty of a Property Entity (other than Midland Development) or Midland Affiliate, (ii) the breach of a covenant of a Property Entity (other than Midland Development) or Midland Affiliate or (iii) any Claim against a Property Entity (other than Midland Development) or Midland Affiliate accruing prior to the First Closing Date which is not an Assumed Liability or Assumed Obligation, each Midland Principal shall only be liable to the extent of (i) the sum of the Contribution Value and the Debt Amount of the Asset to which such inaccuracy, breach or Claim relates, multiplied by (ii) his percentage interest in such Property Entity (other than Midland Development) or Midland Affiliate transferring such Asset. The "Debt Amount" with respect to an Asset means the total outstanding amount of recourse construction debt encumbering the Asset as of the First Closing and guaranteed by the Midland Principal (but only so long as such construction debt remains outstanding), and in the case of a violation prior to the First Closing of carve-outs from the non-recourse provisions of Existing Mortgage Debt, the Debt Amount also includes the amount of such Existing Mortgage Debt outstanding on the First Closing Date which becomes recourse as a result of such violation (but only to the extent of the loss caused to the lender by such violation). With respect to an Indemnified Claim which results from (i) the inaccuracy or breach of any representation or warranty of Midland Development, (ii) the breach of a covenant of Midland Development or (iii) any Claim against Midland Development accruing prior to the First Closing Date which is not an Assumed Liability or Assumed Obligation, each Midland Principal shall be jointly and severally liable with each other Midland Principal. A Midland Principal owning an interest in a Midland Affiliate is deemed to own an equity interest in any Property Entity owned by such Midland Affiliate equal to his pro rata interest in such Midland Affiliate multiplied times such Midland Affiliate's interest in the Property Entity. As used in this Article 13, the term "Indemnified Claim" shall include all Loss and Expenses.

13.2 By Contributors. For a period of one year from the First Coast Closing Date (except for (i) Claims related to a breach of the representations and warranties set forth in Sections 6.1.1 (Due Organization), 6.1.2 (Due Authorization; Consents; No Violations), 6.2.2 (Securities) and 6.3 (Joint Ventures), for which the survival period shall be two years, and (ii) Claims related to a breach of the representations and warranties set forth in Sections 6.2.6 (No Employees), 6.4.5 (Employee Benefit Plans), 5.6 (Disclosure) and 6.2.3 (Distributions and Payments), and related to any Tax, for which the survival period shall be the applicable statute of limitation related to such Claim), each Contributor hereby agrees to indemnify, defend and hold harmless Regency, each Transferee and their respective directors, officers, employees and other Affiliates, from and against all Claims asserted against, resulting to, imposed upon, or incurred, directly or indirectly, by any such Person or the Assets transferred to such Transferee pursuant to this Agreement by reason of, arising out of, or resulting from (i) the inaccuracy or breach of any representation or warranty of such Contributor contained in or made pursuant to this Agreement, including closing certificates (regardless of whether such breach is deemed "material"); (ii) the breach of any covenant of such Contributor contained in this Agreement (regardless of whether such breach is deemed "material"); or (iii) any Claim accruing prior to the First Closing Date not constituting an Assumed Liability or Assumed Obligation. A Property Entity shall only be responsible for Claims made with respect to its individual representations, warranties, covenants and Claims, and not those of any other Property Entity (except as otherwise specifically provided for with respect to Midland Development).

13.3 By the Partnership and Other Transferees. For the periods indicated herein and subject to the terms and conditions of this Article

13, each Transferee and the Partnership hereby agrees to indemnify, defend and hold harmless the Property Entities and their respective directors, officers, employees, partners and other Affiliates from and against all Claims asserted against, resulting to, imposed upon or incurred by any such Person, directly or indirectly, by reason of, arising out of or resulting from (i) any breach by such Transferee of any obligation of such Transferee related to the Assets which by this Agreement, or any Closing delivery, specifically become the obligation of such Transferee, for a period equal to the applicable statute of limitations relating to such Claims; or (ii) all Claims against the Property Entities or Midland Affiliates constituting, relating to or arising out of any Assumed Liabilities or Assumed Obligations or any Claim accruing after the date at which the Asset relating to such Claim has been transferred to the Partnership or other Transferee, for a period equal to the applicable statute of limitations relating to such Claims.

13.4 By Regency. For a period of two years from the First Closing Date (except with respect to the inaccuracy of any form or report filed with the Securities and Exchange Commission in which case the survival period shall be the applicable statute of limitations) and subject to the terms and conditions of this Article 13, Regency hereby agrees to indemnify, defend and hold harmless the Unit Recipients from and against all Claims asserted against, resulting to, imposed upon or incurred by any such Person, directly or indirectly, by reason of, arising out of or resulting from (i) the inaccuracy or breach of any representation or warranty of Regency contained in or made pursuant to Article 7 of this Agreement (regardless of whether such breach is deemed "material") or (ii) the breach of any covenant of Regency contained in this Agreement (regardless of whether such breach is deemed "material").

13.5 Remedies Upon Fraud. Nothing in this Agreement or in any Transaction Document shall be deemed to limit any right or remedy of any party at law or in equity for criminal activity or acts constituting fraud, notwithstanding anything contained herein to the contrary.

13.6 Indemnification of Third-Party Claims. The obligations and liabilities of any party to indemnify any other under this Article 13 with respect to Claims relating to third parties shall be subject to the following terms and conditions:

13.6.1 Notice and Defense. The party or parties to be indemnified (whether one or more, the "Indemnified Party") shall give the party from whom indemnification is sought (the "Indemnifying Party") written notice of any such Claim prior to the expiration of the survival period to which the Claim relates, and the Indemnifying Party shall undertake the defense thereof by representatives chosen by it. Failure to give such notice shall not affect the Indemnifying Party's duty or obligations under this Article 13, except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnifying Party shall have the right to settle such Claim in its sole discretion, provided that the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all Liability in respect of such Claim. If there is a reasonable probability that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to retain its own counsel to defend against the portion of the Claim not involving monetary relief, and the cost of such counsel shall be an Expense of the Indemnifying Party. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense. An Indemnified Party includes any Unit Recipient who has received Units pursuant to the transactions contemplated by this Agreement, and any such Person shall be entitled to enforce a Claim for indemnification hereunder in such Person's own right.

13.6.2 Failure to Defend. If the Indemnifying Party, within a reasonable time after notice of any such Claim, fails to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice and the failure of the Indemnifying Party to commence the defense of such Claim within thirty (30) days after such further notice) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the

Indemnified Party's defense, compromise, settlement or consent to judgment.

13.7 Payment.

13.7.1 General. The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article 13. Upon judgment, determination, settlement or compromise of any Indemnified Claim pursuant to the provisions hereof, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise pursuant to the provisions hereof, and all other Loss and Expenses of the Indemnified Party with respect thereto, unless in the case of a judgment an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon the payment in full by the Indemnifying Party of such amounts, the Indemnifying Party shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such Indemnified Claim (collectively, together with the Shares issued and/or cash paid (and interest income earned on such cash) upon the exercise of the Redemption Rights with respect to such Additional Units, the "Collateral"). The security interests granted pursuant to this Section 13.7.1 shall not impair any Midland Principal's Redemption Rights; provided, however, that any Shares issued and/or cash paid (and interest income earned on such cash) upon the exercise of such Redemption Rights must also be pledged hereunder and shall be part of the Collateral.

13.7.2 Security Interest.

(a) Grant. In the event that either Regency or the Partnership notifies a Midland Principal of a Claim, pursuant to Section 13.1, on or before the date of any Subsequent Closing, each Midland Principal, as a condition to receiving such Person's respective percentage (as set forth on the Allocation Chart) of Additional Units to be issued at a Subsequent Closing, shall, in addition to being bound by the other provisions set forth in this Section 13.7.2, secure such Midland Principal's liability to pay an Indemnified Claim by pledging and granting to Regency and the Transferees under the Uniform Commercial Code a first priority security interest in such Additional Units having a Value as of such date equal to 125% of such Midland Principal's pro rata portion of such Claim (the "Collateral").

(b) Evidence and Perfection of Security Interest. Certificates for the Collateral, together with related stock powers or other powers of attorney otherwise reasonably acceptable to Regency, shall be held by Regency until the release of the security interests therein pursuant to this Article 13. In addition, each Midland Principal shall deliver to Regency and/or the Transferees, as the case may be, such financing statements, continuation statements, and similar documents as Regency and/or the Transferees shall deem appropriate to perfect and to continue perfection of their respective security interests in the Collateral.

(c) No Encumbrance, Sale, Etc. Until such time as Regency and the Transferees release their respective security interests in the Collateral, each Midland Principal granting the security interest described above shall (i) keep the Collateral free of all security interests, voting trust agreements, shareholder agreements, or other interests and encumbrances, except for the security interest granted herein, and (ii) not assign, deliver, sell, transfer, lease or otherwise dispose of (including dispositions by operation of law) any portion of the Collateral or any interest therein without the prior written consent of Regency and the Transferees.

(d) Disputed Claim. Notwithstanding anything herein to the contrary, in the event that either Regency or a Transferee notifies a Midland Principal of a Claim on or before the date of a Subsequent Closing and such Midland Principal disputes such Claim, the Collateral shall be pledged, and neither Regency nor any Transferee may exercise its rights with respect to such security interests until the amount of such Claim has either (i) been decided by a court of competent jurisdiction and such decision is not subject to appeal, or (ii) agreed to by the Indemnifying Parties with respect to such Claim. Once the amount of such Claim has been decided or agreed upon, the Collateral may be used to satisfy the Indemnified Claim, based on its then Value.

(e) Adjustment. In the event that the parties are not able to agree on the amount of the pending Indemnified Claims, the Midland

Representatives shall have the right to request binding arbitration of the maximum possible amount of such Claims (but not the merits of such Claims), by delivery of written notice to Regency and the Partnership. Arbitration proceedings shall be administered by and conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The arbitration proceedings shall be held in St. Louis, Missouri. Three independent arbitrators shall be selected: one shall be a practicing attorney, one shall be a certified public accountant, and the third shall be a real estate professional, each of whom shall be knowledgeable about the subject matter giving rise to the Claims in dispute. The arbitration proceedings shall be completed within 30 days after the selection of the arbitrators, who shall render their decision in writing, by majority vote, within 30 days after the conclusion of the proceeding, stating the factual basis for their decision. The arbitrators shall have authority to include in their decision an award in favor of a party of all or any portion of its attorneys' fees and expenses incurred in connection with the arbitration, together with the cost of the arbitration. Within two business days after the date of the arbitration decision, if the amount of Collateral of a Midland Principal times the then Value equals at least 125% of his allocable share of the amount determined by the arbitrators to be the maximum possible exposure of the pending Indemnified Claims, Regency shall release the excess Collateral.

(f) Substitution of Collateral. Any Midland Principal holding Collateral may substitute a letter of credit issued by a responsible financial institution located in the United States in favor of Regency and the Transferees, provided that the letter of credit (i) is for an amount equal to or greater than 125% of the then Value of the Collateral which such letter of credit is replacing and (ii) is irrevocable until the security interest is released in the remaining Collateral.

(g) Remedies. In the event that Regency or any Transferee has the right to use the Collateral to satisfy the liability of a Midland Principal, if any, to pay an Indemnified Claim, without waiving any other right under this Agreement, Regency and such Transferee, as the case may be, shall have all rights and remedies of a secured party under the Uniform Commercial Code in addition to the rights and remedies as may be available hereunder, subject to the limitations on their rights to foreclose set forth in Section 13.7.2(d).

(h) Distributions in Respect of Collateral. Until such time as Regency and the Transferees release their respective security interests in the Collateral, each Midland Principal shall assign to and authorize Regency and the Transferees to receive any and all non-cash dividends or non-cash distributions of whatever nature now or hereafter made in respect of the Collateral, including those made in connection with the dissolution, liquidation, sale of assets, merger, consolidation or other reorganization of Regency or any Transferee, or any stock dividend, stock split, recapitalization, reclassification or otherwise, to surrender such Collateral or any part thereof in exchange therefor, and to hold any such dividend or distribution as part of the Collateral. Notwithstanding Regency's and the Transferees' respective security interests in the Collateral, each Midland Principal shall be entitled to receive all cash distributions relating to Additional Units constituting Collateral without any security interest attaching thereto.

13.8 Jurisdiction. Any suit, action or proceeding against any Midland Principal with respect to this Article 13 may be brought in the courts of the State of Missouri or in the U.S. District Court for the Eastern District of Missouri as Regency or the applicable Transferee, as the case may be, in its sole discretion may elect, and each Midland Principal, by acceptance of any Additional Units, shall be deemed to accept the nonexclusive jurisdiction of those courts for the purpose of any suit, action or proceeding. In addition, each Midland Principal shall be deemed to irrevocably waive, to the fullest extent permitted by law, any objection which such Person may have to the laying of venue of any suit, action or proceeding arising out of or relating to this Section 13.8 or any judgment entered by any court in respect to any part thereof brought in the State of Missouri and to further irrevocably waive any claim that any suit, action or proceeding brought in the State of Missouri has been brought in an inconvenient forum.

13.9 Threshold and Cap. Notwithstanding anything herein to the contrary, no party required to indemnify any other under this Article 13 shall be responsible for any Indemnified Claim under the terms of this Article 13 until the cumulative aggregate amount of such Indemnified Claims suffered by the applicable Property Owner, on the one hand, or the Transferees or Regency on the other hand, as the case may be, exceeds $500,000, with respect to OTR/Midland Realty Holdings, Ltd. or $50,000 with respect to each other Property Owner, in which case the Contributor

and the Midland Principals, on the one hand, or the Transferees or Regency on the other hand, as the case may be, shall then be liable for all such Indemnified Claims as to such Property Owner, but (a) in the case of a Midland Principal's liability for a breach of a representation, warranty or covenant by a Property Entity, a Midland Affiliate or a Midland Principal that is not willful or intentional, only to the extent that the aggregate Loss and Expenses do not exceed the combined value of the Collateral on the date that the Claim is satisfied, and (b) in the case of a breach of a representation, warranty or covenant by Regency or any Transferee that is not willful or intentional (other than a Claim relating to an Assumed Liability), only to the extent that the aggregate Loss and Expenses do not exceed the aggregate Contribution Value of the Assets.

13.10 No Waiver. The closing of the transactions contemplated by this Agreement shall not constitute a waiver by any party of its rights to indemnification hereunder, regardless of whether the party seeking indemnification otherwise has knowledge of the breach, violation or failure of condition constituting the basis of the Claim at or before the First Closing, and regardless of whether such breach, violation or failure is deemed to be "material," subject to the provisions of Sections 5.10 and 5.11 (requiring notice to the other party).

13.11 Designated Representatives. Lee Wielansky and Stephen Notestine are hereby designated to represent the Midland Principals and each Property Entity and Midland Affiliate in connection with any consent, approval, agreement, settlement, or other action to be taken after the First Closing under this Article 13 (the "Midland Representatives"), and the decision of the Midland Representatives shall be binding on the Midland Principals and each Property Entity and Midland Affiliate. Further, the Midland Representatives shall have the right to engage attorneys to represent the interest of the Midland Principals and each Property Entity and Midland Affiliate and incur reasonable costs and expenses in connection with any action to be taken or issues arising under this Article 13, and the Midland Principals, by acceptance of Additional Units at any Subsequent Closing, shall be deemed to have agreed to fund such costs and expenses, which liability shall be joint and several.

ARTICLE 14: POST-CLOSING COVENANTS

14.1 Completion of 1997 Audit. Each Midland Principal agrees to cause, and to cooperate in facilitating the completion as promptly as practicable after the First Closing of, the preparation of audited financial statements for each Property Owner, in accordance with GAAP and reported on by KPMG Peat Marwick, and complying in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder for filing by Regency with the SEC in a Form 8-K. Without limiting the foregoing, each Midland Principal agrees to give Regency and Regency's independent certified public accountants access to the work papers for such Property Owner's financial statements. Regency shall pay the cost of each Property Owner's audit.

14.2 Access to Books and Records. For a period of seven years following the First Closing, Regency shall cause the Partnership and the other Transferees to preserve and to give the Property Entities access, upon reasonable advance notice and during normal business hours, to all books and records delivered by the Property Entities to such Transferees to enable the Property Entities to prepare Tax returns or respond to any request of any Tax authority or Governmental Entity regarding matters prior to the First Closing.

14.3 Environmental Matters.

14.3.1 Each Property Entity, Midland Principal and Midland Affiliate hereby waives any claim for contribution against the Transferees for any damages to the extent they arise from any pre-closing conditions related to:

(1) any Release of, threatened Release of, or disposal of any Hazardous Materials at any Property or Option Property;

(2) the operation or violation of any environmental Law at any Property or Option Property; or

(3) any environmental Claim pursuant to any environmental Law in connection with any Property or Option Property.

14.3.2 The waiver contained in this Section 14.3 shall be binding upon the successors and assigns of the Midland Principals, Property Entities and Midland Affiliates to the benefit of the Transferees and their directors, officers, employees and agents, and their successors

and assigns.

14.4 Reports on Earn-Out Performance. From the First Closing Date until the last Earn-Out Closing Date, the Transferees shall provide the Midland Representatives with quarterly reports in a form reasonably acceptable to such parties relating to the various factors that form the basis for the computation of the various earn-outs described in Section 2.5, e.g., the performance of the Eligible Properties with respect to the In-Process Earn-Out. The Transferees agree to cause to be preserved and made available for inspection, during normal business hours and upon reasonable prior notice, by a representative appointed by the Midland Representatives, all books and records relating to amounts due on any Earn-Out Closing Date. The Midland Representatives shall have the right to conduct up to three audits of such books and records for the purpose of confirming the amount due on any Earn-Out Closing Date, and if any such audit discloses that any earn-out has been understated for any calendar year preceding an Earn-Out Closing Date by more than 5%, Regency shall reimburse the Midland Representatives for the cost of such audit.

14.5 Midland Development 401(k) Plan. Promptly after the First Closing, Midland Development shall undertake the actions necessary to inform participants in its 401(k) Plan of their right to a distribution, including the right to make an eligible rollover distribution to Regency's Plan. In addition, Midland Development shall maintain its 401(k) Plan for as long as required by Treasury Regulation Section 401(k)-1(d)(4). Participants in the Midland 401(k) Plan may receive a distribution pursuant to this Section until the last day of the calendar year following the year of the First Closing. Midland Development shall be solely responsible for any costs associated with the responsibilities/duties contained in this Section. Regency agrees to cause the Partnership to provide access to records and to provide employee and management time in assisting Midland Development in meeting its obligations hereunder with respect to its 401(k) Plan.

ARTICLE 15: MISCELLANEOUS

15.1 Headings and Interpretation. The headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof. The parties acknowledge that this Agreement and all other Transaction Documents have been negotiated at arms' length, with the assistance of their respective counsel, and accordingly, this Agreement and the other Transaction Documents shall not be construed against or in favor of any party over any other party, regardless of which party was responsible for drafting the same.

15.2 Pronouns and Plurals. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

15.3 Time. Time is of the essence for this Agreement.

15.4 Survival. The representations and warranties contained in this Agreement and the provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of such Closing.

15.5 Expenses. At each Closing, Regency shall make a capital contribution to the Partnership to enable the Partnership to pay expenses incident to this Agreement and the transactions contemplated hereunder, including (i) environmental audits, Survey, UCC Searches, the Title Insurance premium, state and local transfer Taxes, recording costs, loan assumption fees in connection with the assumption by the Partnership of the Existing Mortgage Debt, and any prepayment penalties; (ii) the cost of disseminating the disclosure document referred to in Section 5.6 and the travel and related expenses incurred in connection with meetings with Midland Principal partners; and (iii) the reasonable, itemized fees and expenses of attorneys and accountants for the Property Entities. Except as otherwise provided in Section 12.3, in the event that this Agreement is terminated before the First Closing, each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereunder, including all legal and accounting fees and disbursements.

15.6 Costs of Litigation. The parties agree that the prevailing party in any action brought with respect to or to enforce any right or remedy under this Agreement shall be entitled to recover from the other party or parties all reasonable costs and expenses of any nature whatsoever incurred by the prevailing party in connection with such action, including, without limitation, attorneys' fees and prejudgment

interest.

15.7 Mediation. Except as otherwise provided in Section 13.7.2, in the Partnership Agreement and in the partnership agreement of R&M Western Partnership, disputes arising under this Agreement shall be resolved as follows:

(a) No party to this Agreement shall bring a civil action seeking enforcement or any other remedy founded on this Agreement without first complying in good faith with the provisions of this Section 15.7. Any party may seek injunctive relief to preserve the status quo pending the completion of mediation under this Agreement.

(b) Disputes arising under this Agreement shall be submitted to mediation. The Midland Representatives, on the one hand, and Regency, on the other hand, shall flip a coin to determine whether the mediation shall be held in St. Louis, Missouri or Jacksonville, Florida, and shall select a mutually acceptable mediator in such location. In the event such parties are unable to agree on a mutually acceptable mediator, then the dispute shall be submitted to the office of JAMS/ENDISPUTE nearest to the determined location for mediation. If the parties cannot agree on or have no particular choice of mediator from the list of neutrals at JAMS/ENDISPUTE, then a list and resumes of available mediators, numbering one more than there are parties, will be sent to the parties, each of whom may strike one name. The remaining name shall be the mediator; provided, however, if more than one name remains, the mediator shall be selected by the Arbitration Administrator of JAMS/Endispute from the remaining names. The mediation process shall continue until the case is resolved or the mediator makes a finding that there is no possibility of settlement through mediation.

(c) In the event that a dispute is submitted to mediation, the Midland Representatives shall represent the Midland Principals and any Contributor or other Property Entity or Midland Affiliate involved in the dispute.

15.8 Additional Actions and Documents. Each party hereto hereby agrees to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further documents, and to obtain such consents, as may be necessary or as may be reasonably requested on or after the Closing Date in order to fully effectuate the purposes, terms and conditions of this Agreement, including, without limitation, the transfer and assignment to the Transferees of, and the vesting in the Transferees title to, the Assets.

15.9 Remedies Cumulative. Except as otherwise expressly provided in Section 12.3 and subject to the limitations set forth in Article 13, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion or exercise of any other rights or remedies available by Law, in equity or otherwise.

15.10 Entire Agreement; Amendment and Modification. This Agreement, including the schedules, exhibits and other documents referred to herein or furnished pursuant hereto, together with the letter agreement regarding confidentiality between Midland Development and Regency dated February 10, 1997 (the terms of which are incorporated herein) constitutes the entire understanding and agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. No amendment, modification or discharge of, or supplement to, this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

15.11 Notices. All notices, demands, requests, and other communications which may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, sent by overnight courier or mailed by first-class, registered or certified U.S. mail, return receipt requested and postage prepaid, or transmitted by facsimile, telegram, telecopy or telex, addressed as follows:

(i) If to Contributors:	(ii) If to Regency or Transferees:
Suite 200, Westpark I 12655 Olive Blvd. St.Louis, Missouri 63141 Telephone: (314) 576-1900 Facsimile: (314) 576-7005 Attention: Lee S. Wielansky	121 W. Forsyth St., Suite 200 Jacksonville, Florida 32202 Telephone: (904) 356-7000 Facsimile: (904) 634-3428 Attention: Martin E. Stein, Jr., President

Bruce M. Johnson,
Managing Director
and CFO

copy to:	copy to:
Joseph D. Lehrer, Esq.	Charles E. Commander, Esq.
Greensfelder, Hemker & Gale, P.C.	Foley & Lardner
2000 Equitable Building	Green Leaf Building
101 South Broadway	200 Laura Street
St. Louis, Missouri 63102-1774	Jacksonville, Florida 32202
Telephone: (314) 241-9090	Telephone: (904) 359-2000
Facsimile: (314) 241-8624	Facsimile: (904) 359-8700

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this Section 15.11, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this Section 15.11, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this Section 15.11, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section 15.11.

15.12 Waivers. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege to be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

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

15.14 Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claim or disputes relating thereto, shall be governed by and construed and enforced in accordance with the Laws and judicial decisions of the State of Florida, without regard to conflict of Law principles (excluding the choice of Law rules thereof), except for actions affecting title to real property, in which case the Laws of the State in which the real property is located shall apply.

15.15 Assignment; Parties in Interest.

15.15.1 Assignment. No party hereto shall assign its rights and/or obligations under this Agreement, in whole or in part, whether by operation of Law or otherwise, without the prior written consent of the other parties hereto; provided, that Regency, without the consent of any other party hereto, may assign its rights and/or obligations under this Agreement, in whole or in part, to any Affiliate. For the purposes of this paragraph, "Affiliate" means (a) an entity that directly or indirectly controls, is controlled by or is under common control with Regency or (b) an entity at least a majority of whose economic interest is owned by Regency; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

15.15.2 Parties in Interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective administrators, successors, legal representatives and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to confer upon any other Person any right or remedy under or by reason of this Agreement.

15.16 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer any third party benefit.

15.17 Severability. Every provision of this Agreement is intended to be severable. If any provision or term of this Agreement, or the application of a provision or term to any Person or circumstance,

shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions and terms hereof, or the application of such provision or term to Persons or circumstances other than those to which it is held invalid, illegal or enforceable, shall not be affected thereby, and there shall be deemed substituted for the provision or term at issue a valid, legal and enforceable provision as similar as possible to the provision or term at issue.

15.18 Limitation of Liability. Any obligation or liability whatsoever of Regency which may arise at any time under this Agreement or any obligation or liability which may be incurred by it pursuant to any other instrument, transaction or undertaking contemplated hereby shall be satisfied, if at all, out of Regency's assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of its shareholders, trustees, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

15.19 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE PROVISIONS OF THIS SECTION 15.19 SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Contribution Agreement to be duly executed on their behalf as of the date first above written.

THE MIDLAND PRINCIPALS:

/s/ Lee S. Wielansky
Lee S. Wielansky

/s/ Stephen M. Notestine
Stephen M. Notestine

/s/ Joseph H. Apter
Joseph H. Apter

/s/ Rodney K. Jones
Rodney K. Jones

/s/ Ned M. Brickman
Ned M. Brickman

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Managing Director and CFO

THE PROPERTY ENTITIES

MIDLAND DEVELOPMENT GROUP, INC.,
a Missouri Corporation

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

OTR Eastern Properties
- Bent Tree Plaza (North Carolina)
- Westchester Plaza (Ohio)
- Hamilton Meadows (Ohio)
- Brookville Plaza (Virginia)
- Lakeshore (Michigan)
- Evans Crossing (Georgia)
- Statler Square (Virginia)
- Kernersville Marketplace (North Carolina)
- Maynard Crossing (North Carolina)
- Shoppes at Mason (Ohio)
- Lake Pine Plaza (North Carolina)

OTR/MIDLAND REALTY HOLDINGS, LTD.,
an Ohio Limited Liability Company

By: Midland Realty Holdings L.L.C.,
a Missouri Limited Liability Company,
Managing Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

BECKETT PARTNERS LIMITED PARTNER-
SHIP, an Ohio Limited Partnership

By: Midland-Beckett Limited Partnership,
a Missouri Limited Partnership, General
Partner

By: Beckett Equities, Inc., a Missouri
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

REYNOLDSBURG PARTNERS,
an Ohio General Partnership

By: Midland Reynoldsburg Development Company Limited Partnership, a Missouri Limited Partnership, Managing General Partner

By: Reynoldsburg Equities, Inc., a Missouri Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky
Managing Member

MIDLAND FRANKFORT DEVELOPMENT CO.
L.L.C., a Kentucky Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

By: /s/ Ned M. Brickman
Ned M. Brickman, Manager

By: /s/ Stephen M. Notestine
Stephen M. Notestine, Manager

MAXTOWN PARTNERS, LTD.,
an Ohio Limited Liability Company

By: Maxtown Development Company L.L.C.,
a Missouri Limited Liability Company,
Voting Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing Member

St. Ann Square
No. 1706

K & M DEVELOPMENT COMPANY,
a Missouri General Partnership

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Partner

WORTHINGTON DEVELOPMENT COMPANY,
an Ohio General Partnership

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing General Partner

MIDLAND ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND RALEIGH ACQUISITIONS, LLC,
a North Carolina Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND DALLAS ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MICHIGAN ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

THE MIDLAND AFFILIATES

MIDLAND REALTY HOLDINGS, L.L.C.,
a Missouri Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

MIDLAND-BECKETT LIMITED PARTNERSHIP,
a Missouri Limited Partnership, General
Partner

By: Beckett Equities, Inc., a Missouri
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND REYNOLDSBURG DEVELOPMENT
COMPANY LIMITED PARTNERSHIP, a
Missouri Limited Partnership, Managing
General Partner

By: Reynoldsburg Equities, Inc., a
Missouri Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND GARNER DEVELOPMENT
COMPANY, L.L.C., a North Carolina Limited
Liability Company, Administrative Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Administrative Member

MAXTOWN DEVELOPMENT COMPANY
L.L.C., a Missouri Limited Liability
Company, Voting Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing Member

MIDLAND ARLINGTON DEVELOPMENT
COMPANY, L.P., a Texas Limited Partnership

By: Arlington Creekside Equities, Inc.,
a Texas Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND FRISCO DEVELOPMENT
COMPANY, L.P., a Texas Limited Partnership

By: Frisco Equities, Inc.,
a Texas Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND DURHAM DEVELOPMENT
COMPANY L.L.C., a North Carolina
Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND ARVADA DEVELOPMENT
LLC, a Colorado Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND NASHBORO DEVELOPMENT
COMPANY L.L.C., a Tennessee Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Administrative Member
(Chief Manager)

MIDLAND SHILOH DEVELOPMENT
COMPANY L.P., a Texas Limited Partnership

By: Shiloh Equities, Inc.,
a Texas Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND SOUTHLAKE DEVELOPMENT
COMPANY, L.P., a Texas Limited Partnership

By: Southlake Equities, Inc., a Texas
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND CHEYENNE MEADOWS
DEVELOPMENT, LLC,
a Colorado Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND ALLEN DEVELOPMENT, L.P.,
a Texas Limited Partnership

By: Bethany Equities, Inc.,
a Texas Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND PICKERINGTON DEVELOPMENT
LIMITED LIABILITY COMPANY,
an Ohio Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Administrative Member

MIDLAND REALTY NO. 1 LLC,
a Georgia Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND WOODMEN DEVELOPMENT LLC,
a Colorado Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

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SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

REGENCY CENTERS, L.P.
(formerly known as Regency Retail Partnership, L.P.)

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SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
REGENCY CENTERS, L.P.

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP is dated as of March 5, 1998, by and among Regency Realty Corporation, a Florida corporation, as general partner (the "General Partner"), and those additional persons who from time to time agree to be bound by this Agreement as limited partners (the "Limited Partners"), and amends and restates the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of March 7, 1997 (the "Initial Agreement").

Background

Limited Partners (the "Original Limited Partners") who formerly were partners of Branch Properties, L.P. or its affiliates were admitted to the Partnership on March 7, 1997, and certain partners in partnerships affiliated with Branch Properties, L.P. were admitted to the Partnership in May and June, 1997) as holders of Class A Units (as defined below).

In connection with the first admission of Class A Unit holders, Regency Atlanta, Inc., which was then the general partner of the Partnership, and Security Capital (as defined below) entered into Amendment No. 1 to the Initial Agreement to permit the holders of Class A Units to redeem their Units prior to the first Subsequent Closing (as defined below) with the consent of the General Partner and Security Capital.

Regency Realty Corporation ("Regency") has merged with Regency Atlanta, Inc., formerly the General Partner of the Partnership, with Regency being the surviving corporation in the merger, and Regency has caused the merger into the Partnership of its subsidiary, Regency Centers, Inc., which owned at least 35 shopping center properties immediately prior to the merger. Accordingly, Regency is now the General Partner of the Partnership. In addition, the name of the Partnership has been changed to Regency Centers, L.P. Regency intends for the Partnership to be the primary vehicle through which Regency acquires properties from time to time in the future.

The General Partner wishes to amend and restate the Initial Agreement, as amended, pursuant to authority granted to the General Partner in Section 14.1(b) (i) to provide for admitting Additional Limited Partners (as defined below) to the Partnership from time to time, (ii) to make certain changes of an inconsequential nature to the form of the provisions governing the maintenance of Capital Accounts, and (iii) to delete matters of historical interest that are no longer relevant. Pursuant to Section 4.2, the Limited Partnership Interests (as defined below) of the Additional Limited Partners shall be subordinate to the Limited Partnership Interests of the Original Limited Partners and the holders of the Class A Units.

NOW, THEREFORE, the General Partner amends and restates the Initial Agreement as follows (matters in italics are agreements with the Original Limited Partners only).

ARTICLE 1
DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time, and any successor to such statute.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 4.2 hereof and who is shown as such on the books and records of the Partnership.

"Additional Unit" means a Unit issued to an Original Limited Partner (but not to any holder of a Class A Unit) at a Subsequent Closing pursuant to the Contribution Agreement.

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each Partnership Year (i) increased by any amounts which such Partner is obligated to restore pursuant to any

provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and (ii) decreased by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement" means this Agreement of Limited Partnership, as it may be amended, supplemented or restated from time to time.

"Articles of Incorporation" means the Amended and Restated Articles of Incorporation of Regency, as filed with the Florida Department of State, as further amended or restated from time to time.

"Assignee" means a Person to whom one or more Partnership Units have been transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5.

"Available Cash" means with respect to any period for which such calculation is being made,

(a) all cash revenues and funds received by the Partnership from whatever source (excluding the proceeds of any Capital Contribution other than a Capital Contribution made by the General Partner for the purpose of funding distributions to Limited Partners and excluding Capital Transaction Proceeds) plus the amount of any reduction (including, without limitation, a reduction resulting because the General Partner determines such amounts are no longer necessary) in reserves of the Partnership, which reserves are referred to in clause (b)(iv) below;

(b) less the sum of the following (except to the extent made with the proceeds of any Capital Contribution and except to the extent taken into account in determining Capital Transaction Proceeds), all of which shall be paid subject to Section 7.1(h):

(i) all interest, principal and other debt payments made during such period by the Partnership,

(ii) all other cash expenditures (including capital expenditures) made by the Partnership during such period,

(iii) investments in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clauses (b)(i) or (ii), and

(iv) the amount of any increase in reserves established during such period which the General Partner determines is necessary or appropriate in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include any cash received or reductions in reserves, or take into account any disbursements made or reserves established, after commencement of the dissolution and liquidation of the Partnership.

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

"Capital Account" means the Capital Account maintained for a Partner pursuant to Section 4.4 hereof.

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the value (as set forth by separate agreement) of property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1 or 4.2 hereof and which shall be treated as a contribution to the Partnership pursuant to Section 721(a) of the Code.

"Capital Transaction" means a sale, exchange or other disposition (other than in liquidation of the Partnership) or a financing or

refinancing by the Partnership (which shall not include any loan or financing to the General Partner as permitted by Section 7.1(a)(iii)) of a Partnership asset or any portion thereof.

"Capital Transaction Proceeds" means the net cash proceeds of a Capital Transaction, after deducting all expenses incurred in connection therewith and after application of any proceeds, at the sole discretion of the General Partner, toward the payment of any indebtedness of the Partnership secured by the property that is the subject of that Capital Transaction, the purchase, improvement or expansion of Partnership property, or the establishment of any reserves deemed reasonably necessary by the General Partner; provided, however, that if the Partnership obtains financing for Partnership properties for which no permanent financing has previously been obtained, the proceeds of such financing shall not be deemed to be Capital Transaction Proceeds if and to the extent that the General Partner determines to reinvest such proceeds in additional and existing real property investments of the Partnership.

"Cash Amount" means an amount of cash arrived at by multiplying (i) the number of Partnership Units that are the subject of a Notice of Redemption times (ii) the Unit Adjustment Factor times (iii) the Value on the Valuation Date of a Share.

"Certificate" means the Certificate of Limited Partnership relating to the Partnership filed in the office of the Secretary of State of the State of Delaware, as amended from time to time in accordance with the terms hereof and the Act.

"Class A Units" means the Partnership Interest in the Partnership issued pursuant to Section 4.2 hereof which has the same rights as the Original Limited Partnership Units (including the right to vote together with the Original Limited Partners as a class, to receive distributions pursuant to Article 5 and to receive allocations pursuant to Article 6), except (i) the holder of such a Class A Unit shall not have the right to receive Additional Units hereunder and (ii) the Redemption Rights with respect to Class A Units shall be subordinate as set forth in Sections 8.6(a), 8.6(c)(i) and 8.6(c)(ii) hereof.

"Class B Units" means the Partnership Interest in the Partnership owned by a Partner (including the General Partner or any Affiliate of Regency other than a Property Affiliate), other than an Original Limited Partner, an Additional Limited Partner and the holders of Class A Units. As provided in Sections 5.1(a) and 5.1(b), the distribution rights for the Class B Units are subordinate to the distribution rights for the Original Limited Partnership Units, Class A Units and Class 2 Units.

"Class 2 Units" means the Partnership Interest in the Partnership issued pursuant to Section 4.2 hereof to a Limited Partner other than an Original Limited Partner or the holders of the Class A Units. As provided in Section 5.2, the distribution rights of the Class 2 Units are subordinate to the distribution rights of the Original Limited Partnership Units and the Class A Units but senior to distribution rights of the Class B Units.

"Closing Date" has the meaning set forth in the Contribution Agreement.

"Code" means the Internal Revenue Code of 1986, as amended. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Common Stock" means the voting Common Stock, $0.01 par value, of Regency.

"Consent" means with respect to Limited Partners holding any class of Units, the written consent of those Limited Partners holding a majority of such Units at the time in question. Consent of the Original Limited Partners means the written consent of Original Limited Partners holding a majority of the Original Limited Partnership Units outstanding at the time in question. Consent of the Limited Partners means the written consent of the Original Limited Partners and the Additional Limited Partners holding a majority of the Units outstanding at the time in question.

"Contribution Agreement" means that certain Contribution Agreement and Plan of Reorganization, dated as of February 10, 1997, by and among Branch Properties, L.P., Branch Realty Inc. and Regency.

"Cumulative Unpaid Accrued Return Account" means, with respect to any Original or Additional Limited Partner, an amount equal to (i) the interest that would accrue at the Prime Rate plus two percent (2%) on such

Partner's Cumulative Unpaid Priority Distribution Account outstanding from time to time, less (ii) the cumulative amount of Available Cash and the cumulative amount of any Capital Transaction Proceeds distributed with respect to the Limited Partnership Units of such Partner in reduction of such Cumulative Unpaid Accrued Return Account pursuant to Sections 5.1(a)(ii), 5.1(a)(v), 5.1(b)(i) and 5.1(b)(iii).

"Cumulative Unpaid Priority Distribution Account" means, with respect to any Original or Additional Limited Partner an amount equal to (i) the aggregate of all Priority Distribution Amounts for Limited Partnership Units held by such Partner, less (ii) the cumulative amount of Available Cash and the cumulative amount of any Capital Transaction Proceeds distributed with respect to such Limited Partnership Units of such Partner in reduction of such Cumulative Unpaid Priority Distribution Account pursuant to Sections 5.1(a)(i), 5.1(a)(iii), 5.1(a)(iv), 5.1(a)(vi), 5.1(b)(ii) and 5.1(b)(iv).

"Depreciation" means for each Partnership Year or other period, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner, except that in the case of a zero basis property contributed by an Original Limited Partner, such property shall be depreciated for book purposes over a period of not more than ten years.

"Event of Dissolution" has the meaning set forth in Section 13.1.

"First Closing" has the meaning set forth in the Contribution Agreement.

"General Partner" means Regency Realty Corporation or its permitted successors as a general partner of the Partnership.

"General Partnership Interest" means a Partnership Interest held by a General Partner that is a general partnership interest. A General Partnership Interest may be expressed as a number of Class B Units.

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

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the fair market value (exclusive of liabilities) of such asset, as determined by the General Partner, unless required to be determined in some other manner herein;

(b) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective fair market values (exclusive of liabilities), as determined by the General Partner, as of the following times: (i) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution; (ii) the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an interest in the Partnership; and (iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(c) The Gross Asset Value of any Partnership asset distributed to any Partner shall be adjusted to equal the fair market value (exclusive of liabilities) of such asset on the date of distribution as determined by the General Partner; and

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (d) to the

extent the General Partner determines that an adjustment pursuant to paragraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing profits and losses.

"Immediate Family" means, with respect to any natural Person, such natural Person's spouse, parents, descendants, nephews, nieces, brothers and sisters and trusts for the benefit of any of the foregoing.

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating him incompetent to manage his Person or his estate; (ii) as to any corporation which is a Partner, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (iii) as to any partnership which is a Partner, the dissolution and commencement of winding up of the partnership; (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when the Partner (a) makes an assignment for the benefit of creditors, (b) files a voluntary petition in bankruptcy, (c) is adjudged a bankrupt or insolvent, or has entered against him an order of relief in any bankruptcy or insolvency proceeding, (d) files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (e) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature, (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Partner or of all or any substantial part of his properties, (g) is the debtor in any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, which has not been dismissed within 120 days after the commencement thereof, or (h) is the subject of a proceeding whereby a trustee, receiver or liquidator is appointed for the Partner or all or any substantial part of its properties without the Partner's consent or acquiescence of a trustee, receiver or liquidator, and such appointment has not been vacated or stayed within 90 days after the appointment or such appointment is not vacated within 90 days after the expiration of any such stay.

"Indemnitee" means (i) any Person made a party to a proceeding by reason of his status as (a) the General Partner, (b) a Limited Partner or (c) a director or officer of the Partnership or a Partner, and (ii) such other Persons (including Affiliates of the General Partner or the Partnership) acting in good faith on behalf of the Partnership as determined by the General Partner in its good faith judgment other than for any action by such Person involving fraud, willful misconduct or gross negligence.

"IRS" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"Limited Partner" means any Person named as a Limited Partner in Exhibit A attached hereto, as such Exhibit may be amended from time to time in accordance with the terms of this Agreement, or any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

"Limited Partnership Interest" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partnership Interest may be expressed as a number of Original Limited Partnership Units, Class A Units, Class 2 Units or Class B Units as provided herein.

"Liquidating Transaction" means any sale or other disposition of all or substantially all of the assets of the Partnership following the adoption by the General Partner of a plan of liquidation for the Partnership.

"Liquidator" has the meaning set forth in Section 13.2.

"Management Business" has the meaning set forth in Section 7.1(g).

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

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

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

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

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

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

(f) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to clause (b) or (c) of the definition thereof, the amount of any such adjustment shall be taken into account as gain or loss from the disposition of such asset and shall be allocated pursuant to Section 6.2(g).

(g) Any items specially allocated under Sections 6.2 and 6.3 hereof shall not be taken into account.

"Non-U.S. Person" means with respect to the acquisition, ownership or transfer of any Partnership Interest or Shares, the direct or indirect acquisition or ownership thereof by or a transfer that results in the direct or indirect ownership thereof by any Person who is not (i) a citizen or resident of the United States, (ii) a partnership or corporation created or organized in the United States or under the laws of the United States or any state therein (including the District of Columbia), or (iii) a foreign estate or trust within the meaning of Section 7701(a)(31) of the Code.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Redemption" means the Notice of Redemption, Security Agreement and Investor Questionnaire substantially in the form of Exhibit B to this Agreement, as it may be amended from time to time by the General Partner effective upon written notice to the Limited Partners.

"Option Date" means the four hundred twentieth (420th) day after the date of the First Closing.

"Original Limited Partner" means the Partners who received Original Limited Partnership Units distributed by Branch Properties, L.P. to its respective partners pursuant to the Contribution Agreement. The Original Limited Partners are listed on Exhibit A attached hereto. The term "Original Limited Partner" shall also include any permitted transferee of an Original Limited Partner pursuant to Section 11.3 other than the General Partner or any Affiliate of the General Partner other than a Property Affiliate.

"Original Limited Partnership Unit" means a Partnership Unit (including any Additional Units) issued to an Original Limited Partner. The term "Original Limited Partnership Unit" does not include or refer to any Class A Units, Class 2 Units or Class B Units.

"Partner" means a General Partner or a Limited Partner, and "Partners" means the General Partner and the Limited Partners.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"Partnership" means the limited partnership formed under the Act and pursuant to this Agreement, and any successor thereto.

"Partnership Interest" means an ownership interest in the Partnership representing a Capital Contribution and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Original Limited Partnership Units, Class A Units, Class 2 Units or Class B Units.

"Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Partnership Record Date" means the record date established by the General Partner for the distribution of Available Cash pursuant to Section 5.1 hereof, which record date shall be the same as the record date established by Regency for a dividend to the holders of Common Stock.

"Partnership Unit" or "Unit" means the Partnership Interest in the Partnership to be issued to and held by the Limited Partners pursuant to Sections 4.1 and 4.2. The ownership of Units may be evidenced by such form of certificate as the General Partner may determine, in its discretion, and the transfer of the Units evidenced by such certificates shall be governed by Article 11.

"Partnership Year" means the fiscal year of the Partnership, which shall be the calendar year.

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing (i) the Original Limited Partnership Units, Class A Units, Class 2 Units and Class B Units owned by such Partner by (ii) the total number of Original Limited Partnership Units, Class A Units, Class 2 Units and Class B Units then outstanding and as specified in Exhibit A attached hereto, as such Exhibit may be amended from time to time in accordance with the terms of this Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, trust, unincorporated organization, association or other entity.

"Pledged Units" has the meaning set forth in Section 8.6(f) with respect to Original Limited Partnership Units and means any other Units pledged by an Additional Limited Partner to the Partnership or the General Partner, whether pursuant to this Agreement or by separate agreement.

"Property Affiliate" means a Person, other than any Subsidiary of

Regency, who contributed property in exchange for a Limited Partnership Interest and who may be deemed an Affiliate of the General Partner, e.g., because such person is a director of Regency or owns a significant number of Units or shares of Regency stock.

"Prime Rate" means, on any date, a fluctuating rate of interest per annum equal to the rate of interest most recently established by Wachovia Bank of Georgia, N.A. at its Atlanta, Georgia office (or, at the General Partner's election, another major lender to the Partnership, at the office with which the Partnership deals), as its prime rate of interest for loans in United States dollars.

"Priority Distribution Amount" means with respect to an Original Limited Partnership Unit or a Class 2 Unit outstanding on a Partnership Record Date (i) the cash dividend per share of Common Stock (including any dividend designated by Regency as capital gain pursuant to Section 857(b)(3)(C) of the Code) declared by Regency on the Partnership Record

Date, multiplied by (ii) the Unit Adjustment Factor in effect on such Partnership Record Date except that on the first Partnership Record Date that occurs with respect to a Class 2 Unit, the General Partner may require that the Priority Distribution Amount be prorated to the extent that the Unit has not been outstanding each day since the immediately preceding Partnership Record Date.

"Recapture Income" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Recourse Liabilities" has the meaning set forth in Regulations Section 1.752-1(a)(1).

"Redeeming Partner" means a Limited Partner who duly exercised a Redemption Right.

"Redemption Amount" means the Share Amount or, as determined by the General Partner in its sole and absolute discretion after the Option Date, the Cash Amount or any combination of the Share Amount and the Cash Amount. As provided in Section 8.6(b), in the event a Specified Redemption Date occurs on or before the Option Date, then the General Partner shall be required to cause the Partnership to issue the Share Amount (and not the Cash Amount) in satisfaction of the Redemption Amount, except as otherwise provided in Section 8.6(c).

"Redemption Right" with respect to the Original Limited Partners and the holders of Class A Units has the meaning set forth in Section 8.6(a) hereof and with respect to Additional Limited Partners means any right granted to such Partners by separate agreement of the Partnership to redeem such Partners' Limited Partnership Interests.

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

"Regulations" means the Income Tax Regulations, including the Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

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

"Securities Act" means the Securities Act of 1933, as amended.

"Security Capital" means Security Capital U.S. Realty, a Luxembourg corporation, Security Capital Holdings, S.A., a Luxembourg corporation, and their Affiliates.

"Share Amount" means a number of Shares arrived at by multiplying (i) the number of Partnership Units that are the subject of a Notice of Redemption times (ii) the Unit Adjustment Factor.

"Shares" means (i) the Common Stock of Regency, and (ii) any securities issuable with respect to Shares as a result of the application of Section 11.2(b).

"Specified Redemption Date" means the later of (i) 5:00 p.m. Eastern time, on the date specified by the Redeeming Partner in such Partner's Notice of Redemption, or (ii) the close of business, Eastern time, on the first Business Day after the date in clause (i) if such date is not a

Business Day, or (iii) 5:00 p.m. Eastern time, on the tenth Business Day after receipt by the General Partner of a Notice of Redemption.

"Subsequent Closing" has the meaning set forth in the Contribution Agreement.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4.

"Transaction" has the meaning set forth in Section 11.2(b).

"Unit Adjustment Factor" means initially 1.0; provided that, in order to prevent dilution of the Redemption Right, in the event that Regency (i) declares or pays a dividend on its outstanding Common Stock in Common Stock or makes a distribution to all holders of its outstanding Common Stock in Common Stock, (ii) subdivides its outstanding Common Stock, or (iii) combines its outstanding Common Stock into a smaller number of shares, the Unit Adjustment Factor shall be adjusted by multiplying the Unit Adjustment Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination. Any adjustment to the Unit Adjustment Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

"Valuation Date" means the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

"Value" means, with respect to a Share, the average of the daily market price of the Common Stock for the ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for each such trading day shall be: (i) if the Common Stock is listed or admitted to trading on any securities exchange or the Nasdaq-National Market, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, (ii) if the Common Stock is not listed or admitted to trading on any securities exchange or the Nasdaq-National Market, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if the Common Stock is not listed or admitted to trading on any securities exchange or the Nasdaq-National Market and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 10 days prior to the date in question) for which prices have been so reported; provided, that if there are no bid and asked prices reported during the 10 days prior to the date in question, the Value of the Common Stock shall be determined by Regency's board of directors acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 Organization; Application of Act.

(a) Organization and Formation of Partnership. The Partnership has been formed as a limited partnership under the Act, the initial general and limited partners have withdrawn from the Partnership and the General Partner and the Limited Partners do hereby amend and restate this Agreement to provide for the continuation of the Partnership according to all of the terms and provisions of this Agreement and otherwise in accordance with the Act. The General Partner is the sole general partner and the Limited Partners are the sole limited partners of the Partnership.

(b) Application of Act. The Partnership is a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement. Except as expressly

provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. No Partner has any interest in any Partnership property, and the Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 Name. The name of the Partnership is Regency Centers, L.P. The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall promptly notify the Limited Partners of such change; provided, that the name of the Partnership may not be changed to include the name, or any variant thereof, of any Limited Partner without the written consent of that Limited Partner.

Section 2.3 Registered Office and Agent; Principal Office. The address of the registered office of the Partnership in the State of Delaware is located at 1013 Centre Road, City of Wilmington, County of New Castle, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office is Corporation Service Company. The principal office of the Partnership is 121 W. Forsyth Street, Suite 200, Jacksonville, Florida 32202, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Florida as the General Partner deems advisable.

Section 2.4 Term. The term of the Partnership shall commence on the date hereof and shall continue until December 31, 2097, unless it is dissolved sooner pursuant to the provisions of Article 13 or as otherwise provided by law.

ARTICLE 3
PURPOSE

Section 3.1 Purpose and Business. The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act and in connection therewith to sell or otherwise dispose of Partnership assets, (ii) to enter into any partnership, joint venture or other similar arrangement to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing and (iii) to do anything necessary or incidental to the foregoing which, in each case, is not in breach of this Agreement; provided, however, that each of the foregoing clauses (i), (ii), and (iii) shall be limited and conducted in such a manner as to permit Regency at all times to be classified as a REIT, unless Regency provides notice to the Partnership that it intends to cease or has ceased to qualify as a REIT.

Section 3.2 Powers. The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership; provided, however, that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, (i) could adversely affect the ability of Regency to continue to qualify as a REIT, unless Regency provides notice to the Partnership that it intends to cease or has ceased to qualify as a REIT, (ii) could subject Regency to any additional taxes under Section 857 or Section 4981 of the Code or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner, Regency or their securities, unless such action (or inaction) shall have been specifically consented to by the General Partner in writing.

ARTICLE 4
CAPITAL CONTRIBUTIONS; ISSUANCE OF UNITS; CAPITAL ACCOUNTS

Section 4.1 Capital Contributions of the Partners.

(a) Initial Capital Contributions of Original Limited Partners. Branch Properties, L.P. has contributed property to the Partnership which shall be deemed to have been contributed by its respective partners as Original Limited Partners. The Original Limited Partners who have not exercised a Redemption Right with respect to all their Units are set forth on Exhibit A, together with the respective amounts of the Capital Contributions deemed to have been made by them

and their respective Percentage Interests. The holders of Class A Units who have not exercised a Redemption Right with respect to all their Class A Units are set forth on Exhibit A, together with the respective amounts of the Capital Contributions deemed to have been made by them and their respective Percentage Interests. Percentage Interests of the Original Limited Partners and the holders of the Class A Units shall be adjusted in Exhibit A from time to time by the General Partner to the extent permitted by this Agreement to reflect accurately redemptions, Capital Contributions, the issuance of Additional Units, Class 2 Units or Class B Units, or similar events having an effect on a Partner's Percentage Interest. The number of Units (but not the number of Class A Units) shall be increased and the Percentage Interests adjusted in the event that and each time that a Subsequent Closing occurs. Any Partnership Interests held by the General Partner or any Affiliate other than a Property Affiliate (including Partnership Interests acquired under Sections 4.2, 8.6 and 8.7) shall be Class B Units.

(b) Initial Capital Contributions of Class 2 Unit Holders. Pursuant to authority granted by Section 4.2, the General Partner may issue Class 2 Units from time to time to Additional Limited Partners who contribute property to the Partnership. The distribution rights for the Class 2 Units shall be subordinate to the distribution rights of the Original Limited Partnership Units and the Class A Units but senior to the distribution rights of the Class B Units. Exhibit A shall be amended from time to time to reflect the admission of such Additional Limited Partners to the Partnership, the number of Class 2 Units issued to each such Additional Limited Partner and the respective Capital Contributions and Percentage Interests of each.

(c) Capital Contributions by General Partner. The General Partner has contributed cash to the Partnership in the amount set forth on Exhibit A in exchange for the number of Class B Units set forth thereon. The General Partner also owns the number of Class B Units set forth on Exhibit A which were acquired by Regency upon the exchange by Regency of Shares pursuant to the exercise by former Limited Partners of Redemption Rights.

(d) Additional Capital Contributions or Assessments. No Partner shall be assessed or be required to contribute additional funds or other property to the Partnership, except for any such amounts which a Limited Partner may be obligated to repay under Section 5.3 or Section 13.4 and such amounts which the General Partner may be obligated to contribute as provided under Section 7.1(a)(iii). Any additional funds required by the Partnership, as determined by the General Partner in its reasonable business judgment, may, at the option of the General Partner and without an obligation to do so, be contributed by the General Partner as additional Capital Contributions. If and as the General Partner or any other Partner makes additional Capital Contributions to the Partnership, each such Partner shall receive Class 2 Units, Class B Units or other Partnership Interests, subject to the provisions of Section 4.2, and such Partner's Capital Account shall be adjusted as provided in Section 4.4.

(e) Return of Capital Contributions. Except as otherwise expressly provided herein, the Capital Contribution of each Partner will be returned to that Partner only in the manner and to the extent provided in Article 5 and Article 13 hereof, and no Partner may withdraw from the Partnership or otherwise have any right to demand or receive the return of its Capital Contribution to the Partnership (as such), except as specifically provided herein. Under circumstances requiring a return of any Capital Contribution, no Partner shall have the right to receive property other than cash, except as specifically provided herein. No Partner shall be entitled to interest on any Capital Contribution or Capital Account notwithstanding any disproportion therein as between the Partners. Except as specifically provided herein, the General Partner shall not be liable for the return of any portion of the Capital Contribution of any Limited Partner, and the return of such Capital Contributions shall be made solely from Partnership assets. The General Partner may, but shall not be obligated to, make Capital Contributions for the purpose of enabling the Partnership to make distributions of Available Cash to Limited Partners.

(f) Liability of Limited Partners. No Limited Partner shall have any further personal liability to contribute money to, or in respect of, the liabilities or the obligations of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership, except as otherwise provided in Section 4.1(d) or in the Act. No Limited Partner shall be required

to make any contributions to the capital of the Partnership other than its Capital Contribution.

Section 4.2 Issuances of Additional Partnership Interests. The Contribution Agreement sets forth the provisions upon which Additional Units shall be issued to the Original Limited Partners, and separate agreements relating to the admission of Additional Limited Partners set forth the provisions, if any, upon which any additional Class 2 Units shall be issued to Additional Limited Partners in the form of earn-out or as consideration for additional assets to be contributed by such Additional Limited Partners to the Partnership. The General Partner and Regency (i) shall cause the Additional Units to be issued to the Original Limited Partners as set forth in the Contribution Agreement, (ii) shall cause the additional Class 2 Units to be issued to the Additional Limited Partners entitled to receive the same, and (iii) shall cause the amendment of this Agreement to reflect the issuance of any such Additional Units and additional Class 2 Units. Subject to the restrictions set forth below, the General Partner is hereby authorized to cause the Partnership at any time or from time to time to issue to the Partners or to other Persons such additional Class B Units or other Partnership Interests in one or more classes, or one or more series of any such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, and for such consideration as shall be determined by the General Partner in its sole and absolute discretion, subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests, (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions, and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided, however, that so long as there shall be any Original Limited Partnership Units outstanding, without the Consent of the Original Limited Partners, (a) any Partnership Interests issued shall be subordinate to the Original Limited Partnership Units and will not affect the priority of distributions with respect to the Original Limited Partnership Units as set forth in Section 5.1 hereof, (b) no Partnership Interests other than Class B Units shall be issued to the General Partner or any Affiliate of the General Partner other than a Property Affiliate, and (c) no Partnership Interests on a parity with the Original Limited Partnership Units shall be issued to any Person, and provided, further, that without the Consent of the Additional Limited Partners holding Class 2 Units, (a) no Partnership Interests other than Class B Units shall be issued to the General Partner or any Affiliate of the General Partner other than a Property Affiliate, and (b) except as provided in Section 6.2(g), no Partnership Interests senior to the Class 2 Units shall be issued to any Person other than Additional Units issued to an Original Limited Partner at a Subsequent Closing.

Section 4.3 No Preemptive Rights. No Person shall have any preemptive, preferential or other similar right with respect to (i) additional Capital Contributions or loans to the Partnership or (ii) issuance or sale of any Partnership Interests.

Section 4.4 Capital Accounts of the Partners.

(a) General. The Partnership shall maintain for each Partner a separate Capital Account in accordance with the rules of Regulations Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made by such Partner to the Partnership pursuant to this Agreement, (ii) all items of Partnership income and gain (including income and gain exempt from tax) allocated to such Partner pursuant to Sections 6.1 and 6.2 of this Agreement, and (iii) the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner, and decreased by (x) the amount of cash or Gross Asset Value of all actual and deemed distributions of cash or property made to such Partner pursuant to this Agreement, (y) all items of Partnership deduction and loss allocated to such Partner pursuant to Sections 6.1 and 6.2 of this Agreement, and (z) the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership. Upon the issuance of any Additional Units to an Original Limited Partner, the aggregate value of the property contributed by such Partner to the Partnership shall be increased by the value of such Additional Units (which is agreed to be $22-1/8 per Additional Unit), and such increase shall be allocated among the items of property contributed by such Partner in proportion to their then book values. The increase in the value of such property shall be credited to such Partner's Capital Account under this Section 4.4(a). Additional Capital Contributions shall be deemed to be made by reason of the issuance, and the Additional Limited Partner's

Capital Account shall be adjusted by an amount equal to the agreed value (as set forth by separate agreement), of additional Partnership Interests issued to an Additional Limited Partner pursuant to any earn-out provisions in the agreement governing such Additional Limited Partner's admission to the Partnership. Any such additional Capital Contributions shall be allocated to the items of contributed property contributed by each such Additional Limited Partner in proportion to their book values at the time of issuance of the additional Partnership Interests.

(b) Transfers of Partnership Units. A transferee of an Original Limited Partnership Unit, Class A Unit, Class 2 Unit, Class B Unit or other Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor; provided, however, that, if the transfer causes a termination of the Partnership under Section 708(b)(1)(B) of the Code, the Partnership's properties shall be deemed to have been transferred in accordance with Regulations Section 1.708-1 and appropriate adjustments resulting from such deemed transfers shall be made hereunder.

(c) Modification by General Partner. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, the General Partner, or any Limited Partners), are computed in order to comply with such Regulations, the General Partner may make such modification without regard to Article 14 of this Agreement. The General Partner also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

ARTICLE 5
DISTRIBUTIONS

Section 5.1 Requirement and Characterization of Distributions.

(a) The General Partner shall distribute quarterly an amount equal to 100% of Available Cash generated by the Partnership during such quarter to the Partners who are Partners on the Partnership Record Date with respect to such quarter as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the Original Limited Partners, pro rata based on the number of Original Limited Partnership Units held by each such Partner on the applicable Partnership Record Date, until each has received an amount equal to the Priority Distribution Amount for the quarter for each such Unit;

(ii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(iii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero;

(iv) Next, one hundred percent (100%) to the Additional Limited Partners, pro rata based on the relative amounts of their Priority Distribution Amounts, until each has received an amount equal to the Priority Distribution Amount for the quarter for each Unit held by such Additional Limited Partner on the applicable Partnership Record Date;

(v) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(vi) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and

(vii) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(b) The General Partner shall distribute Capital Transaction Proceeds received by the Partnership within 30 days after the date of such Capital Transaction, provided that the General Partner has given the Limited Partners 20 days' prior written notice of the date for any such distribution (the "Capital Transaction Record Date"), as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, if any Original Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(ii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero;

(iii) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(iv) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and

(v) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

Section 5.2 Amounts Withheld. All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 5.3 hereof with respect to any allocation, payment or distribution to the General Partner, or any Limited Partners or Assignees shall be promptly paid, solely out of funds of the Partnership (except as otherwise provided in Section 5.3 in connection with the exercise by a Limited Partner of a Redemption Right), by the General Partner to the appropriate taxing authority and treated as amounts distributed to the General Partner or such Limited Partners or Assignees pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.3 Withholding. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement or with respect to the exercise by such Limited Partner of the Redemption Rights set forth in Section 8.6 or in any separate agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Section 1441, 1442, 1445, or 1446 of the Code and Section 48-7-129 of the Official Code of Georgia Annotated. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a loan by the Partnership to

such Limited Partner, which loan shall be repaid by such Limited Partner within 15 days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner and shall be promptly paid, solely out of funds of the Partnership, by the General Partner to the appropriate taxing authority. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest as to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 5.3 (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral). In the event that a Limited Partner or Redeeming Partner fails to pay any amounts owed to the Partnership pursuant to this Section 5.3 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment on behalf of such defaulting Partner, and in such event shall be deemed to have loaned such amount to such defaulting Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Partner (including, without limitation, in the case of a default by other than a Redeeming Partner the right to receive distributions from the Partnership). Any amounts payable by a Limited Partner or a Redeeming Partner hereunder shall bear interest at the Prime Rate, plus two percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., 15 days after demand) until such amount is paid in full. In the event that the Partnership or the General Partner is required to withhold tax with respect to the exercise by a Limited Partner of a Redemption Right, the Limited Partner exercising the Redemption Right shall make arrangements with the Partnership or the General Partner, as the case may be, to provide the funds to the Partnership necessary to effect the required withholding. In the event that, pursuant to applicable laws and regulations, the General Partner may withhold a reduced amount pending a determination by applicable taxing authorities as to whether any additional withholding tax must subsequently be deposited, the General Partner shall have the right to require the Redeeming Partner to pledge a first priority security interest in a portion of the Redemption Amount as collateral for the Redeeming Partner's obligation to provide the funds necessary to effect any subsequent required holding (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral), in an amount in the case of a Share Amount equal to Shares having a Value on the date of the pledge equal to 125% of the maximum possible subsequent required withholding (or 100% of the maximum possible subsequent required withholding if the Redemption Amount is paid in the form of the Cash Amount) (the "Withholding Collateral"). The General Partner shall be entitled to retain possession of the Withholding Collateral until either the Redeeming Partner provides funds to the General Partner sufficient to make any subsequent required withholding deposit or the General Partner receives a determination from the applicable authorities that no subsequent withholding is required. All dividends, distributions, interest or other income on the Withholding Collateral while subject to the pledge hereunder shall be paid to the Redeeming Partner pledging the Withholding Collateral. If the applicable authorities advise that subsequent withholding is required and the Redeeming Partner does not deliver the necessary funds to the General Partner within 20 days after receipt of the General Partner's request therefor, the General Partner shall be entitled to exercise all rights and remedies of a secured party under the Uniform Commercial Code with respect to the Withholding Collateral. Each Limited Partner and each Redeeming Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

Section 5.4 Distributions Upon Liquidation. Notwithstanding anything contained in Section 5.1 to the contrary, proceeds from a Liquidating Transaction shall be distributed to the Partners in accordance with Section 13.2.

ARTICLE 6
ALLOCATIONS

Section 6.1 Allocations of Net Income and Net Loss. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's Net Income and Net Loss shall be allocated among the Partners for each taxable year (or portion thereof) as provided herein below.

(a) Net Income. After giving effect to the special allocations

set forth in Section 6.2 below, Net Income shall be allocated as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the General Partner in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the General Partner pursuant to Section 6.1(b)(viii) and the last sentence of Section 6.1(b) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(i) for all prior fiscal years;

(ii) Second, one hundred percent (100%) to the Original Limited Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to such Partners pursuant to Section 6.1(b)(iv) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(ii) for all prior fiscal years, which amount shall be allocated among the Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(iv);

(iii) Third, one hundred percent (100%) to the Original Limited Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to such Partners pursuant to Section 6.1(b)(iii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(iii) for all prior fiscal years, which amount shall be allocated among such Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(iii);

(iv) Fourth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(iv) for the current and all prior fiscal years equal the cumulative distributions paid to the Original Limited Partner pursuant to Section 5.1(a)(i) and Section 13.2(a)(iii);

(v) Fifth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(v) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years;

(vi) Sixth, one hundred percent (100%) to the Additional Limited Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the Additional Limited Partners pursuant to Section 6.1(b)(vii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(vi) for all prior fiscal years, which amount shall be allocated among the Additional Limited Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(vii);

(vii) Seventh, one hundred percent (100%) to the Additional Limited Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the Additional Limited Partners pursuant to Section 6.1(b)(vi) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(vii) for all prior fiscal years, which amount shall be allocated among such Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(vi);

(viii) Eighth, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(viii) for the current and all prior fiscal years equal the cumulative distributions paid to the Additional Limited Partners pursuant to Section 5.1(a)(iv) and Section 13.2(a)(iv);

(ix) Ninth, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(ix) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years; and

(x) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.2 below, Net Losses shall be allocated as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the General Partner and the Class B Unit holders in an amount equal to the excess, if any, of (A) the cumulative Net Income allocated pursuant to Section 6.1(a)(x) hereof for all prior fiscal years, over (B) the cumulative Net Losses allocated pursuant to this Section 6.1(b)(i) for all prior fiscal years;

(ii) Second, to the Original Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(ii) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(v) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(ii) and (iii) and Section 5.1(b)(i) and (ii) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

(iii) Third, to the Original Limited Partners with positive Adjusted Capital Account balances (determined, solely for purposes of this Section 6.1(b)(iii), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), in proportion to such balances, until such balances are reduced to zero;

(iv) Fourth, to the Original Limited Partners in proportion to their relative Percentage Interests; provided, however, that to the extent that an allocation under this Section 6.1(b)(iv) would cause or increase an Adjusted Capital Account Deficit for such Partner, such Net Loss shall be allocated to those Original Limited Partners (in proportion to their relative Percentage Interests) for whom such allocation would not cause or increase an Adjusted Capital Account Deficit; and

(v) Fifth, to the Additional Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(v) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(ix) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(v) and (vi) and Section 5.1(b)(iii) and (iv) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

(vi) Sixth, to the Additional Limited Partners with positive Adjusted Capital Accounts balances (determined, solely for purposes of this Section 6.1(b)(vi), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), in proportion to such balances, until such balances are reduced to zero;

(vii) Seventh, to the Additional Limited Partners in proportion to their relative Percentage Interests; provided, however, that to the extent that an allocation under this Section 6.1(b)(vii) would cause or increase an Adjusted Capital Account Deficit for such Partner, such Net Loss shall be allocated to those Additional Limited Partners (in proportion to their relative Percentage Interests) for whom such allocation would not cause or increase an Adjusted Capital Account Deficit; and

(viii) Any remaining Net Loss shall be allocated solely to the General Partner.

Notwithstanding the foregoing, Net Losses shall not be allocated to any Limited Partner pursuant to this Section 6.1(b) to the extent that such allocation would cause such Limited Partner to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase any existing Adjusted Capital Account Deficit). All Net Losses in excess of the limitations set forth in the preceding sentence of this Section 6.1(b) shall be allocated to the General Partner.

(c) Nonrecourse Liabilities. The Partners agree that excess Nonrecourse Liabilities of the Partnership (within the meaning of Section 1.752-3(a)(3) of the Regulations) will be allocated among the partners for purposes of Section 752 of the Code in accordance with their respective Percentage Interests.

(d) Gains. Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall to the extent possible, after taking into account other required allocations of gain pursuant to Section 6.2 below, be characterized as Recapture Income in the same proportions and to the same extent as such Partners have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

Section 6.2 Special Allocation Rules. Notwithstanding any other provision of the Agreement, the following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provisions of Article 6, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6). This Section 6.2(a) is intended to comply with the minimum gain chargeback requirements in Regulations Section 1.704-2(f) and for purposes of this Section 6.2(a) only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Section 6.1 of the Agreement with respect to such fiscal year and without regard to any decrease in Partner Minimum Gain during such Partnership Year.

(b) Partner Minimum Gain Chargeback. Notwithstanding any other provision of Article 6 (except Section 6.2(a) hereof), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This Section 6.2(b) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith. Solely for purposes of this Section 6.2(b), each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Article 6 of this Agreement with respect to such Partnership Year, other than allocations pursuant to Section 6.2(a) hereof.

(c) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), and after giving effect to the allocations required under Sections 6.2(a) and 6.2(b) hereof, such Partner has an Adjusted Capital Account Deficit, items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, its Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible.

(d) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests.

(e) Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-

2(i)(2).

(f) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

(g) Capital Account Adjustments. Notwithstanding anything herein to the contrary, any gain or loss arising from an adjustment to the Gross Asset Value of any Partnership asset pursuant to clause (b) or (c) of the definition thereof shall be allocated one hundred percent (100%) to the General Partner and the Additional Limited Partners pro-rata in accordance with the relative number of Units held by each; provided, however, that for this purpose, the General Partner shall be treated as owning all of the outstanding Class A Units and all of the outstanding Original Limited Partnership Units in addition to the actual number of Units which the General Partner holds. An Additional Limited Partner, at the time of admission to the Partnership, may elect with the consent of the General Partner to not receive special allocations of any gain or loss resulting from such adjustments.

Section 6.3 Allocations for Tax Purposes.

(a) General. Except as otherwise provided in this Section 6.3, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Sections 6.1 and 6.2 of this Agreement.

(b) Other Allocation Rules.

(i) For purposes of determining Net Income, Net Losses, or other items allocable to any period, Net Income, Net Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner using any permissible method under Section 706 of the Code and the Regulations thereunder.

(ii) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value.

(iii) To the extent that the fair market value of a property contributed to the Partnership by Branch Properties, L.P. differed from its adjusted tax basis at the time it was originally contributed to Branch Properties, L.P. (the "Original Book-Tax Disparity"), the allocation of tax items with respect to such contributed property shall take into account any remaining Original Book-Tax Disparity at the time such property is contributed to the Partnership in a manner consistent with the principles of Section 704(c) of the Code, using the "traditional method" under Section 1.704-3(b) of the Regulations, so that the Limited Partners who originally contributed such property to Branch Properties, L.P. (or their successors-in-interest) bear the tax burden (or benefit, if applicable) of the remaining Original Book-Tax Disparity.

(iv) In the event the Gross Asset Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss, and deductions with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to Code Section 704(c) allocations shall be made by the General Partner; provided, however, that the "traditional method" of making Section 704(c) allocations without curative allocations described in Section 1.704-3(b) of the Regulations shall be used. Allocations pursuant to Sections 6.3(b)(ii), (iii) and

(iv) hereof are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses, other items, or distributions pursuant to any provision of this Agreement.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 Management.

(a) Powers of General Partner. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. Notwithstanding anything to the contrary in this Agreement, the General Partner may not be removed by the Limited Partners with or without cause. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(i) the making of any expenditures, the lending or borrowing of money (including, without limitation, borrowing money to permit the Partnership to make distributions to its Partners in such amounts as will permit Regency (so long as Regency desires to qualify as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its shareholders sufficient to permit Regency to maintain REIT status), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Partnership's assets), the incurring of any obligations it deems necessary for the conduct of the activities of the Partnership, and the repayment (including prepayment) of such indebtedness, liabilities and obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, conveyance, mortgage, pledge, encumbrance, hypothecation or exchange of all or any assets of the Partnership or the merger or other combination of the Partnership with or into another entity (provided that such merger or other combination does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes) on such terms as the General Partner deems proper (subject to Section 7.6 in the case of transactions between the Partnership and the General Partner or any Affiliate), and no approval of the Limited Partners shall be required for the exercise of such powers, which powers shall include, without limitation, the power to pledge any or all of the assets of the Partnership to secure a loan or other financing to the General Partner (the proceeds of which are not required to be contributed or loaned to the Partnership), provided, however, that to the extent that any payment of debt service or closing costs on any such mortgage, pledge, encumbrance or hypothecation shall result in the Partnership being unable to pay the maximum amount payable with respect to any distributions to the Limited Partners pursuant to Section 5.1, then Regency shall cause the General Partner to make such additional Capital Contributions as are necessary to enable the Partnership to pay the maximum amount payable with respect to any distributions to the Limited Partners pursuant to Section 5.1 (provided that the General Partner shall have no obligation to make such additional Capital Contributions in an amount exceeding the amount of debt service and closing costs paid), and provided, further, that the General Partner shall use reasonable efforts to effect all dispositions of the Partnership's assets that were contributed by the Limited Partners in accordance with Section 1031 of the Code although,

except as provided in Section 7.1(c) hereof, it shall not be required to do so;

(iv) subject to the provisions of Section 7.1(h) hereof, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct of the operations of the General Partner, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including Regency or any of the Partnership's Subsidiaries) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which it has an equity investment and the making of capital contributions to its Subsidiaries, the holding of any real, personal and mixed property of the Partnership in the name of the Partnership or in the name of a nominee or trustee (subject to Section 7.10), the creation, by grant or otherwise, of easements or servitudes, and the performance of any and all acts necessary or appropriate to the operation of the Partnership assets including, but not limited to, applications for rezoning, objections to rezoning, constructing, altering, improving, repairing, renovating, rehabilitating, razing, demolishing or condemning any improvements or property of the Partnership;

(v) the negotiation, execution, and performance of any contracts, conveyances or other instruments (including with Affiliates of the Partnership to the extent provided in Section 7.6) that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including, without limitation, the execution and delivery of a REIT management agreement on behalf of or in the name of the Partnership providing for the day-to-day management and operation of the Partnership and including, without limitation, the execution and delivery of leases on behalf of or in the name of the Partnership (including the lease of Partnership property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of termination of the Partnership and whether or not the portion so leased is to be occupied by the lessee or, in turn, subleased in whole or in part to others);

(vi) the opening and closing of bank accounts, the investment of Partnership funds in securities, certificates of deposit and other instruments, and the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(vii) the selection and dismissal of employees of the Partnership or the General Partner (including, without limitation, employees having titles such as "president," "vice president," "secretary" and "treasurer"), and the engagement and dismissal of agents, outside attorneys, accountants, engineers, appraisers, consultants, contractors and other professionals on behalf of the General Partner or the Partnership and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary or appropriate;

(ix) subject to the provisions of Sections 4.2 and 7.1(h) hereof, the formation of, or acquisition of an interest in, and the contribution of property to any further limited or general partnerships, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contribution of property to, its Subsidiaries and any other Person in which it has an equity investment from time to time) (provided that such transaction does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes);

(x) the control of any matters affecting the rights and obligations of the Partnership, including the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation, the submission of any matter to arbitration, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xi) subject to the provisions of Section 7.1(h) hereof, the undertaking of any action in connection with the Partnership's direct or indirect investment in its Subsidiaries or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons) (provided that such action does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes);

(xii) the distribution in kind of the Briarcliff Village property pursuant to Section 13.2(c);

(xiii) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as it may adopt; and

(xiv) the execution, acknowledgment and delivery of any and all documents and instruments to effectuate any or all of the foregoing.

(b) No Approval Required for Above Powers. Subject to any other restriction set forth in this Agreement, each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement (except where Limited Partner Consent or Original Limited Partner Consent is expressly required herein), the Act or any applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

(c) Approval of Sale of Briarcliff Village. Except pursuant to the dissolution and liquidation of the Partnership in accordance with Article 13 hereof, the property commonly known as Briarcliff Village (the "Briarcliff Village Property") shall not be sold by the Partnership or the General Partner on or before December 19, 2005 (other than in a transaction in which the Partnership recognizes no taxable gain or loss for federal income purposes) without the approval of a Majority-in-Interest of the Original Briarcliff Partners (as defined below) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership (the "Original Briarcliff Partners"). Such approval right of the Original Briarcliff Partners is personal to the Original Briarcliff Partners and shall terminate upon the death of an Original Briarcliff Partner or a sale, assignment, conveyance, or other transfer by an Original Briarcliff Partner, with respect to that Partner's Original Limited Partnership Units, and shall not be exercisable by any successor, transferee or assignee of an Original Briarcliff Partner. In the event of a like-kind exchange involving the Briarcliff Village Property by the Partnership, then such approval right for the benefit of the Original Briarcliff Partners will continue to be enforceable after such like-kind exchange, but shall relate to the property (whether real, personal or mixed, tangible or intangible) acquired by the Partnership in such like-kind exchange. Nothing herein shall be deemed to require that the Partnership or the General Partner take any action to avoid or prevent an involuntary disposition of all or part of said Briarcliff Village pursuant to a condemnation proceeding or other taking. For purposes of this Section 7.1(c), Majority-In-Interest of the Original Briarcliff Partners shall mean the Original Briarcliff Partners who hold, in the aggregate, more than fifty percent (50%) of the Percentage Interests then allocable to and held by all of the Original Briarcliff Partners with respect to the Original Limited Partnership Units received by the Original Briarcliff Partners as a result of the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership. The Partnership shall not engage in any merger, consolidation or other business combination with or into another Person unless the Partnership has entered into an agreement with such Person in which such Person expressly agrees to be bound by the provisions of this Section 7.1(c).

(d) Insurance. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain casualty, liability and other insurance on the properties of the Partnership and liability insurance for the Indemnitees hereunder.

(e) Working Capital Reserves. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time subject to the provisions of Section 7.1(h) hereof.

(f) No Obligation to Consider Tax Consequences to Limited Partners. Except as provided in Sections 7.1(c) and 13.2(c) with respect to Briarcliff Village, except as provided in Section 7.1(g) with respect to the sale of the Management Business, and except for the obligation of the General Partner set forth in Section 7.1(a)(iii) to use reasonable efforts to effect all dispositions of the Partnership's assets that were contributed by the Limited Partners in accordance with Section 1031 of the Code, (i) in exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken by it, and (ii) the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of an income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

(g) Approval of Sale of Management Business. Notwithstanding anything contained herein to the contrary, the Third Party Management Business (as defined in the Contribution Agreement) contributed by Branch Properties, L.P. to the Partnership as part of its initial Capital Contribution (the "Management Business") shall not be sold by the Partnership on or before the tenth (10th) anniversary of the First Closing (other than in a transaction in which the Partnership recognizes no taxable gain or loss for federal income tax purposes); provided, however, that the Partnership shall be permitted to undertake the following transactions: (i) contribution of the Management Business to a corporation (the "New Management Company") in which the Partnership owns five percent (5%) of the issued and outstanding voting common stock and 100% of the issued and outstanding non-voting preferred stock and in which The Regency Group, Inc., a Florida corporation, owns ninety-five percent (95%) of the issued and outstanding voting common stock and in which no other shares of stock are issued and outstanding following the contribution; (ii) a distribution by the Partnership of part or all of the stock of the New Management Company to the General Partner on or after the fifth (5th) anniversary of the First Closing; or (iii) a sale of part or all of the stock of the New Management Company if no Original Limited Partners hold Units which they received on the date of this Agreement or any Additional Units received by them subsequent to the date of this Agreement, or with the unanimous written consent of the Original Limited Partners then holding such Units (but excluding the holders of any Class A Units).

(h) Distributions. Notwithstanding anything contained in this Agreement to the contrary, the General Partner, acting as a fiduciary, shall use its reasonable best efforts and act in good faith to operate the Partnership's assets and manage the Partnership's business, including its indebtedness, so as to produce sufficient Available Cash and Capital Transaction Proceeds to fund to the Limited Partners the Priority Distribution Amount on a current basis and any balance in the Cumulative Unpaid Accrued Return Accounts and Cumulative Unpaid Priority Distribution Accounts of the Limited Partners pursuant to Section 5.1 hereof.

(i) Designated Properties. Notwithstanding anything contained in this Agreement to the contrary, the General Partner, acting as a fiduciary, shall use its reasonable best efforts and act in good faith to acquire, develop, lease and operate the Designated Properties (as defined in the Contribution Agreement) in a manner to maximize the Annualized NOI (as defined in the Contribution Agreement) for the Designated Properties.

Nothing in Sections 7.1(h) or 7.1(i) shall require the General Partner to contribute additional capital to the Partnership.

Section 7.2 Certificate of Limited Partnership. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and

restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other jurisdiction in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5(a)(iv)hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the Limited Partners have limited liability) in the State of Delaware and any other jurisdiction in which the Partnership may elect to do business or own property.

Section 7.3 Restriction on General Partner's Authority. Without the consent of all the Limited Partners, the General Partner may not:

(a) Take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(b) Possess Partnership property for other than a Partnership purpose;

(c) Admit a Person as a Partner, except as otherwise provided in this Agreement; or

(d) perform any act that would subject a Limited Partner to liability as a general partner.

Section 7.4 Responsibility for Expenses.

(a) No Compensation. Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles 5 and 6 regarding distributions, payments, and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) Responsibility for Ownership and Operation Expenses. The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's ownership of its assets, and the operation of, or for the benefit of, the Partnership, and the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the Partnership's ownership of its assets and the operation of, or for the benefit of, the Partnership; provided, that the amount of any such reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments held by it as permitted in Section 7.10. Such reimbursements shall be in addition to any reimbursement to the General Partner pursuant to Section 10.3(c) and as a result of indemnification pursuant to Section 7.7. The General Partner shall determine in good faith the amount of expenses incurred by it relating to the operation of, or that inure to the benefit of, the Partnership. In the event that certain expenses are incurred for the benefit of the Partnership and other Persons (including the General Partner), such expenses will be allocated to the Partnership and such other Persons in such a manner as the General partner deems fair and reasonable, subject to the provisions of Section 7.1(h) hereof.

(c) Responsibility for Organizational Expenses. The Partnership shall be responsible for and shall pay all expenses incurred relating to the organization of the Partnership.

(d) Partnership Interest Issuance Expenses. The General Partner shall be reimbursed for all expenses either incurs relating to any issuance of additional Partnership Interests pursuant to Section 4.2 hereof.

Section 7.5 Outside Activities of the General Partner. Nothing contained in this Agreement shall prevent or prohibit the General Partner or any employee, officer, director, agent, shareholder or Affiliate of the General Partner from entering into, engaging in or conducting any other activity or performing for a fee any service including (without limiting the generality of the foregoing) engaging in any business dealing with real property of any type or location, including, without limitation, property of a type similar to those properties owned by the Partnership, its Subsidiaries or any other Person in which the Partnership has an equity investment; acting as a director, officer or employee of any

corporation, as a trustee of any trust, as a general partner of any partnership, or as an administrative official of any other business entity; or receiving compensation for services to, or participating in profits derived from, the investments of any such corporation, trust, partnership or other entity, regardless of whether such activities are competitive, directly or indirectly, with the Partnership. Nothing herein shall require the General Partner or any employee, agent, shareholder or Affiliate thereof to offer any interest in such activities or any particular opportunity to the Partnership or any Partner, and neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship established hereby in or to such other activities or to the income or proceeds derived therefrom. The pursuit of such activities, even if competitive with the business of the Partnership (including, without limitation, causing tenants to transfer from one of the Partnership's properties to other properties in which the General Partner has an interest, directly or indirectly, without compensation to the Partnership, or taking other actions for the benefit of the General Partner or Affiliates of the General Partner that are detrimental to the Partnership), shall not be deemed wrongful or improper.

Section 7.6 Contracts with Affiliates.

(a) General. The General Partner or any of its Affiliates may enter into transactions or agreements with the Partnership, including transactions and agreements (i) to sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, or (ii) for the provision of services to the Partnership, provided that such transactions or agreements, including transactions and agreements with Security Capital Investment Research, Inc. or any of its Affiliates, are on terms that are fair and reasonable and no less favorable to the Partnership than would be obtained from an unaffiliated third party in connection therewith. In entering into such transactions with Affiliates the General Partner shall not allocate expenses and similar items disproportionately between the General Partner and the Partnership.

(b) Employee Benefit Plans. The General Partner may propose and adopt on behalf of the Partnership employee benefit plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner, or any of the Partnership's Subsidiaries, subject to the provisions of Section 7.1(h) hereof.

(c) Conflict Avoidance Agreements. The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, a right of first opportunity arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and the General Partner, on such terms as the General Partner believes are advisable, subject to the provisions of Sections 7.6(a) and 7.1(h) hereof.

Section 7.7 Indemnification.

(a) General. The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and constituted willful misconduct or fraud; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7(a). The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7(a). Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership.

(b) Advancement of Expenses. Reasonable expenses incurred by

an Indemnitee who is, or is threatened to be made, a party to a proceeding may be paid or reimbursed by the Partnership in advance of the final disposition of the proceeding upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this Section 7.7 has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(c) No Limitation of Rights. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) Insurance. The Partnership may purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) No Personal Liability for Partners. In no event may an Indemnitee subject any Partner to personal liability by reason of the indemnification provisions set forth in this Agreement.

(f) Interested Transactions. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(g) Benefit. The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

Section 7.8 Liability of the General Partner.

(a) General. Notwithstanding anything to the contrary set forth in this Agreement, the General Partner shall not be liable for monetary damages to the Partnership, any Partners or any Assignees for losses sustained or liabilities incurred as a result of errors in judgment or of any act or omission if the General Partner acted in good faith.

(b) No Obligation to Consider Interests of Limited Partners. The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership, the General Partner and Regency's shareholders collectively, that except as provided in Section 7.1(e) with respect to the establishment and maintenance of working capital reserves, except as provided in Section 7.1(f) with respect to tax consequences, except as provided in Section 7.1(h) with respect to the generation of funds for distributions and except as expressly provided otherwise in Sections 7.1(a)(iv), 7.1(a)(ix) and 7.1(a)(xi) with respect to the powers of the General Partner, the General Partner is under no obligation to consider the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or Assignees except as expressly provided otherwise in Sections 7.1(f) and 7.1(h)) in deciding whether to cause the Partnership to take (or decline to take) any actions which the General Partner has undertaken in good faith on behalf of the Partnership, and that the General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith and in accordance with the provisions of this Agreement. For purposes hereof, a Person acting in a manner which furthers compliance by Regency with the REIT requirements of the Code, shall be deemed to satisfy the standards of conduct hereunder. The Limited Partners further expressly acknowledge that Regency is obligated to cause the Partnership to take (or decline to take) certain actions in order to assist Security Capital and its Affiliates in avoiding classification as a passive foreign investment company within the meaning of Section 1296 of the Code. Such obligation is set forth on Schedule 7.8(b).

(c) Acts of Agents. Subject to its obligations and duties as

General Partner set forth in Section 7.1(a) hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) Effect of Amendment. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 Other Matters Concerning the General Partner.

(a) Reliance on Documents. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Reliance on Consultants and Advisers. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon and in accordance with the opinion of such Persons as to matters which such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) Action Through Officers and Attorneys. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

(d) Actions to Maintain REIT Status or Avoid Taxation of the General Partner. Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of Regency to continue to qualify as a REIT or (ii) to avoid Regency incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

(e) Sales of Assets. In the event that Regency or any of its Affiliates in which it owns, directly or indirectly, an interest disposes of properties or assets (other than those properties or assets owned by the Partnership) in transactions or exchanges which Regency reasonably believes create capital gains to Regency and a resulting distribution or dividend to Regency's shareholders, the General Partner shall provide the Original Limited Partners with at least 20 days prior written notice of the record date for any distribution of the proceeds thereof, together with relevant information concerning such dividend, including the amount, to enable the Original Limited Partners to exercise the Redemption Right prior to said record date.

Section 7.10 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the

provisions of this Agreement; provided, however, that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership (including, without limitation, in connection with any pledge of Partnership assets to secure a loan or other financing to the General Partner as provided by Section 7.1(a)(iii)) and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in Section 5.3 hereof, or under the Act.

Section 8.2 Management of Business. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operation, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 Outside Activities of Limited Partners. Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership or a Subsidiary or an Affiliate of any of them, the following rights shall govern outside activities of Limited Partners: (i) any Limited Partner and any officer, director, employee, agent, trustee, Affiliate, partner, beneficiary or shareholder of any such Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership, the General Partner or their Affiliates; (ii) neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Partner or Assignee; (iii) none of the Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Partner or such other Person, could be taken by such Person; (iv) the fact that a Partner may encounter opportunities to purchase, otherwise acquire, lease, sell or otherwise dispose of real or personal property and may take advantage of such opportunities himself or introduce such opportunities to entities in which it has or has not any interest, shall not subject such Partner to liability to the Partnership or any of the other Partners on account of

the lost opportunity; and (v) except as otherwise specifically provided herein, nothing contained in this Agreement shall be deemed to prohibit a Partner or any Affiliate of a Partner from dealing, or otherwise engaging in business, with Persons transacting business with the Partnership or from providing services relating to the purchase, sale, rental, management or operation of real or personal property (including real estate brokerage services) and receiving compensation therefor, from any Persons who have transacted business with the Partnership or other third parties.

Section 8.4 Priority Among Partners. Except to the extent provided by Sections 4.2, 5.1(a), 5.1(b), 6.1, 6.2 or 6.3 hereof (with respect to the priority of the Original Limited Partnership Units), or otherwise expressly provided in this Agreement, no Partner (Limited or General) or Assignee shall have priority over any other Partner (Limited or General) or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 Rights of Limited Partners Relating to the Partnership.

(a) Copies of Business Records. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5(c) hereof, each Limited Partner shall be provided the following without demand, except as otherwise provided below, at the Partnership's expense:

(i) promptly after becoming available, a copy of the most recent annual, quarterly and current reports and proxy statements filed with the Securities and Exchange Commission by Regency pursuant to the Securities Exchange Act of 1934, if any;

(ii) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;

(iii) upon written demand and for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) a copy of this Agreement and the Certificate and all amendments hereto and thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments hereto and thereto have been executed; and

(v) upon written demand, true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

(b) Notification of Changes in Unit Adjustment Factor. The General Partner shall notify each Limited Partner in writing of any change made to the Unit Adjustment Factor within 10 Business Days of the date such change becomes effective.

(c) Confidential Information. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its discretion to be reasonable, any information (i) relating to the General Partner or any of its Affiliates or the conduct of their business that the General Partner believes, in its good faith judgment, the disclosure of which information would adversely affect a material financing, acquisition, disposition of assets or securities or other comparable transaction to which the General Partner or any of its Affiliates is a party, (ii) that the General Partner believes to be in the nature of trade secrets of Regency or its Affiliates or (iii) that the Partnership, Regency or any of their Affiliates is required by law or by agreements with unaffiliated third parties to keep confidential. Nothing contained in this Section 8.5(c) shall permit the General Partner to keep confidential from the Limited Partners any information relating to the Partnership or its business.

Section 8.6 Redemption of Units. The Redemption Rights of the Original Limited Partners (including the holders of Class A Units) are set forth in this Section 8.6. Any Redemption Rights granted to Additional Limited Partners shall be set forth in amendments to this Agreement or in separate redemption agreements and shall be subordinate, to the extent set forth therein, to the Redemption Rights of the Original Limited Partners

set forth in this Section 8.6.

(a) Exercise. Subject to the provisions of this Section 8.6, the Original Limited Partners shall have the right (the "Redemption Right") to require the Partnership to redeem any Unit held by such Original Limited Partner in exchange for the Redemption Amount to be paid by the Partnership. A Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Original Limited Partner who is exercising the Redemption Right (the "Redeeming Partner"), which shall be irrevocable except as set forth in this Section 8.6(a). The redemption shall occur on the Specified Redemption Date; provided, however, a Specified Redemption Date shall not occur until such later date as may be specified pursuant to any agreement with an Original Limited Partner; and provided further that a holder of Class A Units shall not exercise a Redemption Right until as of the first Subsequent Closing without the prior written consent of the General Partner and Security Capital. An Original Limited Partner may exercise a Redemption Right any time and any number of times; provided, however, that a holder of Class A Units shall not exercise a Redemption Right until as of the first Subsequent Closing without the prior written consent of the General Partner and Security Capital. A Redeeming Partner may not exercise the Redemption Right for less than 1,000 Units or, if such Redeeming Partner holds less than 1,000 Units, all of the Units held by such Redeeming Partner. If (i) an Original Limited Partner acquires any Units after the First Closing from another Original Limited Partner or holds or acquires any Shares otherwise than pursuant to the exercise of a Redemption Right hereunder and (ii) the issuance of a Share Amount pursuant to the exercise of a Redemption Right would violate the provisions of Section 5.2 of the Articles of Incorporation as a result of the ownership of such additional Units or Shares so acquired by such Original Limited Partner (the number of Shares in excess of the number of Shares permitted pursuant to said Section 5.2 is herein referred to as the "Excess Shares") and (iii) such Original Limited Partner does not revoke or amend the exercise of such Redemption Right to comply with the provisions of said Section 5.2 of the Articles of Incorporation within five days after receipt of written notice from the General Partner that the redemption would be in violation thereof, then the Partnership shall pay to such Redeeming Partner, in lieu of the Share Amount or the Cash Amount attributable to the Excess Shares, the amount which would be payable to such Redeeming Partner pursuant to Section 5.3 of the Articles of Incorporation if such Excess Shares were issued in violation of Section 5.2 of the Articles of Incorporation and Regency exercised the remedies pursuant to said Section 5.3 of the Articles of Incorporation. The relevant provisions of the Articles of Incorporation as presently in effect are attached hereto as Schedule 8.6(a). This Section 8.6(a) shall in no way or manner be construed as limiting the application of the Articles of Incorporation or constitute any form of waiver or exemption thereunder.

(b) Payment. The General Partner shall have the right to elect to fund the Redemption Amount through the issuance of (i) the Share Amount or (ii) the Cash Amount; provided, however, in the event a Specified Redemption Date occurs on or before the Option Date, then the General Partner shall be required to cause the Partnership to issue the Share Amount (and not the Cash Amount) in satisfaction of the Redemption Amount, except as otherwise provided in Section 8.6(c) below. The Redeeming Partner shall have no right, with respect to any Unit so redeemed, to receive any distributions paid by the Partnership after the Specified Redemption Date.

(c) Exceptions for Payment. Notwithstanding anything contained in this Section 8.6 to the contrary, the following provisions shall apply with respect to the payment of a Redemption Amount:

(i) If the funding of the Share Amount with respect to the exercise of a Redemption Right would cause the issuance of the Shares in connection therewith to violate Article 5.14 of the Articles of Incorporation of Regency, then the Redeeming Partner shall not have the right to receive the Share Amount with respect to the issuance of any Shares resulting in such a violation, and the balance of any Redemption Amount relating to the exercise of such Redemption Right shall be paid by a Cash Amount. A Non-U.S. Person who (i) has signed a Waiver and Consent Agreement in the form of Exhibit C attached hereto for the benefit of Regency and Security Capital (the "Security Capital Waiver and Consent") and (ii) is exercising a Redemption Right (and will receive a Share Amount) in compliance with the Security Capital Waiver and Consent, will not be in violation of

the provisions of Article 5.14 of the Articles of Incorporation if (x) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are Non-U.S. Persons is equal to or less than (y) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are other than Non-U.S. Persons (the maximum number of Shares which may be issued to Redeeming Partners on a Specified Redemption Date who are Non-U.S. Persons in order to satisfy the foregoing requirement is herein referred to as the "Matching Share Amount"). If more than one Redeeming Partner who is a Non-U.S. Person exercises a Redemption Right for the same Specified Redemption Date and if the aggregate Share Amount payable to all such Redeeming Partners would cause the issuance of Shares to such Non-U.S. Persons to exceed the Matching Share Amount on such Specified Redemption Date, then the Matching Share Amount shall be allocated among such Redeeming Partners who are Non-U.S. Persons pro rata in proportion to the respective Share Amounts otherwise payable to such Redeeming Partners, and any balance of a Redemption Amount payable to any such Redeeming Partner on such Specified Redemption Date shall be paid by a Cash Amount. If the holders of any Class A Units who are Non-U.S. Persons are exercising Redemption Rights on a Specified Redemption Date and the aggregate Share Amount issuable to all Non-U.S. Persons on such Specified Redemption Date exceeds the Matching Share Amount, then the Shares otherwise issuable to the holders of Class A Units shall be reduced first, pro rata by those holders whose Class A Units were issued in exchange for interests in Roswell Village, and next, pro rata by those holders whose Class A Units were issued in exchange for cash and interests in Peartree Village until such aggregate Share Amount equals the Matching Share Amount, and the holders of such Class A Units shall receive the Cash Amount for any balance of the Redemption Amount due such holders of the Class A Units.

(ii) If the issuance of Shares for a Share Amount to a Redeeming Partner would be in violation of the Securities Act and applicable state securities laws then such Redeeming Partner shall not have the right to receive the Share Amount, and the Redemption Amount shall be paid by the Cash Amount; provided, however, the issuance of Shares for a Share Amount shall not violate the registration requirements of the Securities Act as in effect on the date hereof if such Shares are issued to an "accredited investor" as defined in the Securities Act.

(d) Additional Units. Each Original Limited Partner has the right to receive certain Additional Units pursuant to the provisions of the Contribution Agreement. If a Redeeming Partner exercises a Redemption Right on one or more occasions with respect to Units issued at the First Closing ("Initial Redeemed Units"), then such Redeeming Partner shall be deemed to have exercised a Redemption Right with respect to the corresponding percentage of Additional Units issuable with respect to such Initial Redeemed Units, based on the number of Initial Redeemed Units being redeemed as a percentage of the total number of Units issued to the Redeeming Partner at the First Closing (the "Redemption Percentage"), all as provided in the Contribution Agreement. In such event, Regency shall assume the obligation to pay the Redemption Amount with respect to any such Additional Units issued with respect to the Initial Redeemed Units, and if a Share Amount has been funded to a Redeeming Partner with respect to the Initial Redeemed Units, then Regency shall be required to pay the Share Amount for a number of Additional Units equal to the corresponding Redemption Percentage multiplied by the Additional Units issuable to such Original Limited Partner, subject, however, to the restrictions set forth in Section 8.6(a) and 8.6(c) above.

(e) Conditions. As a condition to exercising a Redemption Right, each Redeeming Partner shall execute a Notice of Redemption in the form attached as Exhibit B and, if a Non-U.S. Person, the Security Capital Waiver and Consent in the form attached as Exhibit C; and execute such other documents and take such other actions as the General Partner may reasonably require, including a Foreign Investment and Real Property Tax Act ("FIRPTA") or similar state and/or local affidavit (or make appropriate arrangements for deposit with the General Partner for payment to the Internal Revenue Service or any state or local governmental authority of the amount required for the General Partner to comply with the withholding provisions of such federal, state and local laws, and if applicable, providing a withholding certificate evidencing the Redeeming Partner's right to a reduced rate of FIRPTA withholding). As a further condition to exercising a Redemption Right, the Units to be redeemed shall be

delivered to the Partnership or Regency, as the case may be, free and clear of all liens, security interests, deeds of trust, pledges and other encumbrances of any nature whatsoever (collectively the "Liens"), subject to the provisions of Sections 5.3 and 8.6(f) hereof. In the event any Lien exists on the Specified Redemption Date with respect to the Units to be redeemed, neither the Partnership nor Regency (if Regency assumes the Redemption Right pursuant to Section 8.6(d) or Section 8.7) shall have any obligation to redeem such Units, unless, in connection therewith, the General Partner has elected to pay a portion of the Redemption Amount in cash and such cash is sufficient to discharge such Lien, subject to the provisions of Sections 5.3 and 8.6(f) hereof. Each Redeeming Partner hereby expressly authorizes the General Partner to apply such portion of such cash as may be necessary to discharge such Lien in full.

(f) Security Interest. Additional Units issued on the First Earn-Out Closing Date (as defined in the Contribution Agreement) pursuant to Section 2.3.2 of the Contribution Agreement may be required to be pledged to Regency and the Partnership pursuant to Article 15 of the Contribution Agreement (the "Pledged Units"). In the event a Redeeming Partner exercises a Redemption Right with respect to Pledged Units, or in the event a Redeeming Partner has previously exercised a Redemption Right with respect to Units and the corresponding Additional Units to be redeemed are Pledged Units, as described in Section 8.6(d) above, then such Redeeming Partner, as a condition to the receipt of the Redemption Amount with respect to such Pledged Units, shall be required to pledge and grant to Regency and the Partnership a first priority security interest in any and all Shares and/or cash delivered in payment of the Redemption Amount with respect to such Pledged Units and shall be required to consent to Regency holding such Shares and/or cash as "Collateral" under Article 15 of the Contribution Agreement; provided, however, if a Cash Amount is to be paid to the Redeeming Partner with respect to such Pledged Units, then such Redeeming Partner shall have the right to substitute a letter of credit for such Cash Amount as provided in Section 15.7.2(e) of the Contribution Agreement.

(g) Regency Agreement. Regency agrees (i) to perform Regency's obligations described in this Section 8.6, (ii) to cause the General Partner to perform the General Partner's obligations described in this Section 8.6 and (iii) to cause the General Partner to cause the Partnership to perform the Partnership's obligations described in this Section 8.6.

(h) Additional Rights. In case Regency shall issue rights, options or warrants to all holders of its Shares entitling them to subscribe for or purchase Shares or other securities convertible into Shares at a price per share less than the current per share market price as of the day before the "ex date" with respect to the issuance or distribution requiring such computation, each Original Limited Partner holding Redemption Rights shall be entitled to receive such number of such rights, options or warrants, as the case may be, as he would have been entitled to receive had he exercised all of his then existing Redemption Rights immediately prior to the record date for such issuance by Regency. The term "ex date" shall mean the first date on which Shares trade regularly without the right to receive such issuance or distribution. In case the Shares shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than subdivision or combination of Shares or a stock dividend described in this definition), then and in each such event the Original Limited Partners holding Redemption Rights shall have the right thereafter to exercise their Redemption Rights for the kind and amount of shares and other securities and property that would have been received upon such reorganization, reclassification or other change by holders of the number of Shares with respect to which such Redemption Rights could have been exercised immediately prior to such reorganization, reclassification or change.

(i) Distributions. A Redeeming Partner exercising a Redemption Right with a Specified Redemption Date after a Partnership Record Date and prior to the payment of the distribution of Available Cash relating to such Partnership Record Date shall retain the right to receive such distribution with respect to such Units redeemed on such Specified Redemption Date.

Section 8.7 Regency's Assumption of Right. Notwithstanding the provisions of Section 8.6, Regency may, in its sole and absolute discretion, assume directly and satisfy a Redemption Right by paying to the Redeeming Partner the Share Amount on the Specified Redemption Date, whereupon Regency shall acquire the Units offered for redemption by the

Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Units, which shall become Class B Units. In the event Regency shall exercise its right to satisfy the Redemption Right in the manner described in the preceding sentence, the Partnership shall have no obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of the Redemption Right, and each of the Redeeming Partner, the Partnership, the General Partner and Regency shall treat the transaction between Regency and the Redeeming Partner as a sale of the Redeeming Partner's Units to Regency for federal income tax purposes. Regency agrees that it shall assume the General Partner's obligation to pay the Redemption Amount by the payment of the Share Amount through the Option Date, and Regency further agrees that if the General Partner elects to pay the Redemption Amount through the payment of the Share Amount, Regency shall guarantee the General Partner's payment thereof.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Sections 8.5 or 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, magnetic tape, photographs, micrographics or any other information storage device; provided, that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained for financial purposes on an accrual basis in accordance with generally accepted accounting principles and for tax reporting purposes on the accrual basis.

Section 9.2 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports.

(a) Annual Reports. As soon as practicable, but in no event later than the date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

(b) Quarterly Reports. As soon as practicable, but in no event later than the date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter (except the last calendar quarter of each year) who has asked to be placed on the mailing list for the same, a report containing unaudited financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

(c) Other. During the pendency of the Redemption Rights, Limited Partners holding Redemption Rights shall receive in a timely manner all other communications transmitted from time to time by Regency to its shareholders.

ARTICLE 10
TAX MATTERS

Section 10.1 Preparation of Tax Returns. The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 90 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2 Tax Elections. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code; provided, however, that the General Partner shall make the election under Section

754 of the Code in accordance with applicable Regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 Tax Matters Partner.

(a) General. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6223(c) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the tax matters partner shall furnish the IRS with the name, address and profit interest of each of the Limited Partners; provided, however, that such information is provided to the Partnership by the Limited Partners.

(b) Powers. The tax matters partner is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (1) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (2) who is a "notice partner" (as defined in Section 6231 of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code), and, to the extent provided by law, the General Partner shall cause each Limited Partner to be designated a notice partner;

(ii) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed or otherwise given to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(iii) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(iv) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition, complaint or other document) for judicial review with respect to such request;

(v) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(vi) to take any other action on behalf of the Partners of the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner, and the provisions relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner in its capacity as such.

(c) Reimbursement. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees) shall be borne by the Partnership. Nothing herein shall be construed to restrict the

Partnership from engaging an accounting firm and a law firm to assist the tax matters partner in discharging his duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

Section 10.4 Organizational Expenses. The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 60 month period as provided in Section 709 of the Code.

ARTICLE 11
TRANSFERS AND WITHDRAWALS

Section 11.1 Transfer.

(a) Definition. The term "transfer," when used in this Article 11 with respect to a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign its General Partnership Interest to another Person or by which a Limited Partner purports to assign its Limited Partnership Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article 11 does not include any redemption of Partnership Units by a Limited Partner.

(b) Requirements. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void.

Section 11.2 Transfer of General Partner's Partnership Interests.

(a) General Partnership Interest. The General Partner may not transfer any of its General Partnership Interest (other than any transfer to an Affiliate of the General Partner) or withdraw as General Partner (other than pursuant to a permitted transfer), other than in connection with a transaction described in Section 11.2(b). Any transfer or purported transfer of the General Partner's Partnership Interest not made in accordance with this Section 11.2 shall be null and void. Notwithstanding any permitted transfer of its General Partnership Interest or withdrawal as General Partner hereunder (other than in connection with a transaction described in Section 11.2(b)), Regency shall remain subject to Sections 7.1(a)(iii), 7.9(e), 8.6 and 8.7 of this Agreement unless such transferee General Partner provides substantially similar rights to the Limited Partners and Limited Partner Consent is obtained. Nothing contained in this Section 11.2(a) shall entitle the General Partner to withdraw as General Partner unless a successor General Partner has been appointed and approved by the Original Limited Partners and the Additional Limited Partners. Any General Partner other than Regency admitted to the Partnership by reason of being an Affiliate of Regency shall be a subsidiary of Regency so long as it is the General Partner, unless (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners is obtained.

(b) Transfer in Connection With Reclassification, Recapitalization, or Business Combination Involving General Partner. Neither the General Partner nor Regency shall engage in any merger, consolidation or other business combination or transaction with or into another Person or sale of all or substantially all of its assets, or any reclassification, or recapitalization (other than a change in par value, or a change in the number of shares of Common Stock resulting from a subdivision or combination as described in the definition of Unit Adjustment Factor) ("Transaction"), unless as a result of the Transaction such other Person (i) agrees that each Limited Partner who holds a Redemption Right shall thereafter remain entitled to exchange each Partnership Unit owned by such Limited Partner (after application of the Unit Adjustment Factor) for an amount of cash, securities, or other property equal to the greatest amount of cash, securities or other property paid to a holder of one Share in consideration of one Share which a Limited Partner would have received at any time during the period from and after the date on which the Transaction is consummated, as if the Limited Partner had exercised its Redemption Right immediately prior to the Transaction and received the Share Amount, and (ii) agrees to assume the General Partner's obligations pursuant to Section 8.6 hereof, provided, that if, in connection with the Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the

holders of more than 50 percent of the outstanding shares of Common Stock, the holders of such Partnership Units shall receive the greatest amount of cash, securities, or other property which a Limited Partner would have received had it exercised the Redemption Right and received the Share Amount in redemption of its Partnership Units immediately prior to the expiration of such purchase, tender or exchange offer. Prior to consummating any such Transaction, Regency shall cause appropriate amendments to be made to this Agreement pursuant to Section 14.1(b) (including the definitions of Shares, Unit Adjustment Factor and Value) to carry out the intent of the parties that the rights of the Limited Partners hereunder shall not be prejudiced as the result of any such Transaction. Notwithstanding anything contained in this Section 11.2(b) to the contrary, the General Partner shall not engage in a Transaction that causes the Original Limited Partners to recognize gain or loss for federal income tax purposes.

(c) Limited Partnership Interests. The General Partner may transfer all or any portion of its Limited Partnership Interests represented by Class B Units, or any of the rights associated with such Limited Partnership Interests, to any party without the consent of the Partnership or any Partner (regardless of whether such transfer triggers a termination of the Partnership for tax purposes under Section 708 of the Code).

(d) Admission of Additional General Partner. Except as provided in Sections 11.2(a) and 11.2(b), the General Partner may not admit an additional general partner other than an Affiliate of the General Partner pursuant to Section 11.2(a).

Section 11.3 Limited Partners' Rights to Transfer.

(a) General. No transfer of a Limited Partnership Interest by a Limited Partner is permitted without the prior written consent of the General Partner, which it may withhold in its sole and absolute discretion; provided, that a Limited Partner may transfer Units without the consent of the General Partner: (i) to members of the Limited Partner's Immediate Family or one or more trusts for their benefit pursuant to applicable laws of descent and distribution, gift or otherwise; (ii) among its Affiliates; (iii) to a lender, provided that the Units are not Pledged Units, where such Units are pledged to secure a bona fide obligation of the Limited Partner and any transfer in accordance with the rights of such lender under the instruments evidencing such obligation (provided that the General Partner receives 10 days prior written notice of any transfer under this clause (a)); (iv) if the Limited Partner is a trust, to the beneficiaries of the Limited Partner or to another trust (1) that is either established by the same grantor as the Limited Partner or (2) whose beneficiaries consist of members of the Immediate Family of the grantor of the Limited Partner or (3) whose beneficiaries consist of beneficiaries of the transferor trust or members of their Immediate Family; (v) if the Limited Partner is an entity, to the direct or indirect equity holders of the Limited Partner; and (vi) to other Limited Partners. In order to effect any transfer under this Section 11.3, the Limited Partner must deliver to the General Partner a duly executed copy of the instrument making such transfer and such instrument must evidence the written acceptance by the assignee of all of the terms and conditions of this Agreement, including, where applicable, the security interest, described in Sections 5.3 and 8.6(f), and represent that such assignment was made in accordance with all applicable laws and regulations. For a period of one year following the First Closing, each Original Limited Partner agrees not (A) to request the General Partner to consent to any transfer of Units requiring the consent of the General Partner or (B) to transfer any economic or other interest, right or attribute therein except to a Person to whom such Partner may transfer Units without the consent of the General Partner.

(b) Incapacitated Limited Partners. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of his or its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

(c) No Transfers Violating Securities Laws. The General Partner may prohibit any transfer by a Limited Partner of his

Partnership Units if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act of 1933 or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Units.

(d) Transfers Resulting in Corporation Status. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer by a Limited Partner of his Partnership Units (or any economic or other interest, right or attribute therein) may be made to any Person if legal counsel for the Partnership renders an opinion letter that it creates a substantial risk that the Partnership would be treated as an association taxable as a corporation.

(e) Transfers Causing Termination. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer of any Partnership Interests other than the exercise of Redemption Rights shall be effective if such transfer would, in the opinion of counsel for the Partnership, result in the termination of the Partnership for federal income tax purposes, in which event such transfer shall be made effective as of the first fiscal quarter in which such termination would not occur, if the Partner making such transfer continues to desire to effect the transfer.

(f) Transfer to Certain Lenders. Notwithstanding anything contained herein to the contrary, no transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the consent of the General Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion, provided, that as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem for the Redemption Amount any Partnership Units in which a security interest is held, simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

(g) Transfers by Additional Limited Partners Requiring 1934 Act Registration. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer by an Additional Limited Partner of his Limited Partnership Interest (or any economic or other interest, right or attribute therein) may be made to any Person if such transfer would require the Partnership to register its equity securities under the Securities Exchange Act of 1934.

Section 11.4 Substituted Limited Partners.

(a) Consent of General Partner Required. The Limited Partner shall have the right to substitute a transferee as a Limited Partner in his place, but only if such transferee is a permitted transferee under Section 11.3, in which event such substitution shall occur if the Limited Partner so provides. With respect to any other transfers, the General Partner shall have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

(b) Rights and Duties of Substituted Limited Partners. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

(c) Amendment of Exhibit A. Upon the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A to reflect the name, address, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and interest of the predecessor of such Substituted Limited Partner.

Section 11.5 Assignees. If a transferee is not admitted as a Substituted Limited Partner in accordance with Section 11.4(a), such

transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including (if applicable) the right to redeem Units under Section 8.6 or any separate redemption agreement, and the right to receive distributions from the Partnership and the share of Net Income, Net Losses, gain, loss and Recapture Income attributable to the Partnership Units assigned to such transferee, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Units in any matter presented to the Limited Partners for a vote (such Partnership Units being deemed to have been voted on such matter in the same proportion as all Partnership Units held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.6 General Provisions.

(a) Withdrawal of Limited Partner. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 or pursuant to the redemption of all of his Partnership Units.

(b) Termination of Status as Limited Partner. Any Limited Partner who shall transfer all of his Partnership Units in a transfer permitted pursuant to this Article 11 or pursuant to the redemption of all of his Partnership Units shall cease to be a Limited Partner.

(c) Timing of Transfers. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter, unless the General Partner otherwise agrees, or unless resulting by operation of law.

(d) Allocation When Transfer Occurs. If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article 11 or redeemed pursuant to Section 8.6, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the fiscal year in accordance with Section 706(d) of the Code, using the interim closing of the books method (other than Net Income or Net Loss attributable to a Capital Transaction, which shall be allocated as of the Capital Transaction Record Date). Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such transfer or redemption shall be made to the transferor Partner, and all distributions of Available Cash thereafter shall be made to the transferee Partner.

(e) Continued Obligations Following Redemption by Certain Additional Limited Partners. Anything herein to the contrary notwithstanding, if an Additional Limited Partner is an Electing Partner (as defined in Section 13.4), and if such Additional Limited Partner exercises a Redemption Right with respect to such Additional Limited Partner's entire Limited Partnership Interest, and the General Partner determines in good faith that such Redeeming Partner has exercised a Redemption Right in order to avoid such Additional Limited Partner's deficit Capital Account restoration obligations in Section 13.4, the General Partner may require, upon delivery of written notice to the Redeeming Partner no later than thirty (30) days after the applicable Specified Redemption Date, that the Redeeming Partner remain liable to restore his "Hypothetical Negative Capital Account Balance" if the Partnership adopts a plan of liquidation within three hundred sixty five (365) days following such applicable Specified Redemption Date. A Redeeming Partner's Hypothetical Negative Capital Account Balance is the hypothetical amount such Redeeming Partner would have had to pay to the Partnership pursuant to his obligations under Section 13.4 hereof if he had remained as an Additional Limited Partner until the liquidation of the Partnership.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 Admission of Successor General Partner. A successor to all of the General Partner's General Partnership Interest pursuant to Section 11.2 hereof who is proposed and permitted to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such transferee shall assume all of the General Partner's obligations under this Agreement and shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission.

Section 12.2 Admission of Additional Limited Partners.

(a) General. A Person who makes a Capital Contribution to the Partnership in accordance with Section 4.2 of this Agreement shall be admitted to the Partnership as an Additional Limited Partner upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Article 16 hereof and (ii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

(b) Consent of General Partner Required. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner (other than a Person to whom a Limited Partner may transfer Units pursuant to Section 11.3(a) without the consent of the General Partner), which consent may be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

Section 12.3 Amendment of Agreement and Certificate. For the admission to the Partnership of any Partner, the General Partner shall, subject to the requirements of Section 4.2, take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Article 16 hereof.

Section 12.4 Representations and Warranties of Additional Limited Partners. As inducement for their admission to the Partnership, each Additional Limited Partner hereby represents and warrants that such Limited Partner (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Partnership; (b) has been given the opportunity to examine all documents and to ask questions of, and to receive answers from, the General Partner and its representatives concerning the terms and conditions of the acquisition by it of Units in the Partnership, and to obtain any additional information which it deems necessary to verify the accuracy of the information with respect thereto; and (c) understands that there will be no public market for the Units. Such Additional Limited Partner has received and carefully reviewed copies of the reports filed by Regency for its two most recent fiscal years and the interim period to date under the Securities Exchange Act of 1934 and such additional information concerning Regency and the transactions contemplated by this Agreement, to the extent that Regency could acquire such information without unreasonable effort or expense, as such Limited Partner deems necessary for purposes of making an investment in the Partnership. The Units in the Partnership acquired by such Additional Limited Partner are being acquired by such Limited Partner for its own account for investment and not with a view to, or for resale in connection with, the public distribution or other disposition thereof. Such Additional Limited Partner agrees as a condition to the issuance of such Units in its name that any transfer, sale, assignment, hypothecation, offer or other disposition of such Units may not be effected except in accordance with the terms of this Agreement and pursuant to an effective registration statement under the Securities Act and the rules and regulations promulgated thereunder, or an exemption therefrom, and in compliance with all other applicable securities and "blue sky" laws. Each Additional Limited Partner acknowledges that the Partnership is not required to register any of the Units under the Securities Act or any other applicable securities or "blue sky" laws. Each such Additional Limited Partner represents and warrants that it has relied on its own advisors for advice in connection with structuring the transactions contemplated by this

Agreement and is not relying on the General Partner or its accountants, attorneys or other advisors with regard to such matters.

ARTICLE 13
DISSOLUTION AND LIQUIDATION

Section 13.1 Dissolution. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. Notwithstanding anything contained herein to the contrary, except as provided below in this Section 13.1, the General Partner and the Partnership shall not dissolve the Partnership, adopt a plan of liquidation for the Partnership or sell all or substantially all of the assets of the Partnership in a Liquidating Transaction or otherwise without (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each an "Event of Dissolution"):

(a) Expiration of Term-the expiration of its term as provided in Section 2.4 hereof;

(b) Withdrawal of General Partner-an event of withdrawal of the last remaining General Partner, as defined in the Act (other than an event of bankruptcy), unless, within 90 days after the withdrawal, all the remaining Original Limited Partners and Additional Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

(c) Judicial Dissolution Decree-entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act; or

(d) Bankruptcy or Insolvency of General Partner-the last remaining General Partner shall be Incapacitated by reason of its bankruptcy unless, within 90 days after the withdrawal, all the remaining Original Limited Partners and Additional Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner.

Section 13.2 Winding Up.

(a) General. The General Partner shall provide written notice to the Limited Partners of the occurrence of an Event of Dissolution, giving them at least 20 days in which to exercise any Redemption Right prior to the distribution of any proceeds from the liquidation of the Partnership pursuant to this Section 13.2(a). Upon the occurrence of an Event of Dissolution, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property (subject to Sections 13.2(b) and 13.2(c)) shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order:

(i) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the Partners;

(ii) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the Partners, pro rata in accordance with amounts owed to each such Partner;

(iii) Third, one hundred percent (100%) to the Original Limited Partners, pro rata based on the number of Original Limited Partnership Units held by such Partners, until each such Partner has received an amount equal to the aggregate Priority Distribution Amounts for each Partnership Record Date (if any) occurring subsequent to the Event of Dissolution;

(iv) Fourth, one hundred percent (100%) to the Additional Limited Partners, pro rata based on the number of Class 2 Units held by such Partners, until each such Partner has received an amount equal to the aggregate Priority Distribution Amounts for each Partnership Record Date (if any) occurring subsequent to the Event of Dissolution; and

(v) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13.

(b) Deferred Liquidation. Notwithstanding the provisions of Section 13.2(a) hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, and further subject to Section 13.2(c) hereof and any separate agreement of the Partnership or the General Partner with respect to the distribution in kind to Additional Limited Partners of assets contributed by such Additional Limited Partners (or assets exchanged for such assets), if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2(a) and Section 13.2(c) hereof and any such separate agreement, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(c) Distribution of Briarcliff Village.

(i) In the event that the Partnership is dissolved in accordance with this Article 13, the Briarcliff Village Property (as defined in Section 7.1(c)) will be distributed in-kind to the Original Briarcliff Partners (as defined in Section 7.1(c)) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership, with such Partners to take title to the Briarcliff Village Property in any manner which they are able to agree among themselves. In the event that such Partners are to receive the Briarcliff Village Property pursuant to this Section 13.2(c), then the Briarcliff Village Property shall have the net value agreed upon by the General Partner and the Partners receiving an interest in the Briarcliff Village Property, or, if they cannot agree, then the Briarcliff Village Property shall be valued in accordance with Section 13.2(d).

(ii) If the net value of the Briarcliff Village Property determined pursuant to Section 13.2(c)(i) exceeds the amount to which the Partners receiving the Briarcliff Village Property are entitled pursuant to this Article 13, then such partners may contribute to the capital of the Partnership the amount of cash equal to such excess, pro rata in proportion to the relative number of Units of each such Partners attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership. If such a contribution is not made in full, then Section 13.2(c)(i) shall not apply and the Liquidator shall be entitled to sell the Briarcliff Village Property in connection with the dissolution of the Partnership.

(d) Appraisal. In the event that the Briarcliff Village

Property is to be distributed to the Original Briarcliff Partners in liquidation of the Partnership pursuant to the provisions of this Section 13.2, then the amount of such distribution shall be determined as follows if the net value thereof has not been agreed on pursuant to Section 13.2(c)(i):

(i) Within twenty (20) days after the determination that the Partnership shall distribute the Briarcliff Village Property to the Original Briarcliff Partners, the General Partner and a Majority-In-Interest of the Original Briarcliff Partners (as defined in Section 7.1(c)) shall each select an independent, regionally or nationally recognized appraiser or appraisal group which is experienced in valuing separate real estate property ("Appraiser"), and the two Appraisers selected by the parties shall jointly select a third Appraiser. Each party shall pay the cost of their respective Appraiser and shall split the cost of the third Appraiser.

(ii) Within sixty (60) days of selection of the third Appraiser, each of the three Appraisers shall determine the gross fair market value of the Briarcliff Village Property as of the date of the election to liquidate the Partnership, calculated based on the net fair market value of Briarcliff Village (net of the loans encumbering Briarcliff Village), taking into consideration the terms and relative value of the loans encumbering Briarcliff Village, the fact that Briarcliff Village is not being sold and the loans are not being repaid.

(iii) Upon receipt of the three appraisals determining the gross fair market value of the Briarcliff Village Property, the two closest gross fair market values shall be averaged, with such average to constitute the distribution value of the Briarcliff Village Property.

Section 13.3 Compliance with Timing Requirements of Regulations; Allowance for Contingent or Unforeseen Liabilities or Obligations. Notwithstanding anything to the contrary in this Agreement, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 13 to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2) (including any timing requirements therein). Except as provided in Section 13.4, if any Limited Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever. In the sole and absolute discretion of the General Partner, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article 13 may be: (i) distributed to a liquidating trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership (the assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the General Partner, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement); or (ii) withheld to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership; provided, that such withheld amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.4 Deficit Capital Account Restoration.

(a) Subject to Section 13.4(b), if an Original Limited Partner listed on Schedule 13.4(a) (who constituted an "Electing Partner" of Branch and is referred to hereinafter as an "Electing Partner") and any Additional Limited Partner who elects to be added to such Schedule (also an "Electing Partner"), on the date of the "liquidation" of his respective interest in the Partnership (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g)), has a negative balance in his Capital Account, then such Electing Partner shall contribute in cash to the capital of the Partnership the lesser of (i) the maximum amount (if any such maximum amount is stated) listed beside such Electing Partner's name on Schedule 13.4(a) or

(ii) the amount required to increase his Capital Account as of such date to zero. Any such contribution required of a Partner hereunder shall be made on or before the later of (i) the end of the Partnership fiscal year in which the interest of such Partner is liquidated or (ii) the ninetieth (90th) day following the date of such liquidation. Notwithstanding any provision hereof to the contrary, all amounts so contributed by a partner to the capital of the Partnership shall, upon the liquidation of the Partnership under this Article 13, be first paid to any then creditors of the Partnership, including Partners that are Partnership creditors (in the order provided in Section 13.2(a)), and any remaining amount shall be distributed to the other Partners then having positive balances in their respective Capital Accounts in proportion to such positive balances.

(b) After the death of an Electing Partner, the executor of the estate of such an Electing Partner may elect to reduce (or eliminate) the deficit Capital Account restoration obligation of such an Electing Partner pursuant to Section 13.4(a). Such election may be made by such executor by delivering to the General Partner within two hundred seventy (270) days of the death of such an Electing Partner a written notice setting forth the maximum deficit balance in his Capital Account that such executor agrees to restore under Section 13.4(a), if any. If such executor does not make a timely election pursuant to this Section 13.4(b) (whether or not the balance in his Capital Account is negative at such time), then such Electing partner's estate (and the beneficiaries thereof who receive distribution of Partnership Units therefrom) shall be deemed to have a deficit Capital Account restoration obligation as set forth pursuant to the terms of Section 13.4(a).

(c) If the General Partner, on the date of "liquidation" of its interest in the Partnership, within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, has a negative balance in its Capital Account, then the General Partner shall contribute in cash to the capital of the Partnership the amount needed to restore its Capital Account balance to zero. Any such contribution required to be made by the General Partner shall be made by the General Partner on or before the later of (i) the end of the Partnership Year in which the General Partner's interest is liquidated, or (ii) the ninetieth (90th) calendar day following the date of such liquidation. Notwithstanding any provision of this Agreement to the contrary, all amounts so contributed to the capital of the Partnership in accordance with this Section 13.4 shall be distributed in accordance with Section 13.2(a). Regency unconditionally guarantees the obligation of the General Partner under this Section 13.4(c) for the benefit of the Partnership and the other Partners.

Section 13.5 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article 13 (but subject to Section 13.3), in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Event of Dissolution has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such property subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership property in kind to the Partnership, which shall be deemed to have assumed and taken such property subject to all such liabilities.

Section 13.6 Rights of Limited Partners. Except as specifically provided in this Agreement, including Sections 7.1(a)(iii), 8.6, 8.7 and 13.4, each Limited Partner shall look solely to the assets of the Partnership for the return of his Capital Contribution and shall have no right or power to demand or receive property other than cash from the Partnership. Except as specifically provided in this Agreement, no Limited Partner shall have priority over any other Limited Partner as to the return of his Capital Contributions, distributions, or allocations.

Section 13.7 Notice of Dissolution. In the event an Event of Dissolution or an event occurs that would, but for the provisions of Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership

regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.8 Cancellation of Certificate of Limited Partnership. Upon the completion of the liquidation of the Partnership as provided in Section 13.2 hereof, the Partnership shall be terminated and the Certificate and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.9 Reasonable Time for Winding-Up. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

ARTICLE 14
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS

Section 14.1 Amendments.

(a) General. Amendments to this Agreement may be proposed only by the General Partner, who shall submit any proposed amendment (other than an amendment pursuant to Section 14.1(b)) to the Limited Partners. The General Partner shall seek the written vote of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. Except as provided in Section 14.1(b), 14.1(c), 14.1(d), 14.1(e) or 14.1(f), a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners.

(b) General Partner's Power to Amend. Notwithstanding Section 14.1(a), the General Partner shall have the power, without the consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii) to add to or change the name of the Partnership;

(iii) to reflect the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(iv) to set forth the rights, powers, duties and preferences of the holders of any additional Partnership Interests issued pursuant to Section 4.2;

(v) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement; and

(vi) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state.

The General Partner will provide 10 days' prior written notice to the Limited Partners when any action under this Section 14.1(b) is taken.

(c) Consent of Adversely Affected Partner Required. Notwithstanding Section 14.1(a) hereof, this Agreement shall not be amended without the consent of each Partner adversely affected if such amendment would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest, (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Articles 5 or 13, or the allocations specified in Article 6 (except as permitted pursuant to Sections 4.2 or 4.4(c) hereof), (iv) alter or modify the Redemption

Right or Redemption Amount as set forth in Section 8.6 and related definitions hereof, or (v) amend Sections 4.2 (issuances of additional Partnership Interests), 7.1(a)(iii) (Section 1031 exchanges), 7.1(h) (distributions), 7.3 (restrictions on General Partner's authority), or (vi) amend this Section 14.1(c).

(d) When Consent of Limited Partnership Interests Required. Notwithstanding Section 14.1(a) hereof, the General Partner shall not amend Sections 4.2 (issuances of additional Partnership Interests), 7.1(h) (distributions), 7.6 (contracts with Affiliates) or 11.2 (transfer of General Partnership Interest) without the Consent of the Limited Partners and the General Partner shall not amend this Section 14.1(d) without the unanimous consent of the Limited Partners.

(e) When Consent of Other Limited Partners Required.

(i) Matters Relating to Briarcliff. Notwithstanding Section 14.1(a) hereof, Section 7.1(c) (sale of Briarcliff Village), 13.2(c) (distribution of Briarcliff Village) and this Section 14.1(e)(i) may be amended only with the Consent of a Majority in Interest of the Original Briarcliff Partners (as defined in Section 7.1(c).

(ii) Matters Relating to Other Classes of Partners. Notwithstanding Section 14.1(a) hereof, except as provided in Section 14.1(c), any amendment that would adversely affect only a class of Limited Partners other than the Original Limited Partners may be amended with the Consent of such class of Limited Partners.

(f) Security Capital Consent. So long as the Stockholders Agreement referred to in Schedule 7.8(b) remains in effect, this Agreement shall not be amended, modified or supplemented, in any such case, without the prior written consent of Security Capital. Any amendment, modification or supplement adopted without Security Capital's consent shall be void.

Section 14.2 Meetings of Limited Partners.

(a) General. Meetings of the Limited Partners may be called only by the General Partner. Such meeting shall be held at the principal office of the Partnership, or at such other place as may be designated by the General Partner. Notice of any such meeting shall be given to all Limited Partners not less than fifteen days nor more than sixty days prior to the date of such meeting. The notice shall state the purpose or purposes of the meeting. Limited Partners may vote in person or by proxy at such meeting. Whenever the vote or consent of Limited Partners is permitted or required under this Agreement, such vote or consent may be given at a meeting of Limited Partners or may be given in accordance with the procedure prescribed in Section 14.1 hereof. Except as otherwise expressly provided in this Agreement, the consent of holders of a majority of the Percentage Interests of the Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency other than a Property Affiliate) shall control.

(b) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of the Limited Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of the Percentage Interests of the Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency other than a Property Affiliate) (or such other percentage as is expressly required by this Agreement). Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a majority of the Percentage Interests of the Original Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency other than a Property Affiliate)(or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

(c) Proxy. Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it.

(d) Conduct of Meeting. Each meeting of Limited Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 Addresses and Notice. All notices and demands under this Agreement shall be in writing, and may be either delivered personally (which shall include deliveries by courier) by U.S. mail or a nationally recognized overnight courier, by telefax, telex or other wire transmission (with request for assurance of receipt in a manner appropriate with respect to communications of that type; provided, that a confirmation copy is concurrently sent by a nationally recognized express courier for overnight delivery) or mailed, postage prepaid, by certified or registered mail, return receipt requested, directed to the parties at their respective addresses set forth on Exhibit A attached hereto, as it may be amended from time to time, and, if to the Partnership, such notices and demands sent in the aforesaid manner must be delivered at its principal place of business set forth above. Notices and demands shall be effective upon receipt. Any party hereto may designate a different address to which notices and demands shall thereafter be directed by written notice given in the same manner and directed to the Partnership at its office hereinabove set forth.

Section 15.2 Titles and Captions. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns. Section 14.1(f) shall inure to the benefit of Security Capital.

Section 15.6 Waiver of Partition. The Partners hereby agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights (if any) that it may have to maintain any action for partition of any of the Partnership properties.

Section 15.7 Entire Agreement. This Agreement supersedes any prior agreements or understandings among the parties with respect to the matters contained herein and it may not be modified or amended in any manner other than pursuant to Article 14. Matters (including but not limited to Redemption Rights) affecting Additional Limited Partners who are admitted to the Partnership from time to time may be set forth from time to time in separate agreements, provided that such agreements would not require the consent of any other Limited Partners if included as part of this Agreement, and in the event of any inconsistency between this Agreement and any such separate agreement permitted hereunder, the provisions of the separate agreement shall control.

Section 15.8 Remedies Not Exclusive. Any remedies herein contained for breaches of obligations hereunder shall not be deemed to be exclusive and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

Section 15.9 Time. Time is of the essence of this Agreement.

Section 15.10 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.11 Waiver. No failure 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 a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.12 Execution Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

Section 15.13 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws and judicial decisions of the State of Delaware, without regard to the principles of conflicts of law.

Section 15.14 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

ARTICLE 16
POWER OF ATTORNEY

Section 16.1 Power of Attorney.

(a) Scope. Each Limited Partner and each Assignee hereby constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (1) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (2) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (3) all conveyances and other instruments or documents that the General Partner deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (4) all instruments or documents and all certificates and acknowledgments relating to any mortgage, pledge, or other form of encumbrance in connection with any loan or other financing to the General Partner as provided by Section 7.1(a)(iii); (5) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article 11, 12 or 13 hereof or the Capital Contribution of any Partner; (6) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interests; and (7) all financing statements, continuation statements and similar documents which the General Partner deems appropriate to perfect and to continue perfection of the security interest referred to in Section 5.3; and

(ii) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article 14 hereof or as may be otherwise expressly provided for in this Agreement.

(b) Additional Power of Attorney of Limited Partners. Each Original Limited Partner hereby grants to the General Partner and any Liquidator and authorizes officers and attorneys-in-fact of such Persons, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful

agent and attorney-in-fact, with full power and authority in its name, place and stead to execute and file in such Original Limited Partner's name any financing statements, continuation statements and similar documents and to perform all other acts which the General Partner deems appropriate to perfect and to continue perfection of the security interest in the Pledged Units referred to in Section 8.6(f). Each Additional Limited Partner hereby grants to the General Partner and any Liquidator and authorizes officers and attorneys-in-fact of such Persons, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to execute and file in such Additional Limited Partner's name any financing statements, continuation statements and similar documents and to perform all other acts which the General Partner deems appropriate to perfect and to continue perfection of the security interest in any Pledged Units owned by such Additional Limited Partner.

(c) Irrevocability. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner and any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's request therefor, such further designations, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

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

GENERAL PARTNER:

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Name: Bruce M. Johnson
Title: Managing Director

SECURITY CAPITAL U.S. REALTY,
a Luxembourg corporation

By: /s/ Gerald Morgan
Name: Gerald Morgan
Title: Senior Vice President

SECURITY CAPITAL HOLDINGS, S.A.,
a Luxembourg corporation

By: /s/ Gerald Morgan
Name: Gerald Morgan
Title: Senior Vice President

MIDLAND DEVELOPMENT GROUP, INC.,
a Missouri Corporation

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

OTR Eastern Properties
- Bent Tree Plaza (North Carolina)
- Westchester Plaza (Ohio)
- Hamilton Meadows (Ohio)
- Brookville Plaza (Virginia)
- Lakeshore (Michigan)
- Evans Crossing (Georgia)
- Statler Square (Virginia)
- Kernersville Marketplace (North Carolina)
- Maynard Crossing (North Carolina)
- Shoppes at Mason (Ohio)
- Lake Pine Plaza (North Carolina)

OTR/MIDLAND REALTY HOLDINGS, LTD.,
an Ohio Limited Liability Company

By: Midland Realty Holdings L.L.C.,
a Missouri Limited Liability Company,
Managing Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

BECKETT PARTNERS LIMITED PARTNER-
SHIP, an Ohio Limited Partnership

By: Midland-Beckett Limited Partnership,
a Missouri Limited Partnership, General
Partner

By: Beckett Equities, Inc., a Missouri
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

REYNOLDSBURG PARTNERS,
an Ohio General Partnership

By: Midland Reynoldsburg Development Company Limited Partnership, a Missouri Limited Partnership, Managing General Partner

By: Reynoldsburg Equities, Inc., a Missouri Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky
Managing Member

MIDLAND FRANKFORT DEVELOPMENT CO.
L.L.C., a Kentucky Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

By: /s/ Ned M. Brickman
Ned M. Brickman, Manager

By: /s/ Stephen M. Notestine
Stephen M. Notestine, Manager

MAXTOWN PARTNERS, LTD.,
an Ohio Limited Liability Company

By: Maxtown Development Company L.L.C.,
a Missouri Limited Liability Company,
Voting Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing Member

St. Ann Square
No. 1706

K & M DEVELOPMENT COMPANY,
a Missouri General Partnership

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Partner

WORTHINGTON DEVELOPMENT COMPANY,
an Ohio General Partnership

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing General Partner

MIDLAND ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND RALEIGH ACQUISITIONS, LLC,
a North Carolina Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND DALLAS ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MICHIGAN ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MONUMENT DEVELOPMENT
COMPANY, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Cheyenne, WY

MIDLAND CHEYENNE, WY DEVELOPMENT COMPANY, a Wyoming Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND CHARLOTTESVILLE DEVELOP-
MENT COMPANY, a Virginia Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND WATERFORD DEVELOPMENT
COMPANY, a Michigan Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND PARKER DEVELOPMENT
LLC, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Creekside
Village Center
Garner
Windmiller

MIDLAND REALTY HOLDINGS, L.L.C.,
a Missouri Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

EXHIBIT A
PARTNERS, CONTRIBUTIONS, UNITS AND PARTNERSHIP INTERESTS

[TO BE ATTACHED]

SCHEDULE 7.8(b)

REGENCY'S PFIC OBLIGATIONS

SCHEDULE 8.6(a)

TRANSFER RESTRICTIONS IN REGENCY'S
ARTICLES OF INCORPORATION

SCHEDULE 13.4(a)

ELECTING PARTNERS WITH DEFICIT
CAPITAL ACCOUNT MAKE-UP REQUIREMENT

[to be completed prior to execution]

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement"), made as of the 5th day of March, 1998, among REGENCY REALTY CORPORATION, a Florida corporation (the "Company"), and the investors listed on the signature pages hereto (referred to collectively as the "Investors" and individually as an "Investor");

W I T N E S S E T H

WHEREAS, the Company, certain of the Investors and other persons are parties to that certain Contribution Agreement dated as of January 12, 1998 (the "Contribution Agreement"), pursuant to the terms of which the Contributors (as defined in the Contribution Agreement) agreed to contribute certain properties and assets to the Partnership (as hereinafter defined) in exchange for Units (as hereinafter defined) of limited partnership interest in the Partnership which the Contributors are distributing to their equity owners; and

WHEREAS, the Units held by Investors will be exchangeable for common stock of the Company in accordance with the Partnership Agreement; and

WHEREAS, pursuant to the Contribution Agreement, the Company and Investors agreed to execute and deliver this Agreement at the First Closing (as defined in the Contribution Agreement).

NOW, THEREFORE, in consideration of the premises, TEN DOLLARS ($10.00) in hand paid by Investors to the Company and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties, the parties intending to be legally bound, hereby agree as follows:

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

"Affiliate" means, with regard to a Person, a Person that controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "affiliated," "controlling" and "controlled" having meanings correlative to the foregoing.

"Commission" means the Securities and Exchange Commission or any other applicable federal agency at the time administering the Securities Act.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Investor" means the Persons who are listed on the signature pages hereto and their Permitted Transferees, including the Permitted Transferees listed on Exhibit 1, but shall not include any Investor who no longer holds Registrable Securities.

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

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Partnership, executed of even date herewith, as the same may be hereafter further amended.

"Permitted Transferee" means any Affiliate or a member of the undersigned's Immediate Family, provided that such transferee agrees in writing to be bound by the provisions of the Partnership Agreement. Immediate Family means the undersigned's spouse, parents, descendants, nephews, nieces, brothers and sisters and trusts for the benefit of any of the foregoing.

"Person" means an individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Registrable Security" means (i) any Shares issued to an Investor pursuant to the Contribution Agreement, and any Shares issuable to an Investor upon redemption of Units pursuant to the Redemption Agreement, (ii) any other securities issued by the Company in exchange for any such Shares and (iii) any securities issued by the Company as a dividend or

distribution on account of Registrable Securities or resulting from a subdivision of the outstanding Registrable Securities into a greater number of Shares (by reclassification, stock split or otherwise). As to any particular Registrable Securities, such securities will cease to be Registrable Securities when (a) they have been distributed to the public pursuant to an offering registered under the Securities Act or (b) they have been sold to the public through a broker, dealer or market-maker in compliance with Rule 144 under the Securities Act or (c) they have been transferred to any Person who is not a Permitted Transferee or (d) one year shall have passed after the date of death of an Investor who is a natural person, at which time the Registrable Securities held by such Investor at the date of his or her death shall cease to be Registrable Securities, (e) the Company has delivered a new certificate or other evidence of ownership not bearing the legend set forth on the Shares upon the initial issuance thereof, and, in the opinion of counsel to the Company, the subsequent disposition of such security shall not require the registration or qualification under the Securities Act, or (f) such security has ceased to be outstanding.

"Redemption Agreement" means the Redemption Agreement of even date herewith, as the same may hereafter be amended, providing for the Partnership to redeem Units.

"Resale Rules" means Rule 144 promulgated by the Commission or any successor to such rule or any other rule or regulation of the Commission that may at any time permit the Investor to sell its Shares to the public without registration.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Shares" mean the Company's shares of voting Common Stock, $0.01 par value per share.

"Shelf Prospectus" shall mean the prospectus included in the Shelf Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, including any supplement relating to the terms of the offering of any portion of the Registrable Securities covered by the Shelf Registration Statement, and in each case including all material incorporated by reference therein.

"Shelf Registration Statement" shall mean a registration statement of the Company (and any other entity required to be a registrant with respect to such registration statement pursuant to the requirements of the Securities Act) that covers all of the Registrable Securities to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments (including post-effective amendments) to such registration statement, and all exhibits thereto and materials incorporated by reference therein.

"Unit" shall have the meaning given to such term in the Partnership Agreement and shall include any Additional Unit (as defined in the Contribution Agreement).

2. SHELF REGISTRATION RIGHTS.

2.1 Shelf Registration.

2.1.1 Request. The Company shall cause to be filed on the later of (a) the first business day following the 15th day after the First Closing Date (as defined in the Contribution Agreement), or (b) May 1, 1998, or as soon as practicable thereafter, a Shelf Registration Statement providing for the sale by the Investors of all of the Registrable Securities in accordance with the terms hereof and will use its reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Company agrees to use its reasonable efforts to keep the Shelf Registration Statement with respect to the Registrable Securities continuously effective so long as any Investor holds Registrable Securities; provided, however, that at any time after the Shelf Registration Statement becomes effective the number of Registrable Securities outstanding is less than 12,500, then the Investors owning the remaining Registrable Securities shall be given notice that the Shelf Registration will be permitted to lapse in not less than 90 days, after which 90-day period, the Company's obligations under this Section 2.1.1 shall cease. Subject to Section 2.2.2 and Section 2.2.11, the Company further agrees to amend the Shelf Registration Statement if and as required by the rules, regulations or instructions applicable to the registration form used

by the Company for such Shelf Registration Statement or by the Securities Act or any rules and regulations thereunder; provided, however, that the Company shall not be deemed to have used its reasonable efforts to keep the Shelf Registration Statement effective during the applicable period if it voluntarily takes any action that would result in the Investors not being able to sell Registrable Securities covered thereby during that period, unless such action is required under applicable law or the Company has filed a post-effective amendment to the Shelf Registration Statement and the Commission has not declared it effective or except as otherwise permitted by the last three sentences of Section 2.2.2. In the event that all the Subsequent Closings (as defined in the Contribution Agreement) have not yet occurred at the time of the filing of a Shelf Registration Statement hereunder, such registration statement also shall include the maximum estimated number of Shares that Regency reasonably anticipates could constitute Registrable Securities as a result of the remaining Subsequent Closings, and if the number of Registrable Securities actually issued at all Subsequent Closings exceeds the number of shares covered by the registration statement, Regency shall file an amendment increasing the number of Shares covered by the Shelf Registration Statement, or shall file a new registration statement for the additional Shares.

2.2 Registration Procedures. In connection with the obligations of the Company with respect to the Shelf Registration Statement contemplated by this Article 2, the Company shall:

2.2.1 prepare and file with the Commission a Shelf Registration Statement with respect to such securities, which Shelf Registration Statement (i) shall be available for the sale of the Registrable Securities in accordance with the intended method or methods of distribution by the Investors and (ii) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith;

2.2.2 subject to Section 2.2.11 hereof, (i) prepare and file with the Commission such amendments to such Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period; (ii) cause the Shelf Prospectus to be amended or supplemented as required and to be filed as required by Rule 424 or any similar rule that may be adopted under the Securities Act; (iii) respond as promptly as practicable to any comments received from the Commission with respect to the Shelf Registration Statement or any amendment thereto; and (iv) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Shelf Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the Investors. Notwithstanding anything to the contrary contained herein, the Company shall not be required to take any of the actions described in clauses (i), (ii) or (iii) in this Section 2.2.2 or Section 2.2.11 with respect to the Registrable Securities (other than by means of filing its 1934 Act reports that are incorporated by reference in the registration statement) to the extent that the Company is in possession of material non-public information that it deems advisable not to disclose eg., it is engaged in active negotiations or planning for a material merger or acquisition or disposition transaction, and it delivers written notice to the Investors to the effect that the Investors may not make offers or sales under the Shelf Registration Statement for a period not to exceed ninety (90) days from the date of such notice (and not to exceed 90 days during any twelve-month period);

2.2.3 furnish to the Investors, without charge, such numbers of copies of the Shelf Registration Statement, the Shelf Prospectus and such other documents, as the Investors may reasonably request in order to facilitate the sale or other disposition of the Registrable Securities owned by the Investors; the Company consents to the use of the most recent Shelf Prospectus and any amendment or supplement thereto by the Investors of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Shelf Prospectus or amendment or supplement thereto;

2.2.4 otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earning statement covering the period of at least twelve months, beginning with the first fiscal quarter beginning after the effective date of the Shelf Registration Statement, which earning statement shall satisfy the provisions of Section 11(a) of the Securities Act;

2.2.5 use its reasonable efforts to list such securities on any securities exchange on which any Shares are then listed, if the listing of such securities is then permitted under the rules of such exchange;

2.2.6 if the Investors intend to dispose of their securities through an underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter or underwriters of such underwritten offering provided that such underwriter(s) are reasonably acceptable to the Company, including, without limitation, obtaining an opinion of counsel to the Company and a "comfort letter" from the independent public accountants to the Company in the usual and customary form for such underwritten offering;

2.2.7 notify the Investors promptly and, if requested by the Investors, confirm in writing, (i) when the Shelf Registration Statement and any post-effective amendments thereto have become effective, (ii) when any amendment or supplement to the Shelf Prospectus has been filed with the Commission, (iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of the Shelf Registration Statement or any part thereof or the initiation of any proceedings for that purpose, (iv) if the Company receives any notification with respect to the suspension of the qualification of the Registrable Securities for offer or sale in any jurisdiction or the initiation of any proceeding for such purpose, and (v) at any time when a Shelf Prospectus is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the Shelf Registration Statement or the Shelf Prospectus, as then in effect, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

2.2.8 make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any part thereof as promptly as possible;

2.2.9 furnish to the Investors after they have delivered a Shelf Registration Notice to the Company, without charge, at least one conformed copy of the Shelf Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

2.2.10 cooperate with the Investors to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend; and enable certificates for such Registrable Securities to be issued for such numbers of shares as the Investors may reasonably request at least two business days prior to any sale of Registrable Securities;

2.2.11 subject to the last three sentences of Section 2.2.2 hereof, upon the occurrence of any event contemplated by clause (x) of Section 2.2.2 or clause (v) of Section 2.2.7 hereof, use its reasonable efforts promptly to prepare and file an amendment or a supplement to the Shelf Prospectus or any document incorporated therein by reference or prepare, file and obtain effectiveness of a post-effective amendment to the Shelf Registration Statement, or file any other required document, in any such case to the extent necessary so that, as thereafter delivered to the purchasers of the Registrable Securities, such Shelf Prospectus as then amended or supplemented will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading;

2.2.12 make available for inspection by the Investors after they have provided a Shelf Registration Notice to the Company and any counsel, accountants or other representatives retained by the Investors during normal business hours and upon reasonable prior notice all financial and other records, pertinent corporate documents and properties of the Company and cause the officers, directors and employees of the Company to supply all such records, documents or information reasonably requested by the Investors, counsel, accountants or representatives in connection with the Shelf Registration Statement; provided, however, that such records, documents or information which the Company determines in good faith to be confidential and notifies the Investors, counsel, accountants or representatives in writing that such records, documents or information are confidential shall not be disclosed by the Investors,

counsel, accountants or representatives unless (i) such disclosure is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (ii) such records, documents or information become generally available to the public other than through a breach of this Agreement; and

2.2.13 a reasonable time prior to the filing of any Shelf Registration Statement or any amendment thereto, or any Shelf Prospectus or any amendment or supplement thereto, provide copies of such document (not including any documents incorporated by reference therein unless requested) to the Investors after they have provided a Shelf Registration Notice to the Company.

2.3 Expenses.

2.3.1 Except as set forth in Section 2.3.2, all expense incurred in the registration of Registrable Securities in accordance with this Agreement shall be paid by the Company. The expenses shall include, without limitation, printing and photocopying expenses, all registration and filing fees under federal and state securities laws, expenses of complying with the securities or blue sky laws of any jurisdictions, fees and expenses of Company counsel, and the fees and expenses of the Company's independent auditors in connection with any comfort letter required by any underwriters.

2.3.2 The Investors shall be responsible for underwriting and brokerage discounts and commissions, stock transfer taxes and fees and disbursements of any counsel for the holders of Registrable Securities.

2.4 Indemnification. In the event any Registrable Securities are included in a Registration Statement under this Section 2:

2.4.1 Indemnity by Company. Without limitation of any other indemnity provided to any Investor, to the extent permitted by law, the Company will indemnify and hold harmless each Investor and, as applicable, its directors, officers, employees, agents and partners and each Person, if any, who controls such Investor (within the meaning of the Securities Act), against any losses, claims, damages, liabilities and expenses (joint or several) to which they may become subject under the Securities Act or other federal or state law, insofar as such losses, claims, damages, liabilities and expenses (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) any violation or alleged violation by the Company of the Securities Act, any state securities law or any rule or regulation promulgated under the Securities Act or any state securities law, (iv) any and all loss, liability, claim, damage and expense whatsoever, as reasonably incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or alleged untrue statement or any omission or alleged omission, if such settlement is effected with the written consent of the Company, or (v) subject to the limitations set forth in Section 2.4.3, any and all reasonable expense whatsoever, as incurred (including reasonable fees and disbursements of counsel), in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, in each case whether or not a party, or any claim whatsoever based upon any such untrue statement or alleged untrue statement or omission or alleged omission, to the extent that any such expense is not paid under subparagraphs (i) through (v) above, and the Company will reimburse such Investor and its directors, officers, employees, agents and partners, and any controlling person thereof, for any reasonable legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability, expense or action; provided, however, that the Company shall not be liable in any such case for any such loss, claim, damage, liability, expense or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Investor or controlling person thereof, and provided, further, that the Company shall not be liable to the extent that any

such loss, claim, damage, liability, expense or action arises out of such person's failure to send or give a copy of the final prospectus or supplement to the persons asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such person if such statement or omission was corrected in such final prospectus or supplement. In connection with an underwritten offering, the Company will indemnify such underwriters and their directors, officers and each Person, if any, who controls such underwriters (within the meaning of the Securities Act) to the same extent as indemnification is provided to the Investors.

2.4.2 Indemnity by Investors. In connection with any registration statement in which an Investor is participating, each such Investor will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its trustees, officers, employees and agents and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any Violation which occurs solely in reliance upon and in conformity with any information or affidavit so furnished in writing by such Investor expressly for use in connection with such registration; provided, that the obligation to indemnify will be several and not joint and several with any other Person and will be limited to the net amount received by such Investor from the sale of Registrable Securities pursuant to such registration statement.

2.4.3 Notice; Right to Defend. Promptly after receipt by an indemnified party under this Section 2.4 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.4, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, if the indemnifying party agrees in writing that it will be responsible for any costs, expenses, judgments, damages and losses incurred by the indemnified party with respect to such claim, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with reasonable fees and expenses to be paid by the indemnifying party, if the indemnified party reasonably believes that representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.4 only if and to the extent that such failure is prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party other than under this Section 2.4. If the indemnifying party does not assume the defense of any such action or proceeding, after having received the notice referred to in the first sentence of this paragraph, the indemnifying party will pay the reasonable fees and expenses of counsel (which shall be limited to a single law firm) for the indemnified party. In such event, however, the indemnifying party will be liable for any settlement effected without the written consent of such indemnifying party. If the indemnifying party assumes the defense of any such action or proceeding in accordance with this paragraph, such indemnifying party shall not be liable for any fees and expenses of counsel for the indemnified party incurred thereafter in connection with such action or proceeding, except as set forth in the proviso in the first sentence of this Section 2.4.3.

2.4.4 Contribution. If the indemnification provided for in this Section 2.4 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or

expense as well as any other relevant equitable considerations. The relevant fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount any Investor shall be obligated to contribute pursuant to this Section 2.4.4 shall be limited to an amount equal to the net proceeds to such Investor of the Registrable Securities sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Investor has otherwise been required to pay in respect of such loss, claim, damage, liability or action or any substantially similar loss, claim, damage, liability or action arising from the sale of such Registrable Securities). Notwithstanding the foregoing, 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. For purposes of this Section 2.4.4. each person, if any, who controls any Investor within the meaning of Section 15 of the Securities Act and partners, directors and officers of any Investor, as applicable, shall have the same rights to contribution as that Investor, and each director of the Company, each officer of the Company who signed the Shelf Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as the Company.

2.4.5 Survival of Indemnity. The indemnification provided by this Section 2.4 shall be a continuing right to indemnification and shall survive the registration and sale of any securities by any Person entitled to indemnification hereunder and the expiration or termination of this Agreement.

2.5 Rule 144. In order to permit the Investors to sell the Registrable Securities they hold, if they so desire, from time to time pursuant to Rule 144 under the Securities Act, or any successor to such rule, the Company shall use reasonable efforts to (i) make available adequate current public information and (ii) file with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act. In connection with any sale, transfer or other disposition by any Investor of Registrable Securities pursuant to Rule 144 under the Securities Act, the Company shall cooperate with such Investor to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend, and enable certificates for such Registrable Securities to be sold for such number of shares and registered in such names as the selling Investors may reasonably request at least two business days prior to any sale of Registrable Securities, provided that such Investors provide counsel to the Company with seller's and broker's representation letters customary for Rule 144 sales.

2.6 Limitations.

2.6.1 The Investors shall not, without prior written consent of the Company, effect any public sale or distribution of securities of the Company during any period commencing upon written notice of (but in no event sooner than 15 days prior to) the proposed filing date of a preliminary prospectus supplement for a shelf registration for an underwritten offering and ending 60 days following the date of filing of the final prospectus supplement (or 75 days following the date of filing of the preliminary prospectus, if sooner) filed by the Company for the benefit of Security Capital Holdings, S.A., its assigns or pledgees (collectively, "Security Capital"), provided, however, that the Investors' obligations under this Section 2.6.1 shall be limited to two occasions and provided, further, that such obligation shall apply only to the extent that the Company is prohibited from selling its securities during such period pursuant to Section 2(c) of its Registration Rights Agreement dated as of July 10, 1996, a copy of which is attached as Exhibit 2.6.1.

2.6.2 As a condition to the inclusion of such Investor's Registrable Securities in a registration statement hereunder, each Investor agrees to provide written notice to the Company within ten days after the end of any calendar quarter in which the Investor has made any transfers of Registrable Securities, stating the number transferred during such quarter and the date and type (e.g., open market sale) of each transfer.

3. MISCELLANEOUS.

3.1 Notices.

3.1.1 All communications under this Agreement shall be in writing and shall be delivered by telefax (with appropriate request for assurance of receipt, and a confirmation copy sent concurrently by mail), reputable overnight courier or shall be mailed by registered or certified mail, postage prepaid,

(a) if to the Company, at:

Regency Realty Corporation
121 W. Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Mr. Martin E. Stein, Jr.

or at such other address as it may have furnished in writing to the holders of Registrable Securities at the time outstanding, or

(b) if to any Person who is the registered holder of Registrable Securities, to the address of such Investor as it appears in the stock ledger of the Company or in the records of the Partnership.

3.1.2 Any notice so addressed shall be deemed given when received.

3.2 Notices of Sale. Investors shall, promptly upon the Company's written request from time to time advise the Company of the number of Registrable Securities they continue to hold.

3.3 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and each of the Investors. Without the prior written consent of the Company, the rights of the Investors may not be transferred other than to a Permitted Transferee.

3.4 Amendment and Waiver. This Agreement may be amended, and the observance of any term of this Agreement may be waived, but only with the written consent of the Company and the Investors holding a majority of the Registrable Securities; provided, however, that no such amendment or waiver shall take away any registration right of any Investor or reduce the amount of reimbursable costs to any Investor in connection with any registration hereunder without the consent of such Investor; further provided, however, that without the consent of any other Investor, any Investor may from time to time enter into one or more agreements amending, modifying or waiving the provisions of this Agreement if such action does not adversely affect the rights or interest of any other Investor. No delay on the part of any party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy.

3.5 Counterparts. One or more counterparts of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

3.6 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Florida, which shall prevail in all matters arising under or in connection with this Agreement.

3.7 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

3.8 Headings. The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

3.9 Time of the Essence. Time is of the essence to this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date and year first above written.

COMPANY:

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson, Managing Director

Third Party Management Assets

MIDLAND DEVELOPMENT GROUP, INC.,
a Missouri Corporation

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

OTR Eastern Properties
- Bent Tree Plaza (North Carolina)
- Westchester Plaza (Ohio)
- Hamilton Meadows (Ohio)
- Brookville Plaza (Virginia)
- Lakeshore (Michigan)
- Evans Crossing (Georgia)
- Statler Square (Virginia)
- Kernersville Marketplace (North Carolina)
- Maynard Crossing (North Carolina)
- Shoppes at Mason (Ohio)
- Lake Pine Plaza (North Carolina)

OTR/MIDLAND REALTY HOLDINGS, LTD.,
an Ohio Limited Liability Company

By: Midland Realty Holdings L.L.C.,
a Missouri Limited Liability Company,
Managing Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

BECKETT PARTNERS LIMITED PARTNER-
SHIP, an Ohio Limited Partnership

By: Midland-Beckett Limited Partnership,
a Missouri Limited Partnership, General
Partner

By: Beckett Equities, Inc., a Missouri
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

REYNOLDSBURG PARTNERS,
an Ohio General Partnership

By: Midland Reynoldsburg Development Company Limited Partnership, a Missouri Limited Partnership, Managing General Partner

By: Reynoldsburg Equities, Inc., a Missouri Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky
Managing Member

MIDLAND FRANKFORT DEVELOPMENT CO.
L.L.C., a Kentucky Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

By: /s/ Ned M. Brickman
Ned M. Brickman, Manager

By: /s/ Stephen M. Notestine
Stephen M. Notestine, Manager

MAXTOWN PARTNERS, LTD.,
an Ohio Limited Liability Company

By: Maxtown Development Company L.L.C.,
a Missouri Limited Liability Company,
Voting Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing Member

St. Ann Square
No. 1706

K & M DEVELOPMENT COMPANY,
a Missouri General Partnership

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Partner

WORTHINGTON DEVELOPMENT COMPANY,
an Ohio General Partnership

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing General Partner

MIDLAND ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND RALEIGH ACQUISITIONS, LLC,
a North Carolina Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND DALLAS ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MICHIGAN ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MONUMENT DEVELOPMENT
COMPANY, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Cheyenne, WY

MIDLAND CHEYENNE, WY DEVELOPMENT COMPANY, a Wyoming Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND CHARLOTTESVILLE DEVELOP-
MENT COMPANY, a Virginia Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND WATERFORD DEVELOPMENT
COMPANY, a Michigan Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND PARKER DEVELOPMENT
LLC, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Creekside
Village Center
Garner
Windmiller

MIDLAND REALTY HOLDINGS, L.L.C.,
a Missouri Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

EXHIBIT 1

PERMITTED TRANSFEREES

EXHIBIT 2.6.1

EXHIBIT 10(c)

AMENDED AND RESTATED REDEMPTION AGREEMENT
(Midland)

THIS AMENDED AND RESTATED REDEMPTION AGREEMENT (the "Agreement"), executed as of the 5th day of March 1998, is made effective as of the 12th day of January, 1998, among REGENCY CENTERS, L.P., a Delaware limited partnership (the "Partnership"), REGENCY REALTY CORPORATION, a Florida corporation and the general partner of the Partnership ("Regency" or the "General Partner"), the persons listed on the signature pages hereto, and their permitted transferees.

Background

Pursuant to the terms of the Contribution Agreement (as defined below), certain properties and assets will be contributed to the Partnership in exchange for units of limited partnership interest in the Partnership (the "Units"). Regency has agreed, pursuant to the Contribution Agreement, that the Units issued to the Limited Partners will be redeemable for Common Stock of Regency.

The parties wish to amend and restate the Redemption Agreement that was signed on January 12, 1998 in order to (i) add additional Contributors (as defined herein) and (ii) to amend the notice provisions hereof to provide for notice under certain circumstances to the Limited Partners of a sale event that will trigger income tax liability.

Accordingly, the parties agree as follows:

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

Additional Units has the meaning given to such term in the Contribution Agreement.

Affiliate means any person controlling, controlled by or under common control with the person in question.

Business Day has the meaning given to that term in the Partnership Agreement.

Cash Amount means an amount of cash arrived at by multiplying (i) the number of Units that are the subject of a Notice of Redemption times (ii) the Unit Adjustment Factor times (iii) the Value on the Valuation Date of a Share.

Common Stock means the voting common stock, $0.01 par value, of Regency.

Contribution Agreement means the Contribution Agreement of even date herewith to which Regency, Midland Development Group, Inc. and others are parties, as it may be amended from time to time.

First Closing has the meaning given to such term in the Contribution Agreement.

First Closing Cash Amount means an amount in cash for each Unit being redeemed equal to (i) $26.5813 times (ii) the Unit Adjustment Factor.

First Closing Redemption means a redemption, effective at the First Closing, involving the redemption of Units issued at the First Closing immediately following such issuance, in exchange for the First Closing Cash Amount.

Limited Partners means (i) the Contributors (as defined in the Contribution Agreement and also including the entities shown on the signature pages hereto as Intervening Contributors), and (ii) the Unit Recipients (as defined in the Contribution Agreement) to whom the Contributors will distribute Units, whose names are set forth on Schedule A to this Agreement, and their Permitted Transferees. A Limited Partner shall cease to be a party to this Agreement if it no longer holds any Units and has no right to receive Additional Units.

Mandatory Subsequent Closing Redemption means a mandatory redemption pursuant to Section 2.3 of Additional Units issued to a Limited Partner who has exercised a First Closing Redemption.

Notice of Redemption means the Notice of Redemption and Investor

Questionnaire substantially in the form of Exhibit A to this Agreement, as it may be amended from time to time by the General Partner effective upon written notice to the Limited Partners.

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

Partnership Agreement means the Agreement of Limited Partnership of the Partnership, as it may be amended from time to time.

Permitted Transferees means as to a Limited Partner (i) any Affiliate of the Limited Partner, (ii) in the case of a Limited Partner who is a natural person, such natural person's spouse, parents, descendants, nephews, nieces, brothers and sisters, and one or more trusts for the benefit of any of the foregoing, (iii) in the case of a Limited Partner that is a trust, any beneficiary of the trust, or if the Limited Partner is another form of entity, the direct or indirect equity owners of the Limited Partner, and (iv) in the case of Units that are not Pledged Units, a lender to which such Units are pledged to secure a bona fide obligation of the Limited Partner and any transferee who takes title in accordance with the rights of such lender under the instruments evidencing such obligation.

Pledged Units has the meaning set forth in Section 2.6.

Redeeming Partner means a Limited Partner who duly exercises a Redemption Right pursuant to this Agreement.

Redemption Amount means the Share Amount or, as determined by the General Partner in its sole and absolute discretion, the Cash Amount.

Redemption Right has the meaning set forth in Section 2.1 hereof.

Regency means Regency Realty Corporation, a Florida corporation, together with any successor.

Securities Act means the Securities Act of 1933, as amended.

Share Amount means a number of Shares arrived at by multiplying (i) the number of Units that are the subject of a Notice of Redemption times (ii) the Unit Adjustment Factor.

Shares means (i) the Common Stock of Regency, and (ii) any securities issuable with respect to Shares as a result of the application of Section 4.

Specified Redemption Date means the later of (i) the close of business, Eastern Time, on the date specified by the Redeeming Partner in such Partner's Notice of Redemption, or (ii) the close of business, Eastern Time, on the first Business Day after the date in clause (i) if such date is not a Business Day, or (iii) the close of business, Eastern

Time, on the tenth Business Day after receipt by the General Partner of a Notice of Redemption.

Subsequent Closing has the meaning given to such term in the Contribution Agreement.

Unit means a Class 2 unit of interest in the Partnership acquired by a Limited Partner pursuant to the Contribution Agreement, and includes any Additional Unit.

Unit Adjustment Factor means initially 1.0; provided that, in order to prevent dilution or enlargement of distribution rights, in the event that Regency (i) declares or pays a dividend on its outstanding Common Stock in Common Stock or makes a distribution to all holders of its outstanding Common Stock in Common Stock, (ii) subdivides its outstanding Common Stock, or (iii) combines its outstanding Common Stock into a smaller number of shares, the Unit Adjustment Factor shall be adjusted by multiplying the Unit Adjustment Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination. Any adjustment to the Unit Adjustment Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

Value means, with respect to a Share, the average of the daily market price of the Common Stock for the ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for each such trading day shall be: (i) if the Common Stock is listed or admitted to trading on any securities exchange or the Nasdaq National Market, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, (ii) if the Common Stock is not listed or admitted to trading on any securities exchange or the Nasdaq National Market, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by Regency, or (iii) if the Common Stock is not listed or admitted to trading on any securities exchange or the Nasdaq National Market and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by Regency, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 10 days prior to the date in question) for which prices have been so reported; provided, that if there are no bid and asked prices reported during the 10 days prior to the date in question, the Value of the Common Stock shall be determined by Regency's board of directors acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

Valuation Date means, except as provided in Section 2.3 with respect to a Mandatory Subsequent Closing Redemption, the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

Windfall Distribution Amount has the meaning given to such term in the Contribution Agreement.

2. Redemption of Units.

2.1. Exercise; Subordination to Original Limited Partners. Subject to the provisions of this Agreement and to the redemption rights set forth in the Partnership Agreement of the Original Limited Partners (including the holders of Class A Units) (as those terms are defined in the Partnership Agreement), each Limited Partner shall have the right (the "Redemption Right") to require the Partnership to redeem any Unit held by such Limited Partner (the "Redeeming Partner"). A Redeeming Partner may not exercise the Redemption Right for less than 1,000 Units or, if such Redeeming Partner holds less than 1,000 Units, all of the Units held by such Redeeming Partner. If on any Specified Redemption Date it is impossible to satisfy the Redemption Rights of Limited Partners exercising Redemption Rights pursuant to this Agreement and the rights of the Original Limited Partners exercising redemption rights pursuant to the Partnership Agreement (e.g., because payment of the Cash Amount would violate applicable law and payment of the Share Amount would violate the REIT transfer restrictions in the Company's Articles of Incorporation), in such event the Original Limited Partnership or Class A Units submitted for redemption by the Original Limited Partners shall be redeemed first, before the Units submitted for redemption by the Limited Partners shall be redeemed. Regency covenants that it will not amend its Articles of Incorporation in a manner that would adversely affect the Redemption Rights of the Limited Partners except where the amendment is for the purpose of preserving the Company's status as a REIT or a domestically controlled REIT.

2.1.1. First Closing Redemption. A Limited Partner who has elected to exercise the Redemption Right at the First Closing, by so electing at least seven (7) Business Days prior to the First Closing on election forms distributed by Midland Development Group, Inc., its Affiliates and Regency, shall be entitled to receive at the First Closing the First Closing Cash Amount for each Unit as to which such Redeeming Partner has elected to make a First Closing Redemption, plus the applicable portion of any Windfall Distribution Amount as provided in Section 2.2.3. A Limited Partner who fails to submit such election forms or who fails to affirmatively specify on such election forms that he does not wish to exercise the Redemption Right as to all or any portion of his Units at the First Closing shall be deemed to have exercised the Redemption Right at the First Closing with respect to all his Units. In addition, even though a Limited Partner has affirmatively elected not to exercise the Redemption Right at the First Closing, in the event that the closing price of the Common Stock on the New York Stock Exchange is less than $24 per Share on the Business Day immediately preceding the date of the First Closing, each such Limited Partner shall have the right, by

telecopied written notice delivered to the General Partner (the receipt of which shall be confirmed by telephone) on the date of the First Closing, to elect to immediately redeem all or any Units issued to such Limited Partner at the First Closing for the First Closing Cash Amount, plus the applicable portion of any Windfall Distribution Amount as provided in Section 2.2.3, which shall be payable no later than seven (7) Business Days after the First Closing. The Contribution Agreement contemplates that Units will be issued at the First Closing directly to the Unit Recipients (as defined in the Contribution Agreement) listed on Schedule A, rather than to the Contributors (as defined in the Contribution Agreement) who are parties hereto for distribution in turn to the Unit Recipients. Accordingly, it is contemplated that such Unit Recipients, rather than the Contributors, will have the right to make the elections set forth in this section, and all references herein to the Limited Partners means the Unit Recipients rather than the Contributors.

2.1.2. Other Redemptions. A Redemption Right other than pursuant to a First Closing Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Redeeming Partner. Such redemption shall occur on the Specified Redemption Date. A Redeeming Partner may exercise a Redemption Right any time and any number of times.

2.2. Payment.

2.2.1. First Closing Redemption. If a Limited Partner has duly elected (or been deemed to have elected) to make a First Closing Redemption with respect to all or any portion of the Units issuable to the Limited Partner at the First Closing, Regency, and not the Partnership, shall be required to pay the First Closing Cash Amount at the First Closing for each Unit that is the subject of such First Closing Redemption, plus the applicable portion of any Windfall Distribution Amount as provided in Section 2.2.3 (or on the date specified in Section 2.1.1 in the event of a First Closing Redemption duly made on the date of the First Closing by reason of the closing price of the Common Stock being less than $24 per Share on the preceding Business Day). Regency, and not the Partnership, shall be required to pay such redemption price.

2.2.2. Other Redemptions. Except with respect to a First Closing Redemption or a Mandatory Subsequent Closing Redemption and except as provided in Section 2.4, the General Partner shall have the right to elect to fund the Redemption Amount through the issuance of (i) the Share Amount or (ii) the Cash Amount.

2.2.3. Additional Redemption Price. Anything in this Agreement to the contrary notwithstanding, in the event that (i) a Specified Redemption Date occurs prior to the first Partnership Record Date (as defined in the Partnership Agreement) to occur after the Units being redeemed were issued, (ii) such Units were not issued on the day immediately following a Partnership Record Date (as defined in the Partnership Agreement), and (iii) such Units are being redeemed for the First Closing Cash Amount or the Cash Amount, the redemption price payable for the Units being redeemed shall be increased by that portion of the Windfall Distribution Amount allocable to the Units being redeemed.

2.3. Mandatory Subsequent Closing Redemption. Certain Limited Partners have the right to receive certain Additional Units pursuant to the provisions of the Contribution Agreement. If a Redeeming Partner entitled to Additional Units exercises a Redemption Right on one or more occasions with respect to Units issued at the First Closing or is deemed to exercise a Redemption Right as to all the Units issued to such Limited Partner at the First Closing ("Initial Redeemed Units") and before Additional Units are issued, then such Redeeming Partner shall be deemed to have exercised a Mandatory Subsequent Closing Redemption with respect to the corresponding percentage of Additional Units thereafter issuable with respect to such Initial Redeemed Units, based on the number of Initial Redeemed Units redeemed as a percentage of the total number of Units issued to the Redeeming Partner at the First Closing. Additionally, to the extent that subsequent to the First Closing a Limited Partner ceases to be a Limited Partner by reason of having redeemed all his or her Units, such person shall be deemed to have exercised a Mandatory Subsequent Closing Redemption with respect to all the Additional Units thereafter issuable to such person. To the extent that (i) the Initial Redeemed Units were redeemed for the First Closing Cash Amount, with respect to the corresponding percentage of the Additional Units required to be redeemed hereunder, and (ii) to the extent that subsequent to the First Closing a Limited Partner ceases

to be a Limited Partner by reason of having redeem all his or her Units, with respect to all the Additional Units issuable to the former Limited Partner,Regency, and not the General Partner, shall be required to pay the Redemption Amount in the form of the Cash Amount, plus the applicable portion of any Windfall Distribution Amount as provided in Section 2.2.3. Regency, and not the General Partner, shall be required to pay such redemption price. For purposes of computing such Cash Amount, the Value shall be the value required by the Contribution Agreement to be used in calculating the number of Additional Units to be issued at the Subsequent Closing. For example, if Additional Units are issued at a Subsequent Closing based on a valuation of $26.5813 per Unit, $26.5813 shall be deemed to be the Value for computing such Cash Amount rather than the Value as of the date of the Subsequent Closing.

2.4. Redemption of Units Issued in Respect of Hamilton and St. Ann, the Midland Group Earn-Out and Evans Crossing Land Earn-Out. Anything in this Agreement to the contrary notwithstanding (including but not limited to Sections 4 and 5), Regency shall have the right to require that (i) any Units issued to persons holding interests in the Hamilton Meadows and St. Ann Escrows (as defined in the Contribution Agreement), and (ii) any Additional Units issued with respect to the Midland Group Earn-Out or the Evans Crossing Land Earn-Out (as those terms are defined in the Contribution Agreement) be redeemed at the Closing at which such Units are issued, at a redemption price equal to the First Closing Cash Amount, plus the applicable portion of any Windfall Distribution Amount as provided in Section 2.2.3. If Regency does not exercise such right by delivering written notice thereof at least seven (7) Business Days prior to the Closing, any Limited Partner entitled to receive such Units shall have the right to require Regency to redeem all or any portion of such Units at the Closing at which they are issued, for the redemption price set forth in the foregoing sentence, by delivering written notice of such exercise to Regency within seven (7) Business Days prior to the date of the Closing.

2.5. Conditions. As a condition to exercising a Redemption Right, each Redeeming Partner shall execute a Notice of Redemption in the form attached as Exhibit B and execute such other documents and take such other actions as the General Partner may reasonably require, including a Foreign Investment and Real Property Tax Act ("FIRPTA") or similar state and/or local affidavit (or make appropriate arrangements for deposit with the General Partner for payment to the Internal Revenue Service or any state or local governmental authority of the amount required for the General Partner to comply with the withholding provisions of such federal, state and local laws, and if applicable, providing a withholding certificate evidencing the Redeeming Partner's right to a reduced rate of FIRPTA withholding). As a further condition to exercising a Redemption Right, the Units to be redeemed shall be delivered to the Partnership or Regency, as the case may be, free and clear of all liens, security interests, deeds of trust, pledges and other encumbrances of any nature whatsoever (collectively the "Liens"), subject to the provisions of Section 6.3 of the Partnership Agreement (withholding). In the event any Lien exists with respect to the Units to be redeemed, neither the Partnership nor Regency (if Regency assumes the Redemption Right pursuant to Section 3) shall have any obligation to redeem such Units, unless, in connection therewith, the General Partner has elected or is required to pay a portion of the Redemption Amount in cash and such cash is sufficient to discharge such Lien. Each Redeeming Partner hereby expressly authorizes the General Partner to apply such portion of such cash as may be necessary to discharge such Lien in full.

2.6. Security Interest. Adjustment Units (as defined in the Contribution Agreement) issued in a private placement at the First Closing are required to be pledged to Regency, and additional Units issued pursuant to the Contribution Agreement may be required to be pledged by the Midland Principals (as defined in the Contribution Agreement) to Regency and the Partnership pursuant to Article 13 of the Contribution Agreement (collectively, the "Pledged Units"). A Limited Partner may not exercise a Redemption Right with respect to Pledged Units that constitute Adjustment Units unless and until such Units have been released from the Liens encumbering such Units. In the event a Redeeming Partner exercises a Redemption Right with respect to Pledged Units other than Adjustment Units, or in the event a Redeeming Partner has previously exercised a Redemption Right with respect to Units and the corresponding Additional Units to be redeemed are Pledged Units, then such Redeeming Partner, as a condition to the receipt of the Redemption Amount with respect to such Pledged Units, shall be required to pledge and grant to Regency

and the Partnership a first priority security interest in any and all Shares and/or cash delivered in payment of the redemption price with respect to such Pledged Units and shall be required to consent to Regency holding such Shares and/or cash as "Collateral" under Article 13 of the Contribution Agreement; provided, however, if cash is to be paid to the Redeeming Partner with respect to such Pledged Units, then such Redeeming Partner shall have the right to substitute a letter of credit for such cash price as provided in Section 13.7.2(f) of the Contribution Agreement.

2.7. Additional Rights. In case Regency shall issue rights, options or warrants to all holders of its Shares entitling them to subscribe for or purchase Shares or other securities convertible into Shares at a price per share less than the current per share market price as of the day before the "ex date" with respect to the issuance or distribution requiring such computation, each Limited Partner holding Redemption Rights shall be entitled to receive such number of such rights, options or warrants, as the case may be, as he would have been entitled to receive had he exercised all of his then existing Redemption Rights immediately prior to the record date for such issuance by Regency. The term "ex date" shall mean the first date on which Shares trade regularly without the right to receive such issuance or distribution. In case the Shares shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than subdivision or combination of Shares or a stock dividend described in the definition of Unit Adjustment Factor), then and in each such event the Limited Partners holding Redemption Rights shall have the right thereafter to exercise their Redemption Rights for the kind and amount of shares and other securities and property that would have been received upon such reorganization, reclassification or other change by holders of the number of Shares with respect to which such Redemption Rights could have been exercised immediately prior to such reorganization, reclassification or change.

2.8. Distributions. A Redeeming Partner exercising a Redemption Right with a Specified Redemption Date after a Partnership Record Date on which the Redeeming Partner held the Units being redeemed and prior to the payment of the distribution of Available Cash relating to such Partnership Record Date shall retain the right to receive such distribution with respect to such Units redeemed on such Specified Redemption Date. Except as provided in the preceding sentence, anything in the Partnership Agreement to the contrary notwithstanding, the Redeeming Partner shall have no right, with respect to any Unit so redeemed, to receive any distributions paid by the Partnership after the Specified Redemption Date.

2.9. Limitation on Redemption Rights of Midland Principals. Anything herein to the contrary notwithstanding, the Midland Principals (as defined in the Contribution Agreement) may redeem Units at a Closing for the First Closing Amount only to the extent that they collectively hold at least 67% of the aggregate consideration they receive at such Closing (other than Units they receive for their interests in the Hamilton Meadows and St. Ann Properties and other than Units representing the Midland Group Earn-Out (as defined in the Contribution Agreement)) in the form of Units not so redeemed (the "Minimum Unit Requirement"). In the event that the elections of the Midland Principals to immediately redeem Units for the First Closing Amount do not in the aggregate satisfy the Minimum Unit Requirement, each Midland Principal will be deemed to elect to retain a pro rata number of Units based on the percentage allocations set forth on Schedule 2.2(c) to the Contribution Agreement sufficient in the aggregate to satisfy the Minimum Unit Requirement.

3. Regency's Assumption of Right. Notwithstanding the provisions of Section 2, Regency may, in its sole and absolute discretion, assume directly and satisfy a Redemption Right by paying to the Redeeming Partner the applicable redemption price on the Specified Redemption Date, whereupon Regency shall acquire the Units offered for redemption by the Redeeming Partner. In the event Regency shall exercise its right to satisfy the Redemption Right in the manner described in the preceding sentence, the Partnership shall have no obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of the Redemption Right, and each of the Redeeming Partner, the Partnership and Regency shall treat the transaction between Regency and the Redeeming Partner as a sale of the Redeeming Partner's Units to Regency for federal income tax purposes. Regency agrees that whenever the Partnership elects to pay the Share Amount, Regency shall guarantee the Partnership's obligation to pay the Share Amount.

4. Business Combinations. Regency shall not engage in any merger, consolidation or other business combination or transaction with or into another person or sale of all or substantially all of its assets, or any reclassification, or recapitalization (other than a change in par value, or a change in the number of shares of Common Stock resulting from a subdivision or combination as described in the definition of Unit Adjustment Factor) ("Transaction"), unless as a result of the Transaction such other person (i) agrees that each Limited Partner shall thereafter remain entitled to exchange each Unit owned by such Limited Partner (after application of the Unit Adjustment Factor) for an amount of cash, securities, or other property equal to the greatest amount of cash, securities or other property paid to a holder of one Share in consideration of one Share which a Limited Partner would have received at any time during the period from and after the date on which the Transaction is consummated, as if the Limited Partner had exercised its Redemption Right immediately prior to the Transaction and received the Share Amount, and (ii) agrees to assume the General Partner's obligations under this Agreement, provided, that if, in connection with the Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of more than 50 percent of the outstanding shares of Common Stock, the holders of Units shall receive the greatest amount of cash, securities, or other property which a Limited Partner would have received had it exercised the Redemption Right and received the Share Amount in redemption of its Units immediately prior to the expiration of such purchase, tender or exchange offer. Prior to consummating any such Transaction, Regency shall cause appropriate amendments to be made to this Agreement pursuant to Article 4 (including the definitions of Shares, Unit Adjustment Factor and Value) to carry out the intent of the parties that the rights of the Limited Partners hereunder shall not be prejudiced as the result of any such Transaction.

5. Notices From Regency.

5.1. Sales of Assets. The General Partner agrees that (a) so long as there remain outstanding fifty percent (50%) of the total number of Units (i) which were issued at Closings theretofore held pursuant to the Contribution Agreement and (ii) which were not redeemed pursuant to a First Closing Redemption or a Mandatory Subsequent Closing Redemption (such Units are referred to hereinafter as the "Remaining Units"), or (b) until March 1, 2003, if later, the General Partner shall provide each holder of Remaining Units with notice of any sale or other taxable transfer of a Property deemed to be contributed by such holder (or such holder's predecessor in interest) to the Partnership pursuant to the Contribution Agreement, within 60 days after the closing of such sale or other transfer, in order to enable such holder to plan for the cash it will need to pay the income tax liability it will incur as a result of such transaction. Such notice obligation shall not apply to any transfer of a Property in a tax-deferred exchange.

5.2. Periodic Reports. Regency shall promptly furnish to the Limited Partners all periodic reports and other communications that Regency sends to its own shareholders from time to time.

5.3. Changes in Unit Adjustment Factor. The General Partner shall notify each Limited Partner in writing of any change made to the Unit Adjustment Factor within ten (10) business days of the date such change becomes effective.

5.4. Partnership Dissolution. Upon the occurrence of any event causing the termination and dissolution of the Partnership pursuant to Section 13.1 of the Partnership Agreement prior to the end of its stated term, the General Partner shall provide written notice to the Limited Partners, giving them at least 20 days in which to exercise their Redemption Right prior to the distribution of any proceeds from the liquidation of the Partnership.

6. Amendments. This Agreement may be amended with the written consent of the Partnership, the General Partner and Limited Partners holding a majority of the Units then outstanding (exclusive of Units held by the General Partner, Regency or any of their Affiliates). In addition, Regency may amend this Agreement without the consent of any other person to carry out the intent of Section 4.

7. Notices. All notices hereunder shall be sent in the manner set forth in Section 15.1 of the Partnership Agreement.

8. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws and judicial decisions of the State of Delaware, without regard to the principles of conflicts of law.

9. Miscellaneous. All captions in this Agreement are for convenience only and shall in no way define, limit, extend or describe the scope or intent of any provisions hereof. This Agreement constitutes the entire agreement among the parties with respect to the matters contained herein and may not be modified or amended in any matter other than pursuant to Section 4. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. This Agreement shall terminate simultaneously with any termination prior to the First Closing of the Contribution Agreement.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

THE MIDLAND PRINCIPALS:

/s/ Lee S. Wielansky
Lee S. Wielansky

/s/ Stephen M. Notestine
Stephen M. Notestine

/s/ Joseph H. Apter
Joseph H. Apter

/s/ Rodney K. Jones
Rodney K. Jones

/s/ Ned M. Brickman
Ned M. Brickman

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Managing Director and CFO

REGENCY CENTERS, L.P.

By: Regency Realty Corporation
Its General Partner

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Managing Director and CFO

Third Party Management Assets

MIDLAND DEVELOPMENT GROUP, INC.,
a Missouri Corporation

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

OTR Eastern Properties
- Bent Tree Plaza (North Carolina)
- Westchester Plaza (Ohio)
- Hamilton Meadows (Ohio)
- Brookville Plaza (Virginia)
- Lakeshore (Michigan)
- Evans Crossing (Georgia)
- Statler Square (Virginia)
- Kernersville Marketplace (North Carolina)
- Maynard Crossing (North Carolina)
- Shoppes at Mason (Ohio)
- Lake Pine Plaza (North Carolina)

OTR/MIDLAND REALTY HOLDINGS, LTD.,
an Ohio Limited Liability Company

By: Midland Realty Holdings L.L.C.,
a Missouri Limited Liability Company,
Managing Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

BECKETT PARTNERS LIMITED PARTNER-
SHIP, an Ohio Limited Partnership

By: Midland-Beckett Limited Partnership,
a Missouri Limited Partnership, General
Partner

By: Beckett Equities, Inc., a Missouri
Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

REYNOLDSBURG PARTNERS,
an Ohio General Partnership

By: Midland Reynoldsburg Development Company Limited Partnership, a Missouri Limited Partnership, Managing General Partner

By: Reynoldsburg Equities, Inc., a Missouri Corporation, General Partner

By: /s/ Lee S. Wielansky
Lee S. Wielansky
Managing Member

MIDLAND FRANKFORT DEVELOPMENT CO.
L.L.C., a Kentucky Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

By: /s/ Ned M. Brickman
Ned M. Brickman, Manager

By: /s/ Stephen M. Notestine
Stephen M. Notestine, Manager

MAXTOWN PARTNERS, LTD.,
an Ohio Limited Liability Company

By: Maxtown Development Company L.L.C.,
a Missouri Limited Liability Company,
Voting Member

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing Member

St. Ann Square
No. 1706

K & M DEVELOPMENT COMPANY,
a Missouri General Partnership

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Partner

WORTHINGTON DEVELOPMENT COMPANY,
an Ohio General Partnership

By: /s/ Ned M. Brickman
Ned M. Brickman, Managing General Partner

MIDLAND ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND RALEIGH ACQUISITIONS, LLC,
a North Carolina Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND DALLAS ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MICHIGAN ACQUISITIONS, INC.

By: /s/ Lee S. Wielansky
Lee S. Wielansky, President

MIDLAND MONUMENT DEVELOPMENT
COMPANY, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Cheyenne, WY

MIDLAND CHEYENNE, WY DEVELOPMENT COMPANY, a Wyoming Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND CHARLOTTESVILLE DEVELOP-
MENT COMPANY, a Virginia Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND WATERFORD DEVELOPMENT
COMPANY, a Michigan Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

MIDLAND PARKER DEVELOPMENT
LLC, a Colorado Limited
Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Manager

Creekside
Village Center
Garner
Windmiller

MIDLAND REALTY HOLDINGS, L.L.C.,
a Missouri Limited Liability Company

By: /s/ Lee S. Wielansky
Lee S. Wielansky, Managing Member

SCHEDULE A

Unit Recipients

[to be added]

EXHIBIT A

NOTICE OF REDEMPTION AND INVESTOR QUESTIONNAIRE

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Redemption Agreement to which the undersigned, Regency Centers, L.P. and Regency Realty Corporation are parties (the "Agreement").

1. Notice of Redemption. The undersigned, being the record owner of Units (not giving effect to the application of the Unit Adjustment Factor) in the Partnership, in accordance with the terms of the Agreement, hereby irrevocably (a) exercises the option to redeem the number of Units set forth below for Shares (after giving effect to the application of the Unit Adjustment Factor) or into such other cash, securities or other property as shall be authorized under the terms of the Agreement, (b) surrenders such Units and all right, title and interest therein, subject to the provisions of the Agreement, and (c) directs that the Shares issuable or other consideration deliverable upon exercise of the Redemption Right be delivered to the undersigned at the address specified below, and, if applicable, that a new certificate representing ownership of Units not so redeemed be issued and delivered to the undersigned. The undersigned directs that the Specified Redemption Date be the date set forth below (or 5:00 p.m., Eastern time, on the First Business Day after such date if such date is not a Business Day), or 5:00 p.m., Eastern Time, on the tenth Business Day after receipt by the General Partner of this Notice of Redemption, if later. The undersigned hereby appoints the General Partner, with full power of substitution, as the undersigned's attorney-in- fact to coordinate the exact time of the redemption on behalf of the undersigned and any other Limited Partners exercising an option to redeem effective as of the same Specified Redemption Date as that of the undersigned.

2. Investor Questionnaire. The undersigned has completed an Investor Questionnaire, the original of which is attached as Attachment A.

3. Withholding Tax of Non-U.S. Persons. If the undersigned is a Non-U.S. Person, the undersigned will comply with the provisions of Section 6.3 of the Partnership Agreement with respect to the withholding obligations described therein.

4. Representation. The undersigned represents and warrants that such Units being redeemed are free and clear of all liens, security

interests, deeds of trust, pledges and other encumbrances, subject to the provisions of Section 6.3 of the Agreement.

1. Name and address of Redeeming Partner exercising the Redemption Right:

_____
_____
_____
_____

2. Signature of Redeeming Partner:

_____ _____
Date

3. Date of Execution:

_____

4. Number of Units owned by the Redeeming Partner being redeemed pursuant to this Notice of Redemption (check one):

[_] All Units owned by the undersigned

[_] Other (specify number if less than all): _____ Units

5. Specified Redemption Date (which is the effective date of the issuance of the Shares or payment of cash for this Notice of Redemption):

_____

6. Shares issued or cash paid pursuant to the exercise of the Redemption

Right hereby should be sent to the address set forth in Paragraph 1 above, unless a different address is specified below. (If a different address is requested, insert below.)

_____
_____
_____
_____

ATTACHMENT A

INVESTOR QUESTIONNAIRE

This Investor Questionnaire is to be completed by partners of Regency Centers, L.P. (the "Partnership") redeeming limited partnership interests in the Partnership into shares of voting common stock (collectively, "Shares") of Regency Realty Corporation ("Regency"). The following information is needed in order to ensure compliance with the requirements of the private placement exemptions and applicable state exemptions, to determine whether the undersigned is an accredited investor and to determine whether the acquisition of Shares by the undersigned, if applicable, will be in compliance with Article 5.2 of Regency's Articles of Incorporation. The undersigned understands that Regency will rely upon the information contained herein for purposes of such determination.

The undersigned also understands and agrees that, although Regency will use its best efforts to keep the information provided in the answers to this questionnaire strictly confidential, Regency may present this questionnaire and the information provided in answers to it to such parties as it deems advisable if called upon to establish the availability under any federal or state securities laws of an exemption from registration of a private placement or if the contents hereof are relevant to any issue in any investigation, action, suit, or proceeding to which Regency is a party or by which it is or may be bound.

The undersigned further understands that this questionnaire does not constitute an offer by Regency to sell any securities but merely is a request for information.

In accordance with the foregoing, the following representations and information are hereby made and furnished.

I. I have read the reports and other documents filed by Regency under Sections 13 and 14 of the Securities Exchange Act of 1934 during the most recent fiscal year of Regency and the current year to date.

II. Except as indicated below, ownership of any Shares will be solely for my own account, for investment, and not for the account of any other person, or with a view to any resale, fractionalization, or distribution thereof.

_____
_____
_____

III. I am an "Accredited Investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"), by virtue of meeting the standard(s) which I have initialed below (please complete, if applicable):

(Please initial, in the space provided, the statement(s) applicable to you.)

_____ 1. I am a natural person and I have, or my spouse and I jointly have, a net worth (i.e., total assets in excess of total liabilities) in excess of $1,000,000.

or
--

_____ 2. I am a natural person and have had an individual annual income (exclusive of my spouse's income, regardless of whether this is a joint investment with my spouse) in excess of $200,000, or joint annual income with my spouse in excess of $300,000, in each of the two most recent years and reasonably expect to reach the same income level in the current year.

or
--

_____ 3. I am a corporation or a partnership with total assets in excess of $5,000,000 not formed for the specific purpose of acquiring an interest in the Partnership or Regency.

or
--

_____ 4. I am a trust with total assets in excess of $5,000,000 not formed for the specific purpose of acquiring an interest in the Partnership or Regency and investment decisions for the trust are and will be directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Act.

or
--

_____ 5. I am a bank as defined in Section 3(a)(2) of the Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, either acting in my individual capacity or in a fiduciary capacity.

or
--

_____ 6. I am an insurance company as defined in Section 2(13) of the Act.

or
--

_____ 7. I am either an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.

or
--

_____ 8. I am a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or 301(d) of the Small Business Investment Act of 1958.

or
--

_____ 9. I am a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, and the plan's total assets exceed $5,000,000.

or
--

_____ 10. I am an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, and the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or the employee benefit plan has total assets in excess of $5,000,000, or, if a self-directed plan, the investment decisions are made solely by persons that are "Accredited Investors".

or
--

_____ 11. I am a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

or
--

_____ 12. I am a broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

or
--

_____ 13. I am an entity in which all of the equity owners qualify as "Accredited Investors" under the standards set forth in paragraphs 1 through 12 above.(1)

IV. I hereby represent and warrant that following the redemption, if I am an

individual, I will not Beneficially Own any shares of capital stock of Regency ("Capital Stock") in excess of the Ownership Limit, and if the undersigned is a Person other than an individual, no ultimate individual owner of the Person will Beneficially own any shares of Capital Stock of Regency in excess of the Ownership Limit. For purposes of this representation, capitalized terms shall have the following meanings:

_____

(1) IF STATEMENT 13 ABOVE HAS BEEN INITIALED, EACH EQUITY OWNER OF THE ENTITY MUST COMPLETE AN INVESTOR QUESTIONNAIRE.

(a) "Beneficial Ownership" shall mean ownership of Capital Stock by a Person who would be treated as an owner of such shares of Capital Stock, either directly or indirectly, under Section 542(a)(2) of the Code, taking into account for this purpose (i) constructive ownership determined under Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3) of the Code; and (ii) any future amendment to the Code which has the effect of modifying the ownership rules under Section 542(a)(2) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Ownership Limit" shall mean 7% by value of the outstanding Capital Stock of Regency.

(d) "Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity, and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

V. Please Indicate Type of Ownership:

_____ INDIVIDUAL (one signature requred)

_____ PARTNERSHIP (an authorized general partner must sign)

_____ CORPORATION (an authorized corporate officer must sign)

_____ JOINT TENANTS WITH RIGHT OR SURVIVORSHIP (both or all parties must sign)

_____ COMMUNITY PROPERTY (one signature required if Shares are to be held in one name, i.e., managing spouses; two signatures required if Shares are to be held in both names)

_____ TENANTS IN COMMON (both or all parties must sign)

_____ OTHER - Trust, etc.

VI. Please complete the following if an individual:

Residence address: _____
_____
_____

Citizenship (check one): [_] USA [_] Other

VII. If the undersigned is not a natural person, please provide the following information with respect to the entity that will be a holder, directly or indirectly, of the Shares:

1. The name and relationship to the undersigned entity of the person who will make the investment decision on behalf of the entity:

Name:_____

Relationship to Entity:_____

2. Address of Principal
Place of Business:_____

Number and Street (Post Office Box Unacceptable)

_____

City State or Province Country Zip or Postal Code

3. Date of Formation:_____

4. Jurisdiction of Organization:_____

5. I.R.S. Tax Identification Number:_____

6. Number of Shareholders, Partners or Beneficiaries:_____

7. Are any direct or indirect shareholders, partners or beneficiaries Non-U.S. Persons?

_____ Yes _____ No

VIII. I represent to Regency that (a) the information contained herein is complete and accurate and may be relied upon by Regency and (b) I will notify Regency immediately of any material change in any of such information prior to the redemption.

IN WITNESS WHEREOF, I have executed this Investor Questionnaire this ___ day of _____, 199__.

_____
Type or Print Name

_____
Signature

_____
Type or Print Name of Spouse if interests are held as Joint Tenants, Tenants in Common, or Community Property

_____
Signature of Spouse if interests are held as Joint Tenants, Tenants in Common or Community Property

_____
If Applicable, Print Name of Entity

_____
Capacity of Individual Signing on Behalf of Entity

NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT (the "Agreement") is made as of the 1st day of March, 1998 by and among REGENCY CENTERS, L.P., a Delaware limited partnership (the "Partnership"), REGENCY REALTY GROUP, INC., a Florida corporation (the "Third Party Management Company"), REGENCY REALTY CORPORATION, a Florida corporation ("Regency") and Lee S. Wielansky, an individual (the "Midland Principal"), under the following circumstances:

A. Pursuant to the terms and conditions of that certain Contribution Agreement, dated as of January 12, 1998 (the "Contribution Agreement"), by and among Midland Development Group, Inc., a Missouri corporation ("Midland Development"), the Property Entities, the Midland Principals, the Midland Affiliates and Regency, the Contributors are contributing, as applicable, shopping center properties and other assets used in their real estate businesses, ownership interests in the Joint Ventures or the Third Party Management Assets to the Partnership or the applicable Transferee (collectively, the "Assets").

B. The Midland Principal is an equity owner in certain Contributors as well as an executive officer of Midland Development and is receiving limited partnership interests in the Partnership and/or cash which such Contributors (i) are receiving in exchange for the Assets and (ii) are distributing to their equity owners.

C. To induce Regency to enter into the Contribution Agreement and as a condition to closing the transfer of Assets and other transactions contemplated thereby, the Midland Principal has agreed to enter into this Agreement.

D. Capitalized terms used and not otherwise defined herein shall have the meaning assigned thereto in the Contribution Agreement.

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

ARTICLE 1: DEFINITIONS

1.1 "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

1.2 "Business" means the direct or indirect acquisition, ownership, operation, control or development of Grocery Properties.

1.3 "Employee" means an individual who works at least an average of 35 hours per week as an employee, or who performs substantially the same functions as such an employee, whether as a direct or indirect owner, partner, director, officer, agent, consultant, independent contractor or otherwise.

1.4 "Grocery Property" means a grocery-anchored shopping center or a free-standing grocery store located in the Territory.

1.5 "Immediate Family" means a Person's spouse, parents, lineal ascendants or descendants and their spouses, and trusts for the benefit of any of the foregoing.

1.6 "In Conjunction with Another Midland Principal" means with (i) any other Midland Principal or (ii) an entity in which the Midland Principal or any other Midland Principal or Principals or any of his or their Affiliates owns an equity interest, or (iii) any combination of the foregoing.

1.7 "Indirectly" means through (i) an entity in which the Midland Principal or any of his Affiliates has any material direct or indirect equity interest or (ii) any member of the Midland Principal's Immediate Family or an entity in which any member of the Midland Principal's Immediate Family has any material direct or indirect equity interest if the applicable action is taken or equity interest is owned by such member for the purpose of circumventing the restrictions of this Agreement.

1.8 "Midland Principals" means Lee S. Wielansky, Stephen M. Notestine, Joseph H. Apter, Rodney K. Jones, and Ned M. Brickman.

1.9 "NonCompete Period" means a period of three years from the date of this Agreement.

1.10 "Nonsolicitation Period" means a period of one year from the later of the date of this Agreement or the termination of the Midland Principal's status as an Employee of Regency, or any Affiliate of Regency, for any reason whatsoever, whether terminated voluntarily or involuntarily.

1.11 "Person" means an individual or a corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, association or other form of business or legal entity.

1.12 "Territory" means Colorado, Georgia, Illinois, Indiana, Kentucky, Michigan, Missouri, North Carolina, Ohio, Tennessee, Texas, Virginia and Wyoming and any other state in which the Midland Principal engages in the Business on behalf of Regency or any Affiliate of Regency.

1.13 "Third Party Business" means acting as leasing agent for and/or managing Grocery Properties that are owned by third parties.

ARTICLE 2: COVENANTS NOT TO COMPETE AND NOT TO SOLICIT

2.1 Protection of Business Interest. For purposes of this Article 2, 2.6, the parties hereto agree that:

(a) The Midland Principal has substantial relationships with existing customers of the Property Entities and Joint Ventures, including the Kroger Co. and its Affiliates, and will continue to have such relationships with customers in the course of his employment with Regency or its Affiliates;

(b) Such relationships with customers will constitute a legitimate business interest of Regency and/or its Affiliates and are a critical inducement to entering the Contribution Agreement; and

(c) The restrictive covenants contained in this Article 2, 2.6 support such legitimate business interest, are reasonable in time and place, are not overly broad, are reasonably necessary to protect such interest, do not impose an unreasonable restraint on the Midland Principal and are supported by adequate consideration.

2.2 Agreement to Not Compete. (a) At any time that the Midland Principal is an Employee of Regency or any Affiliate of Regency, the Midland Principal shall not directly or Indirectly engage in the Business or Third Party Business other than on behalf of Regency or any such Affiliate of Regency and (b) during the NonCompete Period, the Midland Principal shall not directly or Indirectly engage in the Business in the Territory In Conjunction With Another Midland Principal, other than in the course of their employment by Regency or any Affiliate of Regency on behalf of Regency or such Affiliate of Regency. Notwithstanding the foregoing, if the Midland Principal is not an Employee of Regency or any Affiliate of Regency at the time, the Midland Principal may engage during the NonCompete Period in the Business in the Territory with respect to supercenters of mass merchandisers (including but not limited to Walmart, K-Mart and Target supercenters) In Conjunction With Another Midland Principal who is not an Employee of Regency or any Affiliate of Regency at the time.

2.3 Limitations. The obligations described in Section 2.2 shall not preclude the Midland Principal from (i) owning publicly-traded securities for investment purposes of any entity engaged in the Business or Third Party Business in the Territory, in an amount not exceeding five percent of the total number of outstanding securities of the same class, and (ii) owning, developing or operating any Excluded Property that is listed on Schedule 1.1.39 to the Contribution Agreement even though it constitutes a Grocery Property.

2.4 No Solicitation. At any time that the Midland Principal is an Employee of Regency or any Affiliate of Regency and during the Nonsolicitation Period, the Midland Principal shall not directly or Indirectly, on behalf of himself or any person, entity, corporation, partnership, association, joint venture or other organization, hire, solicit, attempt to solicit, induce, attempt to induce or assist others in attempting to solicit (i) any employee of Regency, the Partnership, the Third Party Management Company and/or any of their respective Affiliates (collectively, the "Regency Entities") for the purpose of persuading such employee to leave as an employee of any Regency Entity or (ii) The Kroger Co. and any of its Affiliates for the purpose of persuading such client to leave as a client of any Regency Entity or terminate any joint venture,

management, development or other contract with any Regency Entity, or (iii) any Third Party Business client for which any Regency Entities perform management and/or leasing services for more than one property, for the purpose of inducing such client to terminate such services.

2.5 Remedies. The parties hereby declare and agree that any breach by the Midland Principal of this Article 2, 2.6 will cause Regency and/or the applicable Regency Entity irreparable injury and damage, and further agree that it would be difficult, if not impossible, to calculate the monetary damages that might accrue to Regency and/or the applicable Regency Entity as a result of such breach. Accordingly, the Midland Principal agrees that in the event of any breach or anticipated breach of the terms or provisions of this Article 2, 2.6 Regency and/or the applicable Regency Entity shall be entitled to injunctive or similar equitable relief to prevent a breach of this Article, and the Midland Principal waives the claim or defense that Regency and/or the applicable Regency Entity have an adequate remedy at law. Nothing herein shall be construed as prohibiting Regency and/or the applicable Regency Entity from pursuing any other remedies available for such breach, including the recovery of monetary damages to the extent calculable.

2.6 Blue Pencil. If any court of competent jurisdiction shall hold that any restriction contained in this Article is unreasonable in duration or geographic scope, such restriction shall be reduced to the extent necessary in the opinion of such court to make it reasonable, the intention of the parties being that Regency and the Regency Entities be given the broadest protection allowed by law or equity with respect to such provision in connection with their acquisition of the Assets.

ARTICLE 3: MISCELLANEOUS

3.1 Headings. The headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

3.2 Pronouns and Plurals. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

3.3 Costs of Litigation. The parties agree that the prevailing party in any action brought with respect to or to enforce any right or remedy under this Agreement shall be entitled to recover from the other party or parties all reasonable costs and expenses of any nature whatsoever actually incurred by the prevailing party in connection with such action, including, without limitation, attorneys' fees (whether incurred before or at trial or on appeal) and prejudgment interest.

3.4 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and, except as otherwise expressly provided shall not preclude the assertion or exercise of any other rights or remedies available by law, in equity or otherwise.

3.5 Amendment and Modification. No amendment, modification or discharge of, or supplement to, this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

3.6 Notices. All notices, demands, requests, and other communications which may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, sent by overnight courier or mailed by first-class, registered or certified U.S. mail, return receipt requested and postage prepaid, or transmitted by facsimile, telegram, telecopy or telex, addressed as follows:

(i) If to the Partnership:

c/o Regency Realty Corporation
121 W. Forsyth Street, Suite 200
Jacksonville, FL 32202
Attn: Bruce M. Johnson
Telephone: (904) 356-7000
Facsimile: (904) 634-3428

(ii) If to the Midland Principal:

Lee S. Wielansky
13462 Maple Ridge Ct.
Creve Coeur, MO 63141
Telephone: 314/469-3663

or to such other person or address as a party shall furnish to the other parties in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section 3.6.

3.7 Waivers. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

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

3.9 Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claim or disputes relating thereto, shall be governed by and construed and enforced in accordance with the laws and judicial decisions of the State of Missouri, without regard to conflict of law principles and excluding the choice of law rules thereof.

3.10 Jurisdiction. The parties agree that any action hereunder shall be taken in a state court of competent jurisdiction in St. Louis, Missouri. The parties agree that should any action in enforcement of this Agreement be undertaken in any federal court or in any other court outside of St. Louis, Missouri, this Agreement shall serve as the filing party's unconditional agreement to transfer said action, or dismiss it without prejudice for refiling, to a proper state court in St. Louis, Missouri.

3.11 Assignment; Parties in Interest.

3.11.1 No party hereto shall assign its rights and/or obligations under this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other parties hereto; provided, that any of Regency, the Partnership, or the Third Party Management Company, without the consent of the Midland Principal, may assign its rights and/or obligations under this Agreement, in whole or in part, to any of their respective Affiliates.

3.11.2 Parties in Interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective heirs, executors, administrators, successors, legal representatives and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to confer upon any other person any right or remedy under or by reason of this Agreement.

3.12 Severability. Every provision of this Agreement is intended to be severable. If any provision or term of this Agreement, or the application of a provision or term to any person or circumstance, shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions and terms hereof, or the application of such provision of such provision or term to persons or circumstances other than those to which it is held invalid, illegal or enforceable, shall not be affected thereby, and there shall be deemed substituted for the provision or term at issue a valid, legal and enforceable provision as similar as possible to the provision or term at issue.

3.13 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. THE PROVISIONS OF THIS SECTION 3.13 SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

3.14 Entire Agreement. This Agreement, including the exhibits and other documents referred to herein or furnished pursuant hereto,

constitutes the entire understanding and agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement on the date first written above.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation,
Its General Partner

/s/ Bruce M. Johnson
Bruce M. Johnson
Managing Director,
Executive Vice
President and CFO

REGENCY REALTY GROUP, INC.

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Executive Vice President

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Managing Director,
Executive Vice
President and CFO

MIDLAND PRINCIPAL

By: /s/ Lee S. Wielansky
Lee S. Wielansky

EXHIBIT 10(e)

March 1, 1998

Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

Re: Partnership Units and Shares of Common Stock

Ladies and Gentlemen:

The undersigned, Midland Development Group, Inc. and Regency Realty Corporation, a Florida corporation ("Regency"), among others, have entered into a Contribution Agreement, dated January 12, 1998 (the "Contribution Agreement"), regarding the contribution to Regency Centers, L.P., a Delaware limited partnership (the "Partnership"), of (a) cash by Regency, and (b) shopping center properties and other assets by the Contributors. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Contribution Agreement or the Redemption Agreement. Pursuant to the terms of the Contribution Agreement, the undersigned is receiving Units (including Additional Units) which may be redeemed for Shares of Common Stock pursuant to the terms of the Partnership Agreement.

In consideration of the foregoing, the undersigned hereby agrees that for a period of one year from the First Closing Date, he will not, without the express written consent of Regency or except as provided below, (i) offer for sale, sell, transfer, give, pledge (except as contemplated by the Contribution Agreement), assign, irrevocably hypothecate or otherwise dispose of, directly or indirectly, any of the Units, or enter into any contract, option or other agreement or understanding regarding the same, other than a pledge pursuant to a bona fide hedging transaction (collectively, a "Transfer"), or (ii) exercise a Redemption Right with respect to any Units issued at the First Closing or any Subsequent Closing other than Units as to which the undersigned elects a First Closing Redemption in accordance with the Contribution Agreement or is required to redeem pursuant to the Redemption Agreement (the "Retained Units"). In addition, the undersigned agrees that during any three-month period during the two years ending on the third anniversary date of the First Closing, without the express written consent of Regency or except as provided below, he will neither Transfer nor exercise a Redemption Right with respect to such number of Units, which together in the aggregate are greater than the number arrived at by multiplying 12.5% times the Base Amount. "Base Amount" equals the sum of the number of Retained Units and the number of Units ("Retained Additional Units") issued to the undersigned at any Subsequent Closing other than Units which are subject to a Mandatory Subsequent Closing Redemption.

Nothing herein shall prevent the undersigned from making a Transfer (a "Permitted Transfer") to an Affiliate, a member of the undersigned's Immediate Family or a charitable trust, provided that such transferee agrees in writing to be bound by the provisions of this Agreement. Immediate Family means the undersigned's spouse, parents, descendants, nephews, nieces, brothers and sisters and trusts for the benefit of any of the foregoing. In order to effect any Permitted Transfer, the undersigned must deliver to Regency a duly executed copy of the instrument making such Permitted Transfer within 10 days after such Permitted Transfer and such instrument must evidence the written acceptance by the assignee of all of the terms and conditions of this Agreement and represent that such assignment was made in accordance with all applicable laws and regulations.

In addition, the foregoing restrictions shall not prohibit the undersigned from exercising Redemption Rights with respect to Units at any time prior to the third anniversary of the First Closing to the extent that (i) the Partnership disposes of a Property, (ii) the undersigned is required to pay tax prior to such anniversary date as a result of such sale, and (iii) the net proceeds (after brokerage commissions) from the sale of Shares issued upon such exercise pursuant to this paragraph do not exceed the sum of (i) such tax liability plus (ii) the tax liability incurred with respect to the sale of such Shares.

The foregoing agreements shall be binding on the undersigned and the undersigned's respective heirs, personal representatives, successors and permitted assigns. The foregoing agreements shall apply to Units

beneficially owned by the undersigned over which the undersigned has investment power as well as to Units owned by the undersigned in the undersigned's own name.

Very truly yours,

/s/ Lee S. Wielansky

Lee S. Wielansky