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United States
SECURITIES AND EXCHANGE COMMISSION
Washington DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2007

-or-

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

For the transition period from ______ to ______

Commission File Number 1-12298

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

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

One Independent Drive, Suite 114
Jacksonville, Florida 32202
(Address of principal executive offices) (Zip Code)

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

Former Address
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check One):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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

(Applicable only to Corporate Registrants)

As of May 7, 2007, there were 69,477,582 shares outstanding of the Registrant's common stock.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

REGENCY CENTERS CORPORATION
Consolidated Balance Sheets
March 31, 2007 and December 31, 2006
(in thousands, except share data)

	2007 (unaudited)	2006
Assets		
Real estate investments at cost:		
Land	$ 843,384	862,851
Buildings and improvements	1,923,384	1,963,634
	2,766,768	2,826,485
Less: accumulated depreciation	441,432	427,389
	2,325,336	2,399,096
Properties in development, net	747,163	615,450
Operating properties held for sale, net	74,695	25,608
Investments in real estate partnerships	435,251	434,090
Net real estate investments	3,582,445	3,474,244
Cash and cash equivalents	29,164	34,046
Notes receivable	19,979	19,988
Tenant receivables, net of allowance for uncollectible accounts of $3,871 and $3,961 at March 31, 2007 and December 31, 2006, respectively	59,631	67,162
Deferred costs, less accumulated amortization of $38,006 and $36,227 at March 31, 2007 and December 31, 2006, respectively	43,880	40,989
Acquired lease intangible assets, less accumulated amortization of $11,257 and $10,511 at March 31, 2007 and December 31, 2006, respectively	11,569	12,315
Other assets	30,266	23,041
	$3,776,934	3,671,785
Liabilities and Stockholders' Equity		
Liabilities:		
Notes payable	$1,438,932	1,454,386
Unsecured line of credit	236,000	121,000
Accounts payable and other liabilities	144,865	140,940
Acquired lease intangible liabilities, net	7,344	7,729
Tenants' security and escrow deposits	10,561	10,517
Total liabilities	1,837,702	1,734,572
Preferred units	49,158	49,158
Exchangeable operating partnership units	15,274	16,941
Limited partners' interest in consolidated partnerships	14,613	17,797
Total minority interest	79,045	83,896
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value per share, 30,000,000 shares authorized; 3,000,000 Series 5 and 800,000 Series 3 and 4 shares issued and outstanding at both March 31, 2007 and December 31, 2006 with liquidation preferences of $25 and $250 per share, respectively	275,000	275,000
Common stock $.01 par value per share, 150,000,000 shares authorized; 74,701,025 and 74,431,787 shares issued at March 31, 2007 and December 31, 2006, respectively	747	744
Treasury stock at cost	(111,414)	(111,414)
Additional paid in capital	1,742,188	1,744,201
Accumulated other comprehensive loss	(10,799)	(13,317)
Distributions in excess of net income	(35,535)	(41,897)
Total stockholders' equity	1,860,187	1,853,317
	$3,776,934	3,671,785

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION
Consolidated Statements of Operations
For the three months ended March 31, 2007 and 2006
(in thousands, except per share data)
(unaudited)

	2007	2006
Revenues:		
Minimum rent	$ 77,456	71,640
Percentage rent	735	438
Recoveries from tenants	22,143	20,472
Management, acquisition and other fees	6,381	7,260
Total revenues	106,715	99,810
Operating expenses:		
Depreciation and amortization	21,518	20,223
Operating and maintenance	13,106	11,694
General and administrative	12,297	10,803
Real estate taxes	11,374	10,107
Other expenses	460	3,658
Total operating expenses	58,755	56,485
Other expense (income):		
Interest expense, net of interest income of $719 and $1,591 in 2007 and 2006, respectively	19,389	19,218
Gain on sale of operating properties and properties in development	(25,645)	(15,680)
Total other expense (income)	(6,256)	3,538
Income before minority interests and equity in income of investments in real estate partnerships	54,216	39,787
Minority interest of preferred units	(931)	(931)
Minority interest of exchangeable operating partnership units	(540)	(641)
Minority interest of limited partners	(278)	(511)
Equity in income of investments in real estate partnerships	3,788	755
Income from continuing operations	56,255	38,459
Discontinued operations, net:		
Operating income from discontinued operations	733	1,975
Gain on sale of operating properties and properties in development	—	30,341
Income from discontinued operations	733	32,316
Net income	56,988	70,775
Preferred stock dividends	(4,919)	(4,919)
Net income for common stockholders	$ 52,069	65,856
Income per common share—basic:		
Continuing operations	$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	$ 0.75	0.97
Income per common share—diluted:		
Continuing operations	$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	$ 0.75	0.97

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statement of Stockholders' Equity and Comprehensive Income (Loss)
For the three months ended March 31, 2007
(in thousands, except per share data)
(unaudited)

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income	Total Stockholders' Equity
Balance at December 31, 2006	$275,000	744	(111,414)	1,744,201	(13,317)	(41,897)	1,853,317
Comprehensive Income:							
Net income	—	—	—	—	—	56,988	56,988
Amortization of loss on derivative instruments	—	—	—	—	327	—	327
Change in fair value of derivative instruments	—	—	—	—	2,191	—	2,191
Total comprehensive income							59,506
Restricted stock issued, net of amortization	—	—	—	4,675	—	—	4,675
Common stock redeemed for taxes withheld for stock based compensation, net	—	2	—	(8,468)	—	—	(8,466)
Common stock issued for partnership units exchanged	—	1	—	2,786	—	—	2,787
Reallocation of minority interest	—	—	—	(1,006)	—	—	(1,006)
Cash dividends declared:							
Preferred stock	—	—	—	—	—	(4,919)	(4,919)
Common stock ($0.66 per share)	—	—	—	—	—	(45,707)	(45,707)
Balance at March 31, 2007	$275,000	747	(111,414)	1,742,188	(10,799)	(35,535)	1,860,187

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the three months ended March 31, 2007 and 2006
(in thousands)
(unaudited)

	2007	2006
Cash flows from operating activities:		
Net income	$ 56,988	70,775
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,518	21,146
Deferred loan cost and debt premium amortization	711	823
Stock based compensation	5,034	4,521
Minority interest of preferred units	931	931
Minority interest of exchangeable operating partnership units	547	1,180
Minority interest of limited partners	278	511
Equity in income of investments in real estate partnerships	(3,788)	(755)
Net gain on sale of properties	(25,645)	(46,527)
Distribution of earnings from operations of investments in real estate partnerships	8,055	8,730
Changes in assets and liabilities:		
Tenant receivables	7,531	4,844
Deferred leasing costs	(1,990)	(1,935)
Other assets	(8,249)	(4,214)
Accounts payable and other liabilities	(24,148)	(29,974)
Above and below market lease intangibles, net	(357)	(238)
Tenants’ security and escrow deposits	44	(70)
Net cash provided by operating activities	37,460	29,748
Cash flows from investing activities:		
Development of real estate including land acquired	(158,056)	(77,150)
Proceeds from sale of real estate investments	65,734	194,467
Repayment of notes receivable, net	9	14,589
Investments in real estate partnerships	(3,808)	(4,791)
Distributions received from investments in real estate partnerships	2,651	—
Net cash (used in) provided by investing activities	(93,470)	127,115
Cash flows from financing activities:		
Net proceeds from common stock issuance	2,332	1,637
(Distributions to) contributions from limited partners in consolidated partnerships	(3,535)	205
Distributions to exchangeable operating partnership unit holders	(432)	(715)
Distributions to preferred unit holders	—	(931)
Dividends paid to common stockholders	(44,638)	(39,596)
Dividends paid to preferred stockholders	—	(4,919)
Proceeds from (repayment of) unsecured line of credit, net	115,000	(54,000)
Repayment of notes payable	(14,243)	(11,790)
Scheduled principal payments	(1,094)	(1,156)
Deferred loan costs	(2,262)	—
Net cash provided by (used in) financing activities	51,128	(111,265)
Net (decrease) increase in cash and cash equivalents	(4,882)	45,598
Cash and cash equivalents at beginning of the period	34,046	42,458
Cash and cash equivalents at end of the period	$ 29,164	88,056

REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the three months ended March 31, 2007 and 2006
(in thousands)
(unaudited)

	2007	2006
Supplemental disclosure of cash flow information—cash paid for interest (net of capitalized interest of $7,134 and $5,145 in 2007 and 2006, respectively)	$ 32,928	34,023
Supplemental disclosure of non-cash transactions:		
Common stock issued for partnership units exchanged	$ 2,787	4,615
Real estate contributed as investments in real estate partnerships	$ 3,518	—
Common stock issued for dividend reinvestment plan	$ 1,069	966
Notes receivable taken in connection with out-parcel sales	$ —	2,401
Change in fair value of derivative instrument	$ 2,191	2,814

See accompanying notes to consolidated financial statements.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

General

Regency Centers Corporation ("Regency" or the "Company") began its operations as a Real Estate Investment Trust ("REIT") in 1993, and is the managing general partner of its operating partnership, Regency Centers, L.P. ("RCLP" or the "Partnership"). Regency currently owns approximately 99% of the outstanding common partnership units ("Units") of the Partnership. Regency engages in the ownership, management, leasing, acquisition, and development of retail shopping centers through the Partnership, and has no other assets or liabilities other than through its investment in the Partnership. At March 31, 2007, the Partnership directly owned 220 retail shopping centers and held partial interests in an additional 189 retail shopping centers through investments in joint ventures.

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and the Partnership and its wholly owned subsidiaries, and joint ventures in which the Partnership has a controlling interest. The equity interests of third parties held in the Partnership or its controlled joint ventures are included in the consolidated financial statements as preferred units, exchangeable operating partnership units or limited partners' interest in consolidated partnerships. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements.

Investments in joint ventures not controlled by the Company ("Unconsolidated Joint Ventures") are accounted for under the equity method. The Company has evaluated its investment in the Unconsolidated Joint Ventures and has concluded that they are not variable interest entities as defined in the Financial Accounting Standards Board ("FASB") Interpretation No. 46(R) "Consolidation of Variable Interest Entities" ("FIN 46R"). Further, the venture partners in the Unconsolidated Joint Ventures have significant ownership rights, including approval over operating budgets and strategic plans, capital spending, sale or financing, and admission of new partners; therefore, the Company has concluded that the equity method of accounting is appropriate for these interests as they do not require consolidation under EITF Issue No. 04-5 "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights". Under the equity method of accounting, investments in the Unconsolidated Joint Ventures are initially recorded at cost, and subsequently increased for additional contributions and allocations of income and reduced for distributions received and allocation of losses. These investments are included in the consolidated financial statements as Investments in real estate partnerships.

Ownership of the Company

Regency has a single class of common stock outstanding and three series of preferred stock outstanding (Series 3, 4, and 5 Preferred Stock). The dividends on the Series 3, 4, and 5 Preferred Stock are cumulative and payable in arrears on the last day of each calendar quarter. The Company owns corresponding Series 3, 4, and 5 preferred unit interests ("Series 3, 4, and 5 Preferred Units") in the Partnership that entitle the Company to income and distributions from the Partnership in amounts equal to the dividends paid on the Company's Series 3, 4, and 5 Preferred Stock.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

(a) Organization and Principles of Consolidation (continued)

Ownership of the Operating Partnership

The Partnership's capital includes general and limited common partnership Units, Series 3, 4, and 5 Preferred Units owned by the Company, and Series D Preferred Units owned by institutional investors.

At March 31, 2007, the Company owned approximately 99% or 69,210,414 Partnership Units of the total 69,877,308 Partnership Units outstanding. Each outstanding common Partnership Unit not owned by the Company is exchangeable for one share of Regency common stock. The Company revalues the minority interest associated with the Units each quarter to maintain a proportional relationship between the book value of equity associated with common stockholders relative to that of the Unit holders since both have equivalent rights and Units are convertible into shares of common stock on a one-for-one basis.

Net income and distributions of the Partnership are allocable first to the Preferred Units, and the remaining amounts to the general and limited partners' Units in accordance with their ownership percentage. The Series 3, 4, and 5 Preferred Units owned by the Company are eliminated in consolidation.

(b) Revenues

The Company leases space to tenants under agreements with varying terms. Leases are accounted for as operating leases with minimum rent recognized on a straight-line basis over the term of the lease regardless of when payments are due. Accrued rents are included in tenant receivables. As part of the leasing process, the Company may provide the lessee with an allowance for the construction of leasehold improvements. Leasehold improvements are capitalized as part of the building and recorded as tenant improvements and depreciated over the shorter of the useful life of the improvements or the lease term. If the allowance represents a payment for a purpose other than funding leasehold improvements, or in the event the Company is not considered the owner of the improvements, the allowance is considered to be a lease incentive and is recognized over the lease term as a reduction of rental revenue. Factors considered during this evaluation include, among others, who holds legal title to the improvements, and other controlling rights provided by the lease agreement (e.g. unilateral control of the tenant space during the build-out process). Determination of the appropriate accounting for a tenant allowance is made on a case-by-case basis, considering the facts and circumstances of the individual tenant lease. Lease revenue recognition commences when the lessee is given possession of the leased space upon completion of tenant improvements when the Company is the owner of the leasehold improvements; however, when the leasehold improvements are owned by the tenant, the lease inception date is when the tenant obtains possession of the leased space for purposes of constructing its leasehold improvements.

(b) Revenues (continued)

Substantially all of the lease agreements contain provisions that provide for additional rents based on tenants' sales volume (percentage rent) and reimbursement of the tenants' share of real estate taxes, insurance and common area maintenance ("CAM") costs.

Percentage rents are recognized when the tenants achieve the specified targets as defined in their lease agreements. Recovery of real estate taxes, insurance and CAM costs are recognized as the respective costs are incurred in accordance with the lease agreements.

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

The Company has been engaged by joint ventures under agreements to provide asset management, property management; and leasing, investing and financing services for such ventures' shopping centers. The fees are market based and generally calculated as a percentage of either revenues earned or the estimated values of the properties managed, and are recognized as services are rendered, when fees due are determinable and collectibility is reasonably assured.

(c) Real Estate Investments

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

The Company incurs costs prior to land acquisition including contract deposits, as well as legal, engineering and other external professional fees related to evaluating the feasibility of developing a shopping center. These pre-development costs are included in properties in development. If the Company determines that the development of a particular shopping center is no longer probable, any related pre-development costs previously incurred are immediately expensed. At March 31, 2007 and December 31, 2006, the Company had capitalized pre-development costs of $23.9 million and $23.3 million, respectively of which $9.4 million and $10.0 million, respectively were refundable deposits.

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

(c) Real Estate Investments (continued)

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

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

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

The value of in-place leases is estimated based on the value associated with the costs avoided in originating leases compared to the acquired in-place leases as well as the value associated with lost rental and recovery revenue during the assumed lease-up period. The value of in-place leases is recorded to amortization expense over the remaining initial term of the respective leases.

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

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

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

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

(c) Real Estate Investments (continued)

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

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

(d) Income Taxes

The Company believes it qualifies, and intends to continue to qualify, as a REIT under the Internal Revenue Code (the "Code"). As a REIT, the Company will generally not be subject to federal income tax, provided that distributions to its stockholders are at least equal to REIT taxable income.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which these temporary differences are expected to be recovered or settled.

Earnings and profits, which determine the taxability of dividends to stockholders, differs from net income reported for financial reporting purposes primarily because of differences in depreciable lives and cost bases of the shopping centers, as well as other timing differences.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

(d) Income Taxes (continued)

Regency Realty Group, Inc. ("RRG"), a wholly-owned subsidiary of RCLP, is a Taxable REIT Subsidiary as defined in Section 856(l) of the Code. RRG is subject to federal and state income taxes and files separate tax returns. During the three months ended March 31, 2007, the Company recorded a tax benefit of $1.3 million as compared to a provision of $3.0 million for the same period in the prior year.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting and reporting for uncertainties in income tax law. This Interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Under FIN 48, tax positions shall initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. The Company adopted this Interpretation effective January 1, 2007 and the adoption of FIN 48 did not have a material effect on the Company's consolidated financial statements.

(e) Deferred Costs

Deferred costs include leasing costs and loan costs, net of accumulated amortization. Such costs are amortized over the periods through lease expiration or loan maturity, respectively. Deferred leasing costs consist of internal and external commissions associated with leasing the Company's shopping centers. Net deferred leasing costs were $34.4 million and $33.3 million at March 31, 2007 and December 31, 2006, respectively. Deferred loan costs consist of initial direct and incremental costs associated with financing activities. Net deferred loan costs were $9.5 million and $7.7 million at March 31, 2007 and December 31, 2006, respectively.

(f) Earnings per Share and Treasury Stock

Basic net income per share of common stock is computed based upon the weighted average number of common shares outstanding during the period. Diluted net income per share also includes common share equivalents for stock options, restricted stock and exchangeable operating partnership units, if dilutive. See note 11 for the calculation of earnings per share ("EPS").

Repurchases of the Company's common stock are recorded at cost and are reflected as Treasury stock in the consolidated statements of stockholders' equity and comprehensive income (loss). Outstanding shares do not include treasury shares.

(g) Cash and Cash Equivalents

Any instruments which have an original maturity of 90 days or less when purchased are considered cash equivalents. Cash distributions of normal operating earnings from investments in real estate partnerships are included in cash flows from operations in the consolidated statements of cash flows. Cash distributions from the sale or loan proceeds from the placement of debt on a property included in investments in real estate partnerships is included in cash flows from investing activities in the consolidated statements of cash flows.

(h) Estimates

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

(i) Stock-Based Compensation

Regency grants stock-based compensation to its employees and directors. When Regency issues common shares as compensation, it receives a comparable number of common units from the Partnership including stock options. Regency is committed to contribute to the Partnership all proceeds from the exercise of stock options or other stock-based awards granted under Regency's Long-Term Omnibus Plan. Accordingly, Regency's ownership in the Partnership will increase based on the amount of proceeds contributed to the Partnership for the common units it receives. As a result of the issuance of common units to Regency for stock-based compensation, the Partnership accounts for stock-based compensation in the same manner as Regency.

The Company recognizes stock based compensation in accordance with SFAS No. 123(R) "Share-Based Payment" ("Statement 123(R)"). The Company early adopted Statement 123(R) effective January 1, 2005 by applying the "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date. See Note 10 for further discussion.

(j) Segment Reporting

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

The Company's portfolio is located throughout the United States; however, management does not distinguish or group its operations on a geographical basis for purposes of allocating resources or measuring performance. The Company reviews operating and financial data for each property on an individual basis, therefore, the Company defines an operating segment as its individual properties. No individual property constitutes more than 10% of the Company's combined revenue, net income or assets, and thus the individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the centers, tenants and operational processes, as well as long-term average financial performance. In addition, no single tenant accounts for 7% or more of revenue and none of the shopping centers are located outside the United States.

(k) Derivative Financial Instruments

The Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("Statement 133") as amended by SFAS No. 149. Statement 133 requires that all derivative instruments, whether designated in hedging relationships or not, be recorded on the balance sheet at their fair value. Gains or losses resulting from changes in the values of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The Company's use of derivative financial instruments is normally to mitigate its interest rate risk on a related financial instrument or forecasted transaction through the use of interest rate swaps. The Company designates these interest rate swaps as cash flow hedges.

Statement 133 requires that changes in fair value of derivatives that qualify as cash flow hedges be recognized in other comprehensive income ("OCI") while the ineffective portion of the derivative's change in fair value be recognized in the income statement as interest expense. Upon the settlement of a hedge, gains and losses associated with the transaction are recorded in OCI and amortized over the underlying term of the hedge transaction. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Company assesses, both at inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the cash flows of the hedged items.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

(k) Derivative Financial Instruments (continued)

In assessing the hedge, the Company uses standard market conventions and techniques such as discounted cash flow analysis, option pricing models and termination costs at each balance sheet date. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized. See Note 8 for further discussion.

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

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" ("Statement 150"). Statement 150 affects the accounting for certain financial instruments, which requires companies having consolidated entities with specified termination dates to treat minority owners' interests in such entities as liabilities in an amount based on the fair value of the entities. Although Statement 150 was originally effective July 1, 2003, the FASB has indefinitely deferred certain provisions related to classification and measurement requirements for mandatory redeemable financial instruments that become subject to Statement 150 solely as a result of consolidation, including minority interests of entities with specified termination dates.

At March 31, 2007, the Company held a majority interest in three consolidated entities with specified termination dates through 2049. The minority owners' interests in these entities will be settled upon termination by distribution or transfer of either cash or specific assets of the underlying entities. The estimated fair value of minority interests in entities with specified termination dates was approximately $9.0 million at March 31, 2007. The related carrying value is $1.7 million and $1.3 million as of March 31, 2007 and December 31, 2006, respectively which is included within limited partners' interest in consolidated partnerships in the accompanying consolidated balance sheet. The Company has no other financial instruments that are affected by Statement 150.

(m) Recent Accounting Pronouncements

In February 2007, the FASB Issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities". This Statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The Statement also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. Statement No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, although early application is allowed. The Company does not believe that the adoption of Statement 159 will have a material effect on its consolidated financial statements; however, the Company will continue to evaluate the application of this Statement.

In September 2006, the FASB issued Statement No. 157 "Fair Value Measurements." This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies to accounting pronouncements that require or permit fair value measurements, except for share-based payments transactions under FASB Statement No. 123(R). This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. As Statement No. 157 does not require any new fair value measurements or remeasurements of previously computed fair values, the Company does not believe adoption of this Statement will have a material effect on its consolidated financial statements.

(n) Reclassifications

Certain reclassifications have been made to the 2006 amounts to conform to classifications adopted in 2007.

2. Real Estate Investments

During 2007, the Company's acquisition activity was through its joint ventures discussed further in Note 4.

3. Discontinued Operations

Regency maintains a conservative capital structure to fund its growth programs without compromising its investment-grade ratings. This approach is founded on a self-funding business model which utilizes center "recycling" as a key component and requires ongoing monitoring of each center to ensure that it meets Regency's investment standards. This recycling strategy calls for the Company to sell properties that do not measure up to its standards and re-deploy the proceeds into new, higher-quality developments and acquisitions that are expected to generate sustainable revenue growth and more attractive returns.

During the three months ended March 31, 2007, the Company had four properties classified as held for sale and their revenues of $1.4 million were reclassified to operating income from discontinued operations. The revenues from these four properties, including properties sold in 2006 were $4.7 million for the three months ended March 31, 2006. The operating income and gains from properties included in discontinued operations are reported net of minority interest of exchangeable operating partnership units and income taxes, if the property is sold by RRG, as follows (in thousands):

	For the three months ended			
	March 31, 2007		March 31, 2006	
	Operating Income	Gain on sale of properties	Operating Income	Gain on sale of Properties
Operations and gain	$ 740	—	2,008	30,847
Less: Minority interest	7	—	33	506
Discontinued operations, net	$ 733	—	1,975	30,341

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

4. Investments in Real Estate Partnerships

The Company accounts for all investments in which it owns 50% or less and does not have a controlling financial interest using the equity method. The Company has determined that these investments are not variable interest entities as defined in FIN 46(R) and do not require consolidation under EITF 04-5 or SOP 78-9, and therefore are subject to the voting interest model in determining its basis of accounting. Major decisions, including property acquisitions and dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners. The Company's combined investment in these partnerships was $435.3 million and $434.1 million at March 31, 2007 and December 31, 2006, respectively. Any difference between the carrying amount of these investments and the underlying equity in net assets is amortized or accreted to equity in income (loss) of investments in real estate partnerships over the expected useful lives of the properties and other intangible assets which range in lives from 10 to 40 years. Net income from these partnerships, which includes all operating results, as well as gains on sales of properties within the joint ventures, is allocated to the Company in accordance with the respective partnership agreements. Such allocations of net income or loss are recorded in equity in income (loss) of investments in real estate partnerships in the accompanying consolidated statements of operations.

Investments in real estate partnerships are comprised primarily of joint ventures with three unrelated co-investment partners and a recently formed open-end real estate fund ("Regency Retail Partners" or the "Fund"), as further described below. In addition to the Company earning its pro-rata share of net income (loss) in each of the partnerships, these partnerships pay the Company fees for asset management, property management, investment and financing services. During the three months ended March 31, 2007 and 2006, the Company received fees from these joint ventures of $6.4 million and $7.2 million, respectively.

The Company co-invests with the Oregon Public Employees Retirement Fund in three joint ventures (collectively "Columbia") in which the Company has ownership interests of 20% or 30%. As of March 31, 2007, Columbia owned 20 shopping centers, had total assets of $562.0 million, and net income of $3.1 million. The Company's share of Columbia's total assets and net income was $124.7 million and $631,280 respectively.

The Company co-invests with the California State Teachers' Retirement System ("CalSTRS") in a joint venture ("RegCal") in which the Company has an ownership interest of 25%. As of March 31, 2007, RegCal owned nine shopping centers, had total assets of $181.7 million, and net income of $419,010. The Company's share of RegCal's total assets and net income was $45.4 million and $128,704, respectively.

4. Investments in Real Estate Partnerships (continued)

The Company co-invests with Macquarie CountryWide Trust of Australia ("MCW") in four joint ventures, two in which the Company has an ownership interest of 25% (collectively, "MCWR I"), and two in which it has an ownership interest of 24.95% (collectively, "MCWR II").

As of March 31, 2007, MCWR I owned 50 shopping centers, had total assets of $733.2 million, and net income of $10.3 million. Regency's share of MCWR I's total assets and net income was $183.4 million and $3.9 million, respectively. During 2007 MCWR I purchased one shopping center from a third party for $23.0 million. The Company contributed $2.2 million for its proportionate share of the purchase price, which was net of $10.8 million of assumed mortgage debt by MCWR I. During 2007, MCWR I sold one shopping center to an unrelated party for $33.4 million for a gain of $7.9 million.

On June 1, 2005, MCWR II closed on the acquisition of a retail shopping center portfolio (the "First Washington Portfolio") for a purchase price of approximately $2.8 billion, including the assumption of approximately $68.6 million of mortgage debt and the issuance of approximately $1.6 billion of new mortgage loans on the properties acquired. The First Washington Portfolio acquisition was accounted for as a purchase business combination by MCWR II. At December 31, 2005, MCWR II was owned 64.95% by an affiliate of MCW, 34.95% by Regency and 0.1% by Macquarie-Regency Management, LLC ("US Manager"). US Manager is owned 50% by Regency and 50% by an affiliate of Macquarie Bank Limited. On January 13, 2006, the Company sold a portion of its investment in MCWR II to MCW which reduced its ownership interest from 35% to 24.95% for net cash of $113.2 million which is reflected in proceeds from sale of real estate investments in the consolidated statements of cash flows. The proceeds from the sale were used to reduce the unsecured line of credit.

Regency has the ability to receive additional acquisition fees of approximately $5.2 million (the "Contingent Acquisition Fees") deferred from the original acquisition date that are subject to achieving cumulative targeted income levels through 2008. The Contingent Acquisition Fees will only be recognized if earned, and the recognition of income will be limited to that percentage of MCWR II, or 75.05%, of the joint venture not owned by the Company.

4. Investments in Real Estate Partnerships (continued)

As of March 31, 2007, MCWR II owned 97 shopping centers, had total assets of $2.7 billion and recorded a net loss of $5.7 million. Regency's share of MCWR II's total assets and net loss was $668.6 million and $1.4 million, respectively. As a result of the significant amount of depreciation and amortization expense recorded by MCWR II in connection with the acquisition of the First Washington Portfolio, the joint venture may continue to report a net loss in future years, but is expected to produce positive cash flow from operations.

In December 2006, Regency formed Regency Retail Partners (the "Fund"), an open-end, infinite-life investment fund in which its ownership interest is 26.8%. During the first quarter, the Company reduced its ownership interest to 20% with the admission of additional partners into the Fund and recognized a gain of $2.2 million that had previously been deferred. The Fund will have the exclusive right to acquire all Regency-developed large format community centers upon stabilization that meet the Fund's investment criteria.

As of March 31, 2007, the Fund owned four shopping centers, had total assets of $140.2 million, and recorded net income of $109,587. Regency's share of the Fund's total assets and net income was $27.9 million and $40,500, respectively. During 2007, the Fund acquired two community shopping centers from the Company for a sales price of $61.0 million, for which the Company received cash of $57.6 million for the Fund's proportionate share and recognized a gain of $22.1 million.

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

Our investments in real estate partnerships as of March 31, 2007 and December 31, 2006 consist of the following (in thousands):

	Ownership	2007	2006
Macquarie CountryWide-Regency (MCWR I)	25.00%	$ 62,789	60,651
Macquarie CountryWide Direct (MCWR I)	25.00%	6,705	6,822
Macquarie CountryWide-Regency II (MCWR II)	24.95%	229,548	234,378
Macquarie CountryWide-Regency III (MCWR II)	24.95%	1,087	1,140
Columbia Regency Retail Partners (Columbia)	20.00%	35,635	36,096
Cameron Village LLC (Columbia)	30.00%	20,876	20,826
Columbia Regency Partners II (Columbia)	20.00%	11,814	11,516
RegCal, LLC (RegCal)	25.00%	18,280	18,514
Regency Retail Partners (the Fund) (1)	20.00%	8,710	5,139
Other investments in real estate partnerships	50.00%	39,807	39,008
Total		$435,251	434,090

(1) At December 31, 2006, Regency's ownership interest in the Fund was 26.8%.

4. Investments in Real Estate Partnerships (continued)

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

	March 31, 2007	December 31, 2006
Investment in real estate, net	$ 4,068,841	4,029,389
Acquired lease intangible assets, net	192,451	200,835
Other assets	149,442	135,451
Total assets	4,410,734	4,365,675
Notes payable	2,469,787	2,435,229
Acquired lease intangible liabilities, net	72,104	69,336
Other liabilities	68,261	70,295
Members' capital	1,800,582	1,790,815
Total liabilities and equity	$ 4,410,734	4,365,675

Unconsolidated investments in real estate partnerships had notes payable of $2.5 billion and $2.4 billion as of March 31, 2007 and December 31, 2006, respectively and the Company's proportionate share of these loans was $614.5 million and $610.8 million, respectively. The loans are primarily non-recourse, but for those that are guaranteed by a joint venture, Regency's guarantee does not extend beyond its ownership percentage of the joint venture.

The revenues and expenses for the unconsolidated investments on a combined basis are summarized as follows for the three months ended March 31, 2007 and 2006 (in thousands):

	2007	2006
Total revenues	$108,012	101,463
Operating expenses:		
Depreciation and amortization	43,171	45,281
Operating and maintenance	15,021	14,255
General and administrative	3,506	1,577
Real estate taxes	12,545	12,020
Total operating expenses	74,243	73,133
Other expense (income):		
Interest expense, net	32,366	30,571
Gain on sale of real estate	(7,916)	(5,206)
Other income	117	116
Total other expense (income)	24,567	25,481
Net income	$ 9,202	2,849

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

5. Notes Receivable

The Company has notes receivables outstanding of $20.0 million at March 31, 2007 and December 31, 2006, respectively. The notes bear interest ranging from 6.75% to 8.0% with maturity dates through November 2014.

6. Acquired Lease Intangibles

The Company has acquired lease intangible assets of $11.6 million and $12.3 million at March 31, 2007 and December 31, 2006, respectively of which $11.0 million and $11.7 million, respectively relates to in-place leases. The aggregate amortization expense recorded for these in-place leases was approximately $718,603 and $866,317 for the three months ended March 31, 2007 and 2006, respectively. The Company has above market lease intangible assets of $595,828 recorded net of a reduction to minimum rent of $27,302 at March 31, 2007. The Company has acquired lease intangible liabilities of $7.3 million and $7.7 million as of March 31, 2007 and December 31, 2006, respectively related to below-market rents recorded net of previously accreted minimum rent of $4.7 million and $3.1 million, respectively.

7. Notes Payable and Unsecured Line of Credit

The Company's outstanding debt at March 31, 2007 and December 31, 2006 consists of the following (in thousands):

	2007	2006
Notes Payable:		
Fixed rate mortgage loans	$ 171,435	186,897
Variable rate mortgage loans	68,622	68,662
Fixed rate unsecured loans	1,198,875	1,198,827
Total notes payable	1,438,932	1,454,386
Unsecured Line of Credit	236,000	121,000
Total	$ 1,674,932	1,575,386

In February, 2007, Regency entered into a new loan agreement under the Line of credit (the "Line") with a commitment of $600 million and the right to expand the Line by an additional $150 million subject to additional lender syndication. The Line has a four-year term which expires in 2011 with a one-year extension at the Company's option with an interest rate of LIBOR plus .55%. At March 31, 2007, the balance on the Line was $236 million. Contractual interest rates were 5.925% at March 31, 2007 and 6.125% at December 31, 2006 based on LIBOR plus ..75%.

The spread paid on the Line is dependent upon the Company maintaining specific investment-grade ratings. The Company is also required to comply, and is in compliance, with certain financial covenants such as Minimum Net Worth, Total Liabilities to Gross Asset Value ("GAV") and Recourse Secured Debt to GAV, Fixed Charge Coverage and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the development of real estate, but is also available for general working-capital purposes.

Mortgage loans are secured by certain real estate properties and may be prepaid, but could be subject to a yield-maintenance premium or prepayment penalty. Mortgage loans are generally

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

due in monthly installments of interest and principal and mature over various terms through 2017. The Company intends to repay mortgage loans at maturity from proceeds from the Line. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 90 to 130 basis points. Fixed interest rates on mortgage loans range from 5.22% to 8.95%.

The fair value of the Company's variable rate notes payable and the Line are considered to approximate fair value, since the interest rates on such instruments re-price based on current market conditions. The fair value of fixed rate loans are estimated using cash flows discounted at current market rates available to the Company for debt with similar terms and average maturities. Fixed rate loans assumed in connection with real estate acquisitions are recorded in the accompanying consolidated financial statements at fair value. Based on the estimates used by the Company, the fair value of notes payable and the Line is approximately $1.7 billion at March 31, 2007.

As of March 31, 2007, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

Scheduled Principal Payments by Year	Scheduled Principal Payments	Term Loan Maturities	Total Payments
2007	$ 2,629	77,660	80,289
2008	3,352	19,603	22,955
2009	3,352	53,090	56,442
2010	3,190	177,229	180,419
2011 (includes the Line)	3,191	487,151	490,342
Beyond 5 Years	8,787	834,294	843,081
Unamortized debt premiums	—	1,404	1,404
Total	$ 24,501	1,650,431	1,674,932

8. Derivative Financial Instruments

The Company uses derivative instruments primarily to manage exposures to interest rate risks. In order to manage the volatility relating to interest rate risk, the Company may enter into interest rate hedging arrangements from time to time. None of the Company's derivatives are designated as fair value hedges. The Company does not utilize derivative financial instruments for trading or speculative purposes.

On March 10, 2006, the Company entered into four forward-starting interest rate swaps totaling $396.7 million with fixed rates of 5.399%, 5.415%, 5.399% and 5.415%. The Company designated these swaps as cash flow hedges to fix $400 million fixed rate financing expected to occur in 2010 and 2011. The change in fair value of these swaps from inception generated a liability of $740,008 at March 31, 2007, which is recorded in accounts payable and other liabilities in the accompanying consolidated balance sheet.

On April 1, 2005, the Company entered into three forward-starting interest rate swaps of approximately $65.6 million each with fixed rates of 5.029%, 5.05% and 5.05% to fix the rate on unsecured notes issued in July 2005. On July 13, 2005, the Company settled the swaps with a

8. Derivative Financial Instruments (continued)

payment to the counter-parties for $7.3 million. During 2003, the Company entered into two forward-starting interest rate swaps for a total of $144.2 million to fix the rate on a refinancing in April 2004. On March 31, 2004, the Company settled these swaps with a payment to the counter-party for $5.7 million. The adjustment to interest expense recorded in 2007 related to the settlement of these swaps is $326,511 and the unamortized balance at March 31, 2007 is $10.1 million.

All of these swaps qualify for hedge accounting under Statement 133. Realized losses associated with the swaps settled in 2005 and 2004 and unrealized losses associated with the swaps entered into in 2006 have been included in accumulated other comprehensive income (loss) in the consolidated statement of stockholders' equity and comprehensive income (loss). The unamortized balance of the realized losses is being amortized as additional interest expense over the ten year terms of the hedged loans. Unrealized losses will not be amortized until such time that the expected debt issuance is completed in 2010 and 2011 as long as the swaps continue to qualify for hedge accounting.

9. Stockholders' Equity and Minority Interest

(a) Preferred Units

At March 31, 2007 and December 31, 2006, the face value of the Series D Preferred Units was $50 million with a fixed distribution rate of 7.45% and recorded on the accompanying consolidated balance sheets net of original issuance costs.

Terms and conditions for the Series D Preferred Units outstanding as of March 31, 2007 are summarized as follows:

Units Outstanding	Amount Outstanding	Distribution Rate	Callable by Company	Exchangeable by Unit holder
500,000	$50,000,000	7.450%	09/29/09	01/01/16

The Preferred Units, which may be called by RCLP at par beginning September 29, 2009, have no stated maturity or mandatory redemption and pay a cumulative, quarterly dividend at a fixed rate. The Preferred Units may be exchanged by the holder for Cumulative Redeemable Preferred Stock ("Preferred Stock") at an exchange rate of one share for one unit. The Preferred Units and the related Preferred Stock are not convertible into common stock of the Company.

Regency Centers Corporation

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9. Stockholders' Equity and Minority Interest (continued)

(b) Preferred Stock

Terms and conditions of the three series of Preferred stock outstanding as of March 31, 2007 are summarized as follows:

Series	Shares Outstanding	Depositary Shares	Liquidation Preference	Distribution Rate	Callable by Company
Series 3	300,000	3,000,000	$ 75,000,000	7.450%	04/03/08
Series 4	500,000	5,000,000	125,000,000	7.250%	08/31/09
Series 5	3,000,000	—	75,000,000	6.700%	08/02/10
	3,800,000	8,000,000	$275,000,000		

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

(c) Common Stock

On April 5, 2005, the Company entered into an agreement to sell 4,312,500 shares of its common stock to an affiliate of Citigroup Global Markets Inc. ("Citigroup") at $46.60 per share, in connection with a forward sale agreement (the "Forward Sale Agreement"). On August 1, 2005, the Company issued 3,782,500 shares to Citigroup for net proceeds of approximately $175.5 million and on September 7, 2005, the remaining 530,000 shares were issued for net proceeds of $24.4 million. The proceeds from the sale were used to reduce the Line and redeem the Series E and Series F Preferred Units.

Regency Centers Corporation

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10. Stock-Based Compensation

The Company recorded stock-based compensation expense for the three months ended March 31, 2007 and 2006 as follows, the components of which are further described below (in thousands):

	2007	2006
Restricted stock	$4,675	4,179
Stock options	256	240
Directors' fees paid in common stock	103	102
Total	$5,034	4,521

The recorded amounts of stock-based compensation expense represent amortization of deferred compensation related to share based payments in accordance with Statement 123(R). Compensation expense that is specifically identifiable to development activities is capitalized to the associated development project and is included above.

The Company has a Long-Term Omnibus Plan (the "Plan") under which the Board of Directors may grant stock options and other stock-based awards to officers, directors and other key employees. The Plan allows the Company to issue up to 5.0 million shares in the form of common stock or stock options, but limits the issuance of common stock excluding stock options to no more than 2.75 million shares. At March 31, 2007, there were approximately 1.4 million shares available for grant under the Plan either through options or restricted stock. The Plan also limits outstanding awards to no more than 12% of outstanding common stock.

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10. Stock-Based Compensation (continued)

Stock options are granted under the Plan with an exercise price equal to the stock's fair market value at the date of grant. All stock options granted have ten-year lives, contain vesting terms of one to five years from the date of grant and some have dividend equivalent rights. Stock options granted prior to 2005 also contained "reload" rights, which allowed an option holder to receive new options each time existing options were exercised if the existing options were exercised under specific criteria provided for in the Plan. In 2005, the Company acquired the "reload" rights of existing employees' stock options from the option holders by granting 771,645 options for an exercise price of $51.36, the fair value on the date of grant, and granted 7,906 restricted shares representing value of $363,664, substantially canceling all of the "reload" rights on existing stock options. In March 2007, the Company acquired the "reload" rights of existing directors' stock options from the option holders by granting 13,353 options for an average exercise price of $89.95, the fair value on the date of grant, and granted 1,654 restricted shares representing value of $148,725, canceling all of the "reload" rights on existing directors' stock options. These stock options and restricted shares vest 25% per year and are expensed over a four-year period beginning in year of grant in accordance with Statement 123(R). Options granted under the reload buy-out plan do not earn dividend equivalents.

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

The Company believes that the use of the Black-Scholes model meets the fair value measurement objectives of Statement 123(R) and reflects all substantive characteristics of the instruments being valued. The following table represents the assumptions used for the Black-Scholes option-pricing model for options granted for the three months ended March 31, 2007 and 2006:

	2007	2006
Per share weighted average value of stock options	$8.78	8.62
Expected dividend yield	3.1%	3.6%
Risk-free interest rate	4.9%	4.8%
Expected volatility	19.8%	21.0%
Expected life in years	2.7	2.3

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

10. Stock-Based Compensation (continued)

The following table reports stock option activity during the three months ended March 31, 2007:

	Number of Options	Weighted Average Exercise Price	Remaining Contractual Term (in years)	Intrinsic Value (in thousands)
Outstanding—December 31, 2006	1,195,551	$ 48.90		
Granted	17,122	88.78		
Exercised	(465,704)	48.56		$ 19,914
Outstanding—March 31, 2007	746,969	$ 50.02	7.8	$ 25,043
Vested and expected to vest— March 31, 2007	732,473	$ 49.99	7.8	$ 24,581
Exercisable—March 31, 2007	354,435	$ 47.08	7.8	$ 12,926

As of March 31, 2007, there was $1.9 million of unrecognized compensation cost related to non-vested stock options granted under the Plan which is expected to be expensed through 2011. The Company issues new shares to fulfill option exercises from its authorized shares available.

The following table presents information regarding unvested option activity during the period ended March 31, 2007:

	Non-vested Number of Options	Weighted Average Grant-Date Fair Value
Non-vested at January 1, 2007	568,771	$ 5.90
Granted	17,122	8.78
Less: 2007 Vesting	193,359	6.24
Non-vested at March 31, 2007	392,534	$ 6.00

The Company grants restricted stock under the Plan to its employees as a form of long-term compensation and retention. The terms of each grant vary depending upon the participant’s responsibilities and position within the Company. The Company’s stock grants to date can be categorized into three types: (a) 4-year vesting, (b) performance-based vesting, and (c) 8-year cliff vesting.

- The 4-year vesting grants vest 25% per year beginning in the year of grant. These grants are not subject to future performance measures.

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10. Stock-Based Compensation (continued)

- Performance grants are earned subject to future performance measurements, which include individual performance measures, annual growth in earnings, compounded three-year growth in earnings, and a three-year total shareholder return peer comparison (“TSR Grant”). Once the performance criteria are met and the actual number of shares earned is determined, certain shares will vest immediately while others will vest over an additional service period.
- The 8-year cliff vesting grants fully vest at the end of the eighth year from the date of grant; however, as a result of the achievement of future performance, primarily growth in earnings, the vesting of these grants may be accelerated over a shorter term.

Performance grants and 8-year cliff vesting grants are currently only granted to the Company’s senior management. The Company considers the likelihood of meeting the performance criteria based upon management’s estimates and analysis of future earnings growth from which it determines the amounts recognized as expense on a periodic basis. The Company determines the grant date fair value of TSR Grants based upon a Monte Carlo Simulation model. Compensation expense is measured at the grant date and recognized over the vesting period.

The following table reports restricted stock activity during the year ended March 31, 2007:

	Number of Shares	Intrinsic Value (in thousands)	Weighted Average Grant Price
Unvested at December 31, 2006	779,060		
Shares Granted	207,958		$ 84.90
Shares Vested and Distributed	(368,235)		
Unvested at March 31, 2007	618,783	$ 51,699	$ 83.55

The total intrinsic value of restricted stock vested during the three months ended March 31, 2007 was $29.7 million. As of March 31, 2007, there was $37.1 million of unrecognized compensation cost related to non-vested restricted stock granted under the Plan, which is recorded when recognized in additional paid in capital of the consolidated statements of stockholders’ equity and comprehensive income (loss). This unrecognized compensation cost is expected to be recognized over the next four years, through 2011.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

11. Earnings per Share

The following summarizes the calculation of basic and diluted earnings per share for the three months ended March 31, 2007 and 2006, respectively (in thousands except per share data):

	2007	2006
Numerator:		
Income from continuing operations	$56,255	38,459
Discontinued operations	733	32,316
Net income	56,988	70,775
Less: Preferred stock dividends	4,919	4,919
Net income for common stockholders	52,069	65,856
Less: Dividends paid on unvested restricted stock	366	415
Net income for common stockholders – basic	51,703	65,441
Add: Dividends paid on Treasury Method restricted stock	77	73
Net income for common stockholders – diluted	$51,780	65,514
Denominator:		
Weighted average common shares outstanding for basic EPS	68,618	67,408
Incremental shares to be issued under common stock options using the Treasury method	281	319
Incremental shares to be issued under unvested restricted stock using the Treasury method	116	122
Weighted average common shares outstanding for diluted EPS	69,015	67,849
Income per common share – basic		
Income from continuing operations	$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	$ 0.75	0.97
Income per common share – diluted		
Income from continuing operations	$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	$ 0.75	0.97

The exchangeable operating partnership units were anti-dilutive to diluted EPS for the three months ended March 31, 2007 and 2006 and therefore, the units and the related minority interest of exchangeable operating partnership units are excluded from the calculation of diluted EPS.

Regency Centers Corporation

Notes to Consolidated Financial Statements

March 31, 2007

12. Commitments and Contingencies

The Company is involved in litigation on a number of matters and is subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. The Company is also subject to numerous environmental laws and regulations as they apply to real estate pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks (UST's). The Company believes that the tenants who currently operate dry cleaning plants or gas stations do so in accordance with current laws and regulations. The Company has placed environmental insurance, where possible, on specific properties with known contamination, in order to mitigate its environmental risk. The Company monitors the shopping centers containing environmental issues and in certain cases voluntarily remediates the sites. The Company also has legal obligations to remediate certain sites and is in the process of doing so. The Company estimates the cost associated with these legal obligations to be approximately $4.3 million, all of which has been accrued. The Company believes that the ultimate disposition of currently known environmental matters will not have a material effect on its financial position, liquidity, or operations; however, it can give no assurance that existing environmental studies with respect to the shopping centers have revealed all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to it; that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; or that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to the Company.

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

Forward-Looking Statements

In addition to historical information, the following information contains forward-looking statements as defined under federal securities laws. These forward-looking statements include statements about anticipated growth in revenues, the size of our development program, earnings per share, returns and portfolio value and expectations about our liquidity. These statements are based on current expectations, estimates and projections about the industry and markets in which Regency Centers Corporation ("Regency" or "Company") operates, and management's beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, changes in national and local economic conditions; financial difficulties of tenants; competitive market conditions, including pricing of acquisitions and sales of properties and out-parcels; changes in expected leasing activity and market rents; timing of acquisitions, development starts and sales of properties and out-parcels; our inability to exercise voting control over the joint ventures through which we own or develop many of our properties; weather; consequences of any armed conflict or terrorist attack against the United States; the ability to obtain governmental approvals; and meeting development schedules. For additional information, see "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2006. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation appearing elsewhere within.

Overview and Operating Philosophy

Regency is a qualified real estate investment trust ("REIT"), which began operations in 1993. Our primary operating and investment goal is long-term growth in earnings per share and total shareholder return, which we work to achieve by focusing on a strategy of owning, operating and developing high-quality community and neighborhood shopping centers that are tenanted by market-dominant grocers, category-leading anchors, specialty retailers and restaurants located in areas with above average household incomes and population densities. All of our operating, investing and financing activities are performed through our operating partnership, Regency Centers, L.P. ("RCLP"), RCLP's wholly owned subsidiaries, and through its investments in joint ventures with third parties. Regency currently owns 99% of the outstanding operating partnership units of RCLP.

At March 31, 2007, we directly owned 220 shopping centers (the "Consolidated Properties") located in 22 states representing 24.7 million square feet of gross leasable area ("GLA"). Our cost of these shopping centers is $3.6 billion before depreciation. Through joint ventures, we own partial interests in 189 shopping centers (the "Unconsolidated Properties") located in 25 states and the District of Columbia representing 22.7 million square feet of GLA. Our investment, at cost, in the Unconsolidated Properties is $435.3 million. Certain portfolio information described below is presented (a) on a Combined Basis, which is a total of the Consolidated Properties and the Unconsolidated Properties, (b) for our Consolidated Properties only and (c) for the Unconsolidated Properties that we own through joint ventures. We believe that presenting the information under these methods provides a more complete understanding of the properties that we wholly-own versus those that we partially-own, but for which we provide full property management, asset management, investing and financing services. The shopping center portfolio that we manage, on a Combined Basis, represents 409 shopping centers located in 28 states and the District of Columbia and contains 47.4 million square feet of GLA.

We earn revenues and generate cash flow by leasing space in our shopping centers to market-leading grocers, major retail anchors, specialty side-shop retailers, and restaurants, including ground leasing or selling building pads (out-parcels) to these tenants. We experience growth in revenues by increasing occupancy and rental rates at currently owned shopping centers, and by acquiring and developing new shopping centers. Community and neighborhood shopping centers generate substantial daily traffic by conveniently offering daily necessities and services. This high traffic generates increased sales, thereby driving higher occupancy and rental-rate growth, which we expect will sustain our growth in earnings per share and increase the value of our portfolio over the long term.

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

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

We intend to maintain a conservative capital structure to fund our growth programs, which should preserve our investment-grade ratings. Our approach is founded on our self-funding business model. This model utilizes center “recycling” as a key component, which requires ongoing monitoring of each center to ensure that it continues to meet our investment standards. We sell the operating properties that no longer measure up to our standards. We also develop certain retail centers because of their attractive profit margins with the intent of selling them to joint ventures or other third parties upon completion. These sale proceeds are re-deployed into new, higher-quality developments and acquisitions that are expected to generate sustainable revenue growth and more attractive returns.

Joint venturing of shopping centers also provides us with a capital source for new developments and acquisitions, as well as the opportunity to earn fees for asset and property management services. As asset manager, we are engaged by our partners to apply similar operating, investment, and capital strategies to the portfolios owned by the joint ventures. Joint ventures grow their shopping center investments through acquisitions from third parties or direct purchases from Regency. Although selling properties to joint ventures reduces our ownership interest, we continue to share in the risks and rewards of centers that meet our high quality standards and long-term investment strategy. We have no obligations or liabilities of the joint ventures beyond our ownership interest percentage.

We have identified certain significant risks and challenges affecting our industry, and we are addressing them accordingly. An economic downturn could result in declines in occupancy levels at our shopping centers, which would reduce our rental revenues; however, we believe that our investment focus on neighborhood and community shopping centers that conveniently provide daily necessities will minimize the impact of a downturn in the economy. Increased competition from super-centers and industry consolidation could result in retailer store closings; however, we closely monitor the operating performance and tenants’ sales in our shopping centers that operate near super-centers as well as those tenants operating retail formats that are experiencing significant changes in competition or business practice. We also continue to monitor retail trends and market our shopping centers based on consumer demand. A significant slowdown in retailer demand for new stores could cause a corresponding reduction in our shopping center development program that would likely reduce our future rental revenues and profits from development sales; as well as, increase our operating expenses as a result of reducing our capitalized employee costs (See Critical Accounting Policies and Estimates – Capitalization of Costs described further below). However, based upon our current pipeline of development projects undergoing due diligence, which is our best indication of retailer expansion plans, the presence of our development teams in key markets in combination with their excellent relationships with leading anchor tenants, we anticipate that we will be able to sustain our development program at historical levels of investment for the next three years.

Shopping Center Portfolio

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

	March 31, 2007	December 31, 2006
Number of Properties (a)	409	405
Number of Properties (b)	220	218
Number of Properties (c)	189	187
Properties in Development (a)	48	47
Properties in Development (b)	44	43
Properties in Development (c)	4	4
Gross Leasable Area (a)	47,353,926	47,187,462
Gross Leasable Area (b)	24,694,836	24,654,082
Gross Leasable Area (c)	22,659,090	22,533,380
Percent Leased (a)	91.0%	91.0%
Percent Leased (b)	87.5%	87.3%
Percent Leased (c)	94.9%	95.0%

We seek to reduce our operating and leasing risks through diversification which we achieve by geographically diversifying our shopping centers; avoiding dependence on any single property, market, or tenant, and owning a portion of our shopping centers through joint ventures.

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

	March 31, 2007				December 31, 2006			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	73	9,578,800	20.2%	88.0%	71	9,521,497	20.2%	88.6%
Florida	55	6,163,594	13.0%	93.5%	55	6,175,929	13.1%	93.1%
Texas	39	4,789,035	10.1%	86.7%	39	4,779,440	10.1%	86.1%
Virginia	32	3,746,268	7.9%	95.0%	33	3,884,864	8.2%	94.1%
Georgia	32	2,735,719	5.8%	92.6%	32	2,735,441	5.8%	92.6%
Colorado	21	2,342,215	5.0%	92.5%	21	2,345,224	5.0%	91.8%
Ohio	16	2,293,977	4.8%	85.4%	16	2,292,515	4.9%	85.3%
Illinois	16	2,256,682	4.8%	94.1%	16	2,256,682	4.8%	95.8%
North Carolina	16	2,193,420	4.6%	91.9%	16	2,193,420	4.6%	92.4%
Maryland	18	2,058,329	4.3%	95.0%	18	2,058,329	4.4%	94.6%
Pennsylvania	13	1,649,570	3.5%	91.8%	13	1,649,570	3.5%	90.1%
Washington	11	1,172,684	2.5%	94.6%	11	1,172,684	2.5%	94.5%
Oregon	11	1,088,278	2.3%	91.5%	10	1,011,678	2.1%	91.5%
Delaware	5	654,687	1.4%	90.9%	5	654,687	1.4%	91.3%
South Carolina	10	616,148	1.3%	92.3%	9	536,847	1.1%	97.5%
Massachusetts	3	564,899	1.2%	82.2%	3	568,099	1.2%	83.7%
Arizona	4	496,087	1.1%	99.3%	4	496,087	1.1%	99.3%
Tennessee	7	488,050	1.0%	94.5%	7	488,050	1.0%	94.4%
Minnesota	3	483,938	1.0%	96.3%	3	483,938	1.0%	96.5%
Michigan	4	303,412	0.6%	87.0%	4	303,412	0.6%	87.6%
Kentucky	2	302,670	0.6%	94.6%	2	302,670	0.6%	95.0%
Wisconsin	2	269,128	0.6%	97.3%	2	269,128	0.6%	97.3%
Nevada	2	218,377	0.5%	94.2%	1	119,313	0.3%	87.4%
Alabama	2	193,558	0.4%	82.2%	2	193,558	0.4%	82.2%
Indiana	5	193,370	0.4%	73.3%	5	193,370	0.4%	70.9%
Connecticut	1	179,730	0.4%	100.0%	1	179,730	0.4%	100.0%
New Jersey	2	156,482	0.3%	97.8%	2	156,482	0.3%	97.8%
New Hampshire	2	125,173	0.3%	76.1%	2	125,173	0.3%	74.8%
Dist. of Columbia	2	39,646	0.1%	89.8%	2	39,645	0.1%	89.4%
Total	409	47,353,926	100.0%	91.0%	405	47,187,462	100.0%	91.0%

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

	March 31, 2007				December 31, 2006			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	46	5,739,079	23.2%	83.8%	46	5,861,515	23.8%	84.9%
Florida	34	4,054,269	16.4%	94.2%	34	4,054,604	16.4%	93.6%
Texas	30	3,645,110	14.8%	83.5%	30	3,629,118	14.7%	82.5%
Ohio	14	2,038,796	8.3%	83.8%	14	2,037,134	8.3%	83.6%
Georgia	16	1,408,685	5.7%	90.4%	16	1,408,407	5.7%	89.7%
Colorado	13	1,155,661	4.7%	89.2%	13	1,158,670	4.7%	89.0%
Virginia	9	1,014,432	4.1%	90.3%	9	1,018,531	4.1%	89.1%
North Carolina	9	947,413	3.8%	96.0%	9	947,413	3.8%	95.3%
Oregon	8	733,608	3.0%	89.2%	7	657,008	2.7%	88.8%
Pennsylvania	4	587,592	2.4%	85.4%	4	587,592	2.4%	78.1%
Washington	6	555,666	2.2%	90.3%	6	555,666	2.3%	90.3%
Tennessee	7	488,050	2.0%	94.5%	7	488,050	2.0%	94.4%
Illinois	3	415,011	1.7%	87.5%	3	415,011	1.7%	93.6%
Arizona	3	388,440	1.6%	99.1%	3	388,440	1.6%	99.1%
Massachusetts	2	379,620	1.5%	73.8%	2	382,820	1.5%	76.1%
Michigan	4	303,412	1.2%	87.0%	4	303,412	1.2%	87.6%
Delaware	2	240,418	1.0%	98.3%	2	240,418	1.0%	98.7%
South Carolina	3	170,662	0.7%	77.4%	2	91,361	0.4%	94.7%
Maryland	1	129,940	0.5%	67.1%	1	129,940	0.5%	67.0%
New Hampshire	2	125,173	0.5%	76.1%	2	125,173	0.5%	74.8%
Nevada	1	119,313	0.5%	89.4%	1	119,313	0.5%	87.4%
Indiana	3	54,486	0.2%	27.4%	3	54,486	0.2%	23.5%
Total	220	24,694,836	100.0%	87.5%	218	24,654,082	100.0%	87.3%

The Consolidated Properties are encumbered by mortgage loans of $240.1 million.

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

	March 31, 2007				December 31, 2006			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	27	3,839,721	16.9%	94.3%	25	3,659,982	16.2%	94.5%
Virginia	23	2,731,836	12.1%	96.7%	24	2,866,333	12.7%	95.8%
Florida	21	2,109,325	9.3%	92.1%	21	2,121,325	9.4%	92.1%
Maryland	17	1,928,389	8.5%	96.9%	17	1,928,389	8.6%	96.4%
Illinois	13	1,841,671	8.1%	95.6%	13	1,841,671	8.2%	96.3%
Georgia	16	1,327,034	5.9%	94.9%	16	1,327,034	5.9%	95.7%
North Carolina	7	1,246,007	5.5%	88.8%	7	1,246,007	5.5%	90.1%
Colorado	8	1,186,554	5.2%	95.7%	8	1,186,554	5.3%	94.5%
Texas	9	1,143,925	5.1%	96.9%	9	1,150,322	5.1%	97.4%
Pennsylvania	9	1,061,978	4.7%	95.3%	9	1,061,978	4.7%	96.8%
Washington	5	617,018	2.7%	98.5%	5	617,018	2.7%	98.3%
Minnesota	3	483,938	2.1%	96.3%	3	483,938	2.2%	96.5%
South Carolina	7	445,486	2.0%	98.0%	7	445,486	2.0%	98.0%
Delaware	3	414,269	1.8%	86.6%	3	414,269	1.8%	87.0%
Oregon	3	354,670	1.6%	96.1%	3	354,670	1.6%	96.5%
Kentucky	2	302,670	1.3%	94.6%	2	302,670	1.3%	95.0%
Wisconsin	2	269,128	1.2%	97.3%	2	269,128	1.2%	97.3%
Ohio	2	255,181	1.1%	98.5%	2	255,381	1.1%	99.0%
Alabama	2	193,558	0.9%	82.2%	2	193,558	0.9%	82.2%
Massachusetts	1	185,279	0.8%	99.4%	1	185279	0.8%	99.4%
Connecticut	1	179,730	0.8%	100.0%	1	179,730	0.8%	100.0%
New Jersey	2	156,482	0.7%	97.8%	2	156,482	0.7%	97.8%
Indiana	2	138,884	0.6%	91.3%	2	138,884	0.6%	89.5%
Arizona	1	107,647	0.5%	100.0%	1	107,647	0.5%	100.0%
Dist. of Columbia	2	39,646	0.2%	89.8%	2	39,645	0.2%	89.4%
Total	189	22,659,090	100.0%	94.9%	187	22,533,380	100.0%	95.0%

The Unconsolidated Properties are encumbered by mortgage loans of $2.4 billion.

The following summarizes the four largest grocery tenants occupying our shopping centers at March 31, 2007:

Grocery Anchor	Number of Stores (a)	Percentage of Company-owned GLA (b)	Percentage of Annualized Base Rent (b)
Kroger	67	9.2%	6.4%
Publix	68	6.2%	4.2%
Safeway	68	5.7%	3.9%
Super Valu	34	3.4%	2.8%

(a) For the Combined Properties including stores owned by grocery anchors that are attached to our centers.
(b) GLA and annualized base rent include the Consolidated Properties plus Regency's pro-rata share of the Unconsolidated Properties.

Although base rent is supported by long-term lease contracts, tenants who file bankruptcy are able to cancel their leases and close their related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and cancels its leases, we could experience a significant reduction in our revenues. We continually monitor industry trends and sales data to help us identify declines in retail categories or tenants who might be experiencing financial difficulties. We continue to monitor the video rental industry while its operators transition to different rental formats including on-line rental programs. At March 31, 2007, we had leases with 133 video rental stores representing $9.7 million of annual rental income pertaining to Consolidated Properties and our pro rata share of the Unconsolidated Properties. We are not aware at this time of the current or pending bankruptcy of any of our tenants that would cause a significant reduction in our revenues, and no tenant represents more than 7% of the total of our annual base rental revenues and our pro-rata share of the base revenues of the Unconsolidated Properties.

Liquidity and Capital Resources

We expect that cash generated from operating activities combined with gains on the sale of development properties will provide the necessary funds to pay our operating expenses, interest expense, scheduled principal payments on outstanding indebtedness, capital expenditures necessary to maintain and improve our shopping centers, and dividends to stockholders. Net cash provided by operating activities was $37.5 million and $29.7 million, and gains on the sale of development properties were $25.6 million and $15.7 million, for the three months ended March 31, 2007 and 2006, respectively. For the three months ended March 31, 2007 and 2006, we incurred capital expenditures of $2.0 million and $2.1 million to improve our shopping centers, we paid scheduled principal payments of $1.1 million and $1.2 million to our lenders on mortgage loans, and we paid dividends to our stockholders and unit holders of $45.1 million and $46.2 million, respectively. The increase in dividends during 2007 relates to the 10.9% increase in our annual dividend rate.

We intend to continue to grow our portfolio by investing in shopping centers through ground up development of new centers or acquisition of existing centers. Because development and acquisition activities are discretionary in nature, they are not expected to burden the capital resources we have currently available for liquidity requirements. We expect to meet our long-term capital investment requirements for development and acquisitions, as well as, the redemption of preferred stock and the repayment of maturing debt from: (i) residual cash generated from operating activities after the payments described above, (ii) proceeds from the sale of real estate, (iii) joint venturing of real estate, (iv) refinancing of debt, and (v) equity raised in the capital markets.

The following table summarizes net cash flows related to operating, investing and financing activities for the three months ended March 31, 2007 and 2006 (in thousands):

	2007	2006
Net cash provided by operating activities	$ 37,460	29,748
Net cash (used in) provided by investing activities	(93,470)	127,115
Net cash provided by (used in) financing activities	51,128	(111,265)
Net (decrease) increase in cash and equivalents	$ (4,882)	45,598

At March 31, 2007, we had an unlimited amount under our shelf registration for equity securities based on the Securities and Exchange Commission ("SEC") rules and RCLP had $600 million available for debt under its shelf registration. We believe that our ability to access the capital markets as a source of funds to meet capital requirements is good.

At March 31, 2007 we had 48 properties under construction or undergoing major renovations on a Combined Basis, which when completed, will represent a net investment of $1.1 billion after projected sales of adjacent land and out-parcels. This compares to 47 projects that were under construction at the end of 2006 representing an investment of $1.1 billion upon completion. We estimate that we will earn an average return on our investment on our current development projects in a range of 8% to 8.5% on a fully allocated basis including direct internal costs and the cost to acquire any residual interests held by minority development partners. Average returns have declined over previous years primarily the result of higher costs associated with the acquisition of land and construction. The Company believes that our development returns are sufficient on a risk adjusted basis. Costs necessary to complete the current development projects, net of projected land sales are estimated to be $485.1 million and will likely be expended through 2010. The costs to complete these developments will be funded from our $600 million line of credit, which had $364 million of available funding at March 31, 2007, and from expected proceeds from the future sale of shopping centers as part of the capital recycling program described above.

Investments in Unconsolidated Real Estate Partnerships (Joint Ventures)

At March 31, 2007, we had investments in unconsolidated real estate partnerships of $435.3 million. The following is a summary of unconsolidated combined assets and liabilities of these joint ventures and our pro-rata share (see note below) at March 31, 2007 and December 31, 2006 (dollars in thousands):

	2007	2006
Number of Joint Ventures	18	18
Regency's Ownership	20%-50%	20%-50%
Number of Properties	189	187
Combined Assets	$4,410,734	$4,365,675
Combined Liabilities	2,610,152	2,574,860
Combined Equity	1,800,582	1,790,815
Regency's Share of [1] :		
Assets	$1,109,680	$1,106,803
Liabilities	649,841	646,346

(1) Pro rata financial information is not, and is not intended to be, a presentation in accordance with U.S. generally accepted accounting principles. However, management believes that providing such information is useful to investors in assessing the impact of its unconsolidated real estate partnership activities on the operations of Regency, which includes such items on a single line presentation under the equity method in its consolidated financial statements.

We account for all investments in which we own 50% or less and do not have a controlling financial interest using the equity method. We have determined that these investments are not variable interest entities as defined in FIN 46(R) and do not require consolidation under EITF 04-5 or SOP 78-9, and therefore are subject to the voting interest model in determining our basis of accounting. Major decisions, including property acquisitions not meeting pre-established investment criteria, dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners. Investments in real estate partnerships are primarily composed of joint ventures where we invest with three co-investment partners and a recently formed open-end real estate fund ("Regency Retail Partners" or the "Fund"), as further described below. In addition to earning our pro-rata share of net income in each of these partnerships, we receive fees for asset management, property management, investment and financing services. During the three months ended March 31, 2007 and 2006, we received fees from these joint ventures of $6.4 million and $7.2 million, respectively. Our investments in real estate partnerships as of March 31, 2007 and December 31, 2006 consist of the following (in thousands):

	Ownership	2007	2006
Macquarie CountryWide-Regency (MCWR I)	25.00%	$ 62,789	60,651
Macquarie CountryWide Direct (MCWR I)	25.00%	6,705	6,822
Macquarie CountryWide-Regency II (MCWR II)	24.95%	229,548	234,378
Macquarie CountryWide-Regency III (MCWR II)	24.95%	1,087	1,140
Columbia Regency Retail Partners (Columbia)	20.00%	35,635	36,096
Cameron Village LLC (Columbia)	30.00%	20,876	20,826
Columbia Regency Partners II (Columbia)	20.00%	11,814	11,516
RegCal, LLC (RegCal)	25.00%	18,280	18,514
Regency Retail Partners (the Fund) [1]	20.00%	8,710	5,139
Other investments in real estate partnerships	50.00%	39,807	39,008
Total		$435,251	434,090

(1) At December 31, 2006, our ownership interest in Regency Retail Partners was 26.8%.

We co-invest with the Oregon Public Employees Retirement Fund in three joint ventures (collectively "Columbia"), in which we have ownership interests of 20% or 30%. As of March 31, 2007, Columbia owned 20 shopping centers, had total assets of $562.0 million, and net income of $3.1 million for the three months ended. Our share of Columbia's total assets and net income was $124.7 million and $631,280, respectively. Our share of Columbia represents 3.3% of our total assets and 1.2% of our net income available for common stockholders.

We co-invest with the California State Teachers' Retirement System ("CalSTRS") in a joint venture ("RegCal") in which we have a 25% ownership interest. As of March 31, 2007, RegCal owned nine shopping centers, had total assets of $181.7 million, and had net income of $419,010 for the three months ended. Our share of RegCal's total assets and net income was $45.4 million and $128,704, respectively. Our share of RegCal represents 1.2% of our total assets and less than 1% of our net income available for common stockholders, respectively.

We co-invest with Macquarie CountryWide Trust of Australia ("MCW") in four joint ventures, two in which we have an ownership interest of 25% ("MCWR I"), and two in which we have an ownership interest of 24.95% ("MCWR II").

As of March 31, 2007, MCWR I owned 50 shopping centers, had total assets of $733.2 million, and net income of $10.3 million for the three months ended. Our share of MCWR I's total assets and net income was $183.4 million and $3.9 million, respectively. During 2007, MCWR I sold one shopping centers for $33.4 million to an unrelated party for a gain of $7.9 million, and acquired one shopping center from an unrelated party for a purchase price of $23.0 million. We contributed $2.2 million for our proportionate share of the purchase price, which was net of assumed mortgage debt.

As of March 31, 2007, MCWR II owned 97 shopping centers, had total assets of $2.7 billion and a net loss of $5.7 million for the three months ended. Our share of MCWR II's total assets and net loss was $668.6 million and $1.4 million, respectively. As a result of the significant amount of depreciation and amortization expense being recorded by MCWR II in connection with the acquisition of the First Washington Portfolio in 2005, the joint venture may continue to report a net loss in future years, but is expected to produce positive cash flow from operations.

Our investment in the four joint ventures with MCW totals $300.1 million and represents 7.9% of our total assets at March 31, 2007. Our pro-rata share of the assets and net income of these ventures was $852.0 million and $2.5 million, respectively, which represents 22.6% and 4.9% of our total assets and net income available for common stockholders, respectively.

In December, 2006, we formed Regency Retail Partners (the "Fund"), an open-end, infinite-life investment fund with an ownership interest of 26.8%. During the first quarter of 2007, we reduced our ownership interest to 20% with the admission of additional partners into the Fund and recognized a gain of $2.2 million that had previously been deferred. The Fund will have the exclusive right to acquire all future Regency-developed large format community centers upon stabilization that meet the Fund's investment criteria. A community center is generally defined as a shopping center with at least 250,000 square feet of GLA including tenant-owned GLA.

As of March 31, 2007, the Fund owned four shopping centers, had total assets of $140.2 million and net income of $109,587 for the three months ended. The Fund acquired two community shopping centers from us for a sales price of $61.0 million, or $57.6 million on a net basis after excluding our ownership interest and we recognized a gain of $22.1 million. Our share of the Fund's total assets and net income was $27.9 million and $40,500, respectively. Our share of the Fund represents 1.6% of our total assets and less than 1% of net income available for common stockholders.

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

Notes Payable

Outstanding debt at March 31, 2007 and December 31, 2006 consists of the following (in thousands):

	2007	2006
Notes Payable:		
Fixed rate mortgage loans	$ 171,435	186,897
Variable rate mortgage loans	68,622	68,662
Fixed rate unsecured loans	1,198,875	1,198,827
Total notes payable	1,438,932	1,454,386
Unsecured Line of Credit	236,000	121,000
Total	$ 1,674,932	1,575,386

Mortgage loans are secured and may be prepaid, but could be subject to yield maintenance premiums. Mortgage loans are generally due in monthly installments of interest and principal, and mature over various terms through 2017. We intend to repay mortgage loans at maturity from proceeds from the Line. Variable interest rates on mortgage loans are currently based on LIBOR, plus a spread in a range of 90 to 130 basis points. Fixed interest rates on mortgage loans range from 5.22% to 8.95% and average 6.52%.

In February, 2007, we entered into a new loan agreement under our unsecured revolving line of credit (the "Line") which increased the commitment to $600 million with the right to increase the facility size an additional $150 million subject to additional lender syndication. The Line has a four-year term which expires in 2011 with a one-year extension at our option with an interest rate of LIBOR plus .55%. At March 31, 2007, the balance on the Line was $236 million. Contractual interest rates were 5.925% at March 31, 2007 and 6.125% at December 31, 2006 based on LIBOR plus .75%.

The spread on the Line is dependent upon maintaining specific investment-grade ratings. We are also required to comply, and are in compliance, with certain financial covenants such as Minimum Net Worth, Total Liabilities to Gross Asset Value ("GAV"), Recourse Secured Debt to GAV, Fixed Charge Coverage and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the development and acquisition of real estate, but is also available for general working-capital purposes.

As of March 31, 2007, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

Scheduled Principal Payments by Year	Scheduled Principal Payments	Term Loan Maturities	Total Payments
2007	$ 2,629	77,660	80,289
2008	3,352	19,603	22,955
2009	3,352	53,090	56,442
2010	3,190	177,229	180,419
2011 (includes the Line)	3,191	487,151	490,342
Beyond 5 Years	8,787	834,294	843,081
Unamortized debt premiums	—	1,404	1,404
Total	$ 24,501	1,650,431	1,674,932

Our investments in real estate partnerships had notes and mortgage loans payable of $2.5 billion at March 31, 2007, which mature through 2028. Our proportionate share of these loans was $614.5 million, of which 94.9% had average fixed interest rates of 5.2% and the remaining had variable interest rates based on LIBOR plus a spread in a range of 80 to 120 basis points. The loans are primarily non-recourse, but for those that are guaranteed by a joint venture, our liability does not extend beyond our ownership percentage of the joint venture.

We are exposed to capital market risk such as changes in interest rates. In order to manage the volatility related to interest-rate risk, we originate new debt with fixed interest rates, or we may enter into interest-rate hedging arrangements. We do not utilize derivative financial instruments for trading or speculative purposes. We engage outside experts who evaluate and make recommendations about hedging strategies when appropriate. We account for derivative instruments under Statement of Financial Accounting Standards SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended ("Statement 133"). On March 10, 2006, we entered into four forward-starting interest rate swaps totaling $396.7 million with fixed rates of 5.399%, 5.415%, 5.399% and 5.415%. The Company designated these swaps as cash flow hedges to fix the rate on $400 million of new financing expected to occur in 2010 and 2011 the proceeds of which will be used to repay maturing debt at that time. The change in fair value of these swaps from inception was a liability of $740,008 at March 31, 2007, and is recorded in accounts payable and other liabilities in the accompanying consolidated balance sheet and in accumulated other comprehensive income (loss) in the consolidated statement of stockholders' equity and comprehensive income (loss).

At March 31, 2007, 81.8% of our total debt had fixed interest rates, compared with 88.0% at December 31, 2006. We intend to limit the percentage of variable interest-rate debt to be no more than 30% of total debt, which we believe to be an acceptable risk. Currently, our variable rate debt represents 18.2% of our total debt. Based upon the variable interest-rate debt outstanding at March 31, 2007, if variable interest rates were to increase by 1%, our annual interest expense would increase by $3.0 million.

Equity Transaction

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

Preferred Units

We have issued Preferred Units in various amounts since 1998, the net proceeds of which were used to reduce the balance of the Line. We issue Preferred Units primarily to institutional investors in private placements. Generally, the Preferred Units may be exchanged by the holders for Cumulative Redeemable Preferred Stock at an exchange rate of one share for one unit. The Preferred Units and the related Preferred Stock are not convertible into Regency common stock. At March 31, 2007 and December 31, 2006, only the Series D Preferred Units were outstanding with a face value of $50 million and a fixed distribution rate of 7.45%. These Units may be called by us in 2009, and have no stated maturity or mandatory redemption. Included in the Series D Preferred Units are original issuance costs of $842,023 that will be expensed if they are redeemed in the future.

Preferred Stock

As of March 31, 2007 we had three series of Preferred stock outstanding, two of which underlie depositary shares held by the public. The depositary shares each represent 1/10th of a share of the underlying preferred stock and have a liquidation preference of $25 per depository share. In 2003, we issued 7.45% Series 3 Cumulative Redeemable Preferred Stock underlying 3 million depositary shares. In 2004, we issued 7.25% Series 4 Cumulative Redeemable preferred stock underlying 5 million depositary shares. In 2005, we issued 3 million shares, or $75 million of 6.70% Series 5 Preferred Stock, with a liquidation preference of $25 per share. All series of Preferred Stock are perpetual, are not convertible into common stock of the Company and are redeemable at par upon our election five years after the issuance date. The terms of the Preferred Stock do not contain any unconditional obligations that would require us to redeem the securities at any time or for any purpose.

Common Stock

On April 5, 2005, we entered into an agreement to sell 4,312,500 shares of common stock to an affiliate of Citigroup Global Markets Inc. (“Citigroup”) at $46.60 per share, in connection with a forward sale agreement (the “Forward Sale Agreement”). On August 1, 2005, we issued 3,782,500 shares to Citigroup for net proceeds of approximately $175.5 million and on September 7, 2005, the remaining 530,000 shares were issued for net proceeds of $24.4 million. The proceeds from the sale were used to reduce the unsecured line of credit and redeem the Series E Preferred Units.

Critical Accounting Policies and Estimates

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

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

Recognition of Gains from the Sales of Real Estate – We account for profit recognition on sales of real estate in accordance with SFAS Statement No. 66, "Accounting for Sales of Real Estate." Profits from sales of real estate will not be recognized by us unless (i) a sale has been consummated; (ii) the buyer's initial and continuing investment is adequate to demonstrate a commitment to pay for the property; (iii) we have transferred to the buyer the usual risks and rewards of ownership; and (iv) we do not have significant continuing involvement with the property. Recognition of gains from sales to joint ventures is recorded on only that portion of the sales not attributable to our ownership interest.

Capitalization of Costs – We capitalize the acquisition of land, the construction of buildings and other specifically identifiable development costs incurred by recording them into "Properties in Development" on our consolidated balance sheets. Other development costs include pre-development costs essential to the development of the property, as well as, interest, real estate taxes, and direct employee costs incurred during the development period. Pre-development costs are incurred prior to land acquisition during the due diligence phase and include contract deposits, legal, engineering and other professional fees related to evaluating the feasibility of developing a shopping center. If we were to determine that the development of a specific project undergoing due diligence was no longer probable, we would immediately expense all related capitalized pre-development costs not considered recoverable. Interest costs are capitalized into each development project based on applying our weighted average borrowing rate to that portion of the actual development costs expended. We generally cease interest cost capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in no event would we capitalize interest on the project beyond 12 months after substantial completion of the building shell. We have a large staff of employees who support the due diligence, land acquisition, construction, leasing, financial analysis and accounting of our development program. All direct internal costs related to development activities are capitalized as part of each development project. If future accounting standards limit the amount of internal costs that may be capitalized, or if our development activity were to decline significantly without a proportionate decrease in internal costs, we could incur a significant increase in our operating expenses.

Real Estate Acquisitions – Upon acquisition of operating real estate properties, we estimate the fair value of acquired tangible assets (consisting of land, building and improvements), and identified intangible assets, liabilities (consisting of above- and below-market leases, in-place leases and tenant relationships) and assumed debt in accordance with SFAS No. 141, "Business Combinations" ("Statement 141"). Based on these estimates, we allocate the purchase price to the applicable assets and liabilities. We utilize methods similar to those used by independent appraisers in estimating the fair value of acquired assets and liabilities. We evaluate the useful lives of amortizable intangible assets each reporting period and account for any changes in estimated useful lives over the revised remaining useful life.

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

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

Investments in Real Estate Joint Ventures – In addition to owning real estate directly, we invest in real estate through our co-investment joint ventures. Joint venturing provides us with a capital source to acquire real estate, and to earn our pro-rata share of the net income from the joint ventures in addition to fees for services. As asset and property manager, we conduct the business of the Unconsolidated Properties held in the joint ventures in the same way that we conduct the business of the Consolidated Properties that are wholly-owned; therefore, the Critical Accounting Policies as described are also applicable to our investments in the joint ventures. We account for all investments in which we do not have a controlling financial interest using the equity method. We have determined that these investments are not variable interest entities as defined in the FASB Interpretation No. 46(R) “Consolidation of Variable Interest Entities” and do not require consolidation under EITF Issue No. 04-5 “Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights” or SOP 78-9, and therefore, are subject to the voting interest model in determining our basis of accounting. Major decisions, including property acquisitions and dispositions, financings, annual budgets and dissolution of the ventures are subject to the approval of all partners, or in the case of The Fund, its advisory committee.

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

Recent Accounting Pronouncements

In February 2007, the FASB Issued Statement No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities”. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The Statement also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. Statement No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, although early application is allowed. We will be evaluating the application of this Statement and its effect on our financial position and results of operations.

In September 2006, the FASB issued Statement No. 157 “Fair Value Measurements.” This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies to accounting pronouncements that require or permit fair value measurements, except for share-based payments transactions under FASB Statement No. 123(R). This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. As Statement No. 157 does not require any new fair value measurements or remeasurements of previously computed fair values, we do not believe adoption of this Statement will have a material effect on our consolidated financial statements.

In June 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109” (“FIN 48”). FIN 48 clarifies the accounting and reporting for uncertainties in income tax law. This Interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Under FIN 48, tax positions shall initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. We adopted this Interpretation effective January 1, 2007 and the adoption of FIN 48 did not have a material effect on the Company’s consolidated financial statements.

Results from Operations

Comparison of the three months ended March 31, 2007 to 2006

Our revenues increased by $6.9 million, or 6.9% to $106.7 million as of March 31, 2007 as compared to the three month period in 2006 summarized in the following table (in thousands):

	2007	2006	Change
Minimum rent	$ 77,456	71,640	5,816
Percentage rent	735	438	297
Recoveries from tenants	22,143	20,472	1,671
Management and other fees	6,381	7,260	(879)
Total revenues	$106,715	99,810	6,905

The increase in revenues was primarily related to higher minimum rent from growth in rental rates from renewing expiring leases or re-leasing vacant space in the operating properties, and from new minimum rent generated from recently completed developments commencing operations in the current year. In addition to collecting minimum rent from our tenants, we also collect percentage rent based upon their sales volumes. Recoveries from tenants represents reimbursements from tenants for their pro-rata share of the operating, maintenance and real estate tax expenses that we incur to operate our shopping centers.

We earn fees for asset management, property management, leasing, investing and financing services that we provide to our joint ventures and third parties summarized as follows (in thousands):

	2007	2006	Change
Property management fees	$3,300	2,555	745
Asset management fees	2,598	1,320	1,278
Commissions	22	26	(4)
Investing and financing fees	461	3,359	(2,898)
	$6,381	7,260	(879)

Property management fees increased for the three months ending March 31, 2007 as a result of managing the entire First Washington Portfolio for MCWR II as compared to managing approximately 50% of the portfolio for the same period in 2006. Asset management fees increased for the three months ended March 31, 2007 as a result of fees earned from MCWR II that were not earned in 2006 per the joint venture agreement. Investing and financing fees are transaction based and not necessarily recurring. These fees earned in 2006 are the recognition of a deferred portion of the initial acquisition fee from MCWR II for the buy-down of our interest from 35% to 24.95% and debt structuring fees.

Our equity in income of real estate partnerships (joint ventures) increased $3.0 million to $3.8 million as of March 31, 2007 as follows (in thousands):

	2007	2006	Change
Macquarie CountryWide-Regency (MCWR I)	$ 3,846	2,134	1,712
Macquarie CountryWide Direct (MCWR I)	79	173	(94)
Macquarie CountryWide-Regency II (MCWR II)	(1,397)	(2,400)	1,003
Macquarie CountryWide-Regency III (MCWR II)	15	1	14
Columbia Regency Retail Partners (Columbia)	609	555	54
Cameron Village LLC (Columbia)	12	4	8
Columbia Regency Partners II (Columbia)	10	13	(3)
RegCal, LLC (RegCal)	129	123	6
Regency Retail Partners (the Fund)	41	—	41
Other investments in real estate partnerships	444	152	292
Total	$ 3,788	755	3,033

The increase was related to lower depreciation and amortization expense in the First Washington Portfolio during 2007 due to operating properties sold during 2006. MCWR I recorded higher gains in 2007 from the sale of real estate as compared to 2006.

Our operating expenses increased by $2.3 million, or 4.0%, to $58.8 million as of March 31, 2007 related to increased operating and maintenance costs, general and administrative costs and depreciation expense, as further described below. The following table summarizes our operating expenses (in thousands):

	2007	2006	Change
Operating, maintenance and real estate taxes	$24,480	21,801	2,679
General and administrative	12,297	10,803	1,494
Depreciation and amortization	21,518	20,223	1,295
Other expenses	460	3,658	(3,198)
Total operating expenses	$58,755	56,485	2,270

The increase in operating, maintenance, and real estate taxes was primarily due to shopping center developments that were recently completed and did not incur operating expenses during the previous year, and to general price increases incurred by the operating properties. On average, approximately 80% of these costs are recovered from our tenants as expense reimbursements and included in our revenues.

The increase in general and administrative expense is related to annual salary increases and higher costs associated with incentive compensation.

The increase in depreciation and amortization expense is primarily related to new development properties recently completed and placed in service in the current year.

The reduction in other expenses is a result of recording a tax benefit of $1.3 million for the three months ended March 31, 2007 as compared to tax expense of $3.0 million for the same period in 2006 for Regency Realty Group, Inc. (“RRG”), our taxable REIT subsidiary. RRG is subject to federal and state income taxes and files separate tax returns.

The following table presents the change in interest expense for the three months ending March 31, 2007 and 2006:

	2007	2006	Change
Interest on the Line	$ 2,593	1,501	1,092
Notes payable interest	24,649	24,453	196
Capitalized interest	(7,134)	(5,145)	(1,989)
Interest income	(719)	(1,591)	872
	$ 19,389	19,218	171
Weighted average outstanding debt	$1,614,498	1,627,250	
Average balance properties in development	$ 619,093	414,034	
Average interest rate	6.39%	6.34%	

Gains from the sale of real estate were $25.6 million in 2007 as compared to $15.7 million in 2006. The three months ended March 31, 2007, includes $1.3 million in gains from the sale of five out-parcels for net proceeds of $8.2 million, $22.1 million from the sale of one shopping center to a joint ventures for net proceeds of $57.6 million; and a $2.2 million gain related to the partial sale of our interest in Regency Retail Partners as discussed previously. The three months ended March 31, 2006 includes $6.2 million in gains from the sale of 11 out-parcels for net proceeds of $11.5 million; as well as a $9.5 million gain related to the partial sale of our interest in MCWR II as previously discussed. These gains are included in continuing operations rather than discontinued operations because they were either properties that had no operating income, or they were properties sold to joint ventures where we have continuing involvement through our equity investment.

Income from discontinued operations was $733,370 for the three months ended March 31, 2007 related to operations of four shopping centers classified as held-for-sale in 2007. Income from discontinued operations was $32.3 million for the three months ended March 31, 2006 related to four operating properties sold to unrelated parties for net proceeds of $69.0 million and to the operations of shopping centers sold or classified as held-for-sale in 2007 and 2006. In compliance with Statement 144, if we sell an asset in the current year, we are required to reclassify its operations into discontinued operations for all prior periods. This practice results in a reclassification of amounts previously reported as continuing operations into discontinued operations. Our income from discontinued operations is shown net of minority interest of exchangeable operating partnership units totaling $7,034 and $538,815 for the three months ended March 31, 2007 and 2006 respectively.

Net income for common stockholders decreased $13.8 million to $52.1 million in 2007 as compared with $65.9 million in 2006 primarily related to higher gains recognized from the sale of real estate in 2006 as described above. Diluted earnings per share was $0.75 in 2007 as compared to $0.97 in 2006 or 23% lower.

Environmental Matters

We are subject to numerous environmental laws and regulations as they apply to our shopping centers pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks (UST's). We believe that the tenants who currently operate dry cleaning plants or gas stations do so in accordance with current laws and regulations. Generally, we use all legal means to cause tenants to remove dry cleaning plants from our shopping centers or convert them to non-chlorinated solvent systems. Where available, we have applied and been accepted into state-sponsored environmental programs. We have a blanket environmental insurance policy that covers us against third-party liabilities and remediation costs on shopping centers that currently have no known environmental contamination. We have also placed environmental insurance, where possible, on specific properties with known contamination, in order to mitigate our environmental risk. We monitor the shopping centers containing environmental issues and in certain cases voluntarily remediate the sites. We also have legal obligations to remediate certain sites and we are in the process of doing so. We estimate the cost associated with these legal obligations to be approximately $4.3 million, all of which has been reserved. We believe that the ultimate disposition of currently known environmental matters will not have a material affect on our financial position, liquidity, or operations; however, we can give no assurance that existing environmental studies with respect to our shopping centers have revealed all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; or that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to us.

Inflation

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

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Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

We are exposed to interest-rate changes primarily related to the variable interest rate on the Line and the refinancing of long-term debt, which currently contain fixed interest rates. The objective of our interest-rate risk management is to limit the impact of interest-rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we borrow primarily at fixed interest rates and may enter into derivative financial instruments such as interest-rate swaps, caps or treasury locks in order to mitigate our interest-rate risk on a related financial instrument. We do not enter into derivative or interest-rate transactions for speculative purposes.

Our interest-rate risk is monitored using a variety of techniques. The table below presents the principal cash flows (in thousands), weighted average interest rates of remaining debt, and the fair value of total debt (in thousands) as of March 31, 2007, by year of expected maturity to evaluate the expected cash flows and sensitivity to interest-rate changes.

	2007	2008	2009	2010	2011	Thereafter	Total	Fair Value
Fixed rate debt	$11,667	22,955	56,442	180,419	254,342	843,081	1,368,906	1,421,416
Average interest rate for all fixed rate debt	6.61%	6.61%	6.55%	6.26%	5.77%	5.77%		
Variable rate LIBOR debt	$68,622	—	—	—	236,000	—	304,622	304,622
Average interest rate for all variable rate debt	5.44%	—	—	—	5.44%	—		

We currently have $434.7 million of fixed rate debt maturing in 2010 and 2011. On March 10, 2006, the Company entered into four forward-starting interest rate swaps totaling $396.7 million with fixed rates of 5.399%, 5.415%, 5.399% and 5.415%. The Company designated these swaps as cash flow hedges to fix $400 million of fixed rate financing expected to occur in 2010 and 2011, the proceeds of which will be used to repay debt maturing in those years. The change in fair value of these swaps from inception has generated a liability of $740,008 at March 31, 2007, which is recorded in accounts payable and other liabilities in the accompanying consolidated balance sheet. As the table incorporates only those exposures that exist as of March 31, 2007, it does not consider those exposures or positions that could arise after that date. Moreover, because firm commitments are not presented in the table above, the information presented above has limited predictive value. As a result, our ultimate realized gain or loss with respect to interest-rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at that time, and actual interest rates.

Item 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report, and, based on their evaluation, the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There have been no changes in the Company's internal controls over financial reporting identified in connection with this evaluation that occurred during the first quarter of 2007 and that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in Item 1A. of Part I of our Form 10-K for the year ended December 31, 2006.

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

(a) We sold the following equity securities during the quarter ended March 31, 2007 that we did not report on Form 8-K because they represent in the aggregate less than 1% of our outstanding common stock. All shares were issued to a total of three accredited investors in transactions exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, in exchange for an equal number of exchangeable common units of our operating partnership, Regency Centers, L.P.

Date	Number of Shares
01/04/07	50,000
01/16/07	6,000
02/13/07	3,232
02/20/07	14,700

(b) None

(c) Issuer Purchases of Equity Securities

Period	Total number of shares purchased [1]	(a) Average price paid per share	(b) Total number of shares purchased as part of publicly announced plans or programs	(c) Maximum number or approximate dollar value of shares that may yet Be purchased under the plans or programs
January 1 through January 31, 2007	—	—	—	—
February 1 through February 28, 2007	144,163	$ 85.77	—	—
March 1 through March 31, 2007	—	—	—	—
Total	144,163	$ 85.77	—	—

(1) Represents shares delivered in payment of withholding taxes in connection with stock option exercises and restricted stock vesting by participants under Regency’s Long-Term Omnibus Plan.

Item 3. Defaults Upon Senior Securities

None

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

None

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	Description
10.1	Second Amended and Restated Credit Agreement dated February 9, 2007 by and among Regency Centers, L.P., Regency, each of the financial institutions initially a signatory thereto, each of JPMorgan Chase Bank, N.A., PNC Bank, National Association and SunTrust Bank as Documentation Agent, Wachovia Bank, National Association as Syndication Agent, Regions Bank as Managing Agent and Wells Fargo Bank, National Association as Sole Lead Arranger and Administrative Agent.
10.2	Amended and Restated Limited Partnership Agreement of RRP Operating, LP dated as of February 16, 2007.
31.1	Rule 13a-14 Certification of Chief Executive Officer.
31.2	Rule 13a-14 Certification of Chief Financial Officer.
31.3	Rule 13a-14 Certification of Chief Operating Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
32.3	Section 1350 Certification of Chief Operating Officer.

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SIGNATURE

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

Date: May 8, 2007

REGENCY CENTERS CORPORATION

By: */s/ J. Christian Leavitt*
Senior Vice President and Principal Accounting Officer

Exhibit 10.1

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of February 12, 2007

by and among

REGENCY CENTERS, L.P.,
as Borrower,

REGENCY CENTERS CORPORATION,
as Parent,

THE FINANCIAL INSTITUTIONS PARTY HERETO
AND THEIR ASSIGNEES UNDER SECTION 13.7.,
as Lenders

each of

JPMORGAN CHASE BANK, N.A.,

PNC BANK, NATIONAL ASSOCIATION,

and

SUNTRUST BANK,
as Documentation Agent,

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Syndication Agent,

and

REGIONS BANK,
as Managing Agent,

and

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

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EXHIBIT B	Form of Bid Rate Note
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EXHIBIT M	Form of Bid Rate Quote
EXHIBIT N	Form of Bid Rate Quote Acceptance
EXHIBIT O	Form of Compliance Certificate
EXHIBIT P	Form of Transfer Authorization Designation

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of February 12, 2007 by and among REGENCY CENTERS, L.P., a limited partnership formed under the laws of the State of Delaware (the "Borrower"), REGENCY CENTERS CORPORATION, a corporation formed under the laws of the State of Florida (the "Parent") each of the financial institutions initially a signatory hereto together with their assignees under Section 13.7. (the "Lenders"), each of JPMORGAN CHASE BANK N.A., PNC BANK, NATIONAL ASSOCIATION AND SUNTRUST BANK, as Documentation Agent (each a "Documentation Agent"), WACHOVIA BANK, NATIONAL ASSOCIATION, as Syndication Agent (the "Syndication Agent"), and REGIONS BANK (the "Managing Agent"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo") as the Sole Lead Arranger (in such capacity, the "Sole Lead Arranger") and as contractual representative of the Lenders to the extent and in the manner provided in Article XII.(in such capacity, the "Agent").

WHEREAS, the Borrower, the Parent, certain of the Lenders, the Agent and certain other parties have entered into that certain Amended and Restated Credit Agreement dated as of March 26, 2004 (as amended and as in effect immediately prior to the date hereof, the "Existing Credit Agreement"); and

WHEREAS, the Agent and the Lenders desire to amend and restate the Existing Credit Agreement, among other things, to make available to the Borrower a $600,000,000 revolving credit facility, which will include a $50,000,000 swingline subfacility and a $50,000,000 letter of credit subfacility, on the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions.

In addition to terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Agreement:

"**Absolute Rate**" has the meaning given that term in Section 2.2.(c)(ii)(C).

"**Absolute Rate Auction**" means a solicitation of Bid Rate Quotes for Absolute Rate Loans pursuant to Section 2.2.

"**Absolute Rate Loan**" means a Bid Rate Loan, the interest rate on which is determined on the basis of an Absolute Rate pursuant to an Absolute Rate Auction.

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

“**Acquisition**” means any transaction, or any series of related transactions, by which a Person directly or indirectly acquires any assets of another Person, whether through purchase of assets, merger or otherwise.

“**Additional Costs**” has the meaning given that term in Section 5.1.

“**Affiliate**” means with respect to any Person, (a) in the case of any such Person which is a partnership, any partner in such partnership, (b) any other Person which is directly or indirectly controlled by, controls or is under common control with such Person or one or more of the Persons referred to in the preceding clause (a), (c) any other Person who is an Executive Officer, director or trustee of, or partner in, such Person or any Person referred to in the preceding clauses (a) and (b), (d) any other Person who is a member of the immediate family of such Person or of any Person referred to in the preceding clauses (a) through (c), and (e) any other Person that is a trust solely for the benefit of one or more Persons referred to in clause (d) and of which such Person is sole trustee; provided, however, in no event shall the Agent or any Lender or any of their respective Affiliates be an Affiliate of Borrower. For purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

“**Agent**” has the meaning set forth in the introductory paragraph hereof and shall include any successor Agent appointed pursuant to Section 12.8.

“**Agreement Date**” means the date as of which this Agreement is dated.

“**Applicable Facility Fee**” means the percentage set forth in the table below corresponding to the Level at which the “Applicable Margin” is determined in accordance with clause (b) of the definition thereof:

Level	Facility Fee
1	0.125%
2	0.150%
3	0.150%
4	0.175%
5	0.250%

Any change in the applicable Level at which the Applicable Margin is determined shall result in a corresponding and simultaneous change in the Level at which the Applicable Facility Fee is determined. As of the Agreement Date, the Applicable Facility Fee is determined by reference to Level 3.

“**Applicable Law**” means all applicable provisions of constitutions, statutes, rules, regulations and orders of all governmental bodies and all applicable orders and decrees of all courts, tribunals and arbitrators.

“**Applicable Margin**” means the percentage rate set forth below corresponding to the range into which the Credit Rating of the Borrower then falls in accordance with the levels in the table set forth below (each a “Level”). Any change in the Credit Rating which would cause it to move to a different Level in the table shall effect a change in the Applicable Margin on the first calendar day of the month following the month in which such Credit Rating is publicly announced. During any period that the Borrower receives two or more Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin will be determined based on the Level corresponding to the higher of the Credit Ratings, provided that such higher Credit Rating has been issued by either S&P or Moody’s and such Credit Rating is an Investment Grade Rating. As of the Agreement Date, the Applicable Margin is determined by reference to Level 3.

Level	Credit Rating (S&P/Moody’s or equivalent)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-/A3 or equivalent	0.375%	0.00%
2	BBB+/Baa1 or equivalent	0.400%	0.00%
3	BBB/Baa2 or equivalent	0.550%	0.00%
4	BBB-/Baa3 or equivalent	0.750%	0.00%
5	Lower than BBB-/Baa3 or equivalent	1.000%	0.00%

“**Asset Value**” means

(a) with respect to any Consolidated Subsidiary at a given time, the sum of (i) the Capitalized EBITDA of such Consolidated Subsidiary at such time, plus (ii) the Capitalized Third Party Net Revenue of such Subsidiary at such time, plus (iii) the book value of all Construction in Process of such Consolidated Subsidiary as of the end of the Parent’s fiscal quarter most recently ended, and

(b) with respect to any Unconsolidated Affiliate at a given time the sum of (i) with respect to any of such Unconsolidated Affiliate’s Properties under construction, the Parent’s Ownership Share of the book value of Construction in Process for such Property as of the end of the Parent’s fiscal quarter most recently ended and (ii) with respect to any of such Unconsolidated Affiliate’s Properties which have been completed, the Parent’s Ownership Share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties.

“**Assignee**” has the meaning given that term in Section 13.7.(c).

“**Assignment and Assumption**” means an Assignment and Assumption Agreement among a Lender, an Assignee and the Agent, substantially in the form of Exhibit A.

“**Base Rate**” means the greater of (a) the base rate of interest which the Agent establishes from time to time and which serves as the basis upon which the effective rates of interest are calculated for those loans making reference to the “prime rate” and (b) the Federal Funds Rate plus one-half of one percent (0.5%). Each change in the Base Rate shall become effective without prior notice to the Borrower or the Lenders automatically as of the opening of business on the date of such change in the Base Rate.

“**Base Rate Loan**” means a Revolving Loan bearing interest at a rate based on the Base Rate.

“**Benefit Arrangement**” means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

“**Bid Rate Borrowing**” has the meaning given that term in Section 2.2.(b).

“**Bid Rate Loan**” means a loan made by a Lender under Section 2.2.(b) and shall include the Existing Bid Rate Loans.

“**Bid Rate Note**” means a promissory note of the Borrower substantially in the form of Exhibit B, payable to the order of a Lender as originally in effect and otherwise duly completed and in any event shall include any new Bid Rate Note that may be issued from time to time pursuant to Section 13.7.

“**Bid Rate Quote**” means an offer in accordance with Section 2.2.(c) by a Lender to make a Bid Rate Loan with one single specified interest rate.

“**Bid Rate Quote Request**” has the meaning given that term in Section 2.2.(b).

“**Borrower**” has the meaning set forth in the introductory paragraph hereof and shall include the Borrower’s successors and permitted assigns.

“**Borrowing Base**” means, without duplication, the aggregate Unencumbered Pool Values of all Unencumbered Pool Properties divided by the Borrowing Base Factor. Notwithstanding anything set forth in this definition to the contrary, (a) not more than 30% of the Borrowing Base can be attributable to (without duplication) the collective Unencumbered Pool Values of (i) Development Properties and (ii) Properties that are not Retail Real Estate Properties and (b) not more than 20% of the Borrowing Base can be attributable to the collective Unencumbered Pool Values of Properties owned by Qualified Ventures which Properties are Retail Real Estate Properties but are not Development Properties.

“**Borrowing Base Factor**” means 1.60, provided, however, that no more than twice prior to the Termination Date, the Borrower may elect to reduce the Borrowing Base Factor to 1.54 for a period of one fiscal quarter by delivering written notice of its election to the Agent prior to its election to exercise such reduction.

“**Business Day**” means (a) a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Agent in San Francisco, California are open to the public for carrying on substantially all of Agent’s business functions and (b) with reference to a LIBOR Loan, any such day that is also a day on which dealings in Dollar deposits are carried out in the London interbank market. Unless specifically referenced in this Agreement as a Business Day, all references to “days” shall be to calendar days.

"**Capitalized EBITDA**" means, with respect to a Person and as of a given date, (a) such Person's EBITDA for the fiscal quarter most recently ended times (b) 4 and divided by (c) 7.75%. In determining Capitalized EBITDA (i) EBITDA attributable to real estate properties either acquired or disposed of by such Person during such Person's two most recently ended fiscal quarters shall be disregarded, (ii) for each of the first three fiscal quarters of each fiscal year, EBITDA shall include the lesser of (A) 25% of the budgeted percentage rents for such fiscal year or (B) 25% of the actual percentage rents received by such Person in the immediately preceding fiscal year, (iii) for the fourth fiscal quarter of each fiscal year, EBITDA shall include 25% of the percentage rents actually received by such Person in such fiscal year, (iv) Third Party Net Revenue for the applicable period shall be excluded from EBITDA, (v) any amounts deducted from the net earnings of Properties owned by Consolidated Subsidiaries in which a third party owns a minority equity interest shall be included in EBITDA; and (vi) distributions of cash received by such Person during such period from any of its Unconsolidated Affiliates shall be excluded from EBITDA.

"**Capitalized Lease Obligation**" means obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of a Capitalized Lease Obligation is the capitalized amount of such obligation determined in accordance with GAAP.

"**Capitalized Third Party Net Revenue**" means, with respect to a Person and as of a given date, (a) such Person's Third Party Net Revenue for the four fiscal quarters most recently ended less general and administrative expenses of such Person for such period attributable to the generation of such Third Party Net Revenue, divided by (b) 20.0%.

"**Commitment**" means, as to each Lender, such Lender's obligation to make Revolving Loans pursuant to Section 2.1., to participate in Letters of Credit pursuant to Section 2.3.(i), and to participate in Swingline Loans pursuant to Section 2.4.(e), in an amount up to, but not exceeding the amount set forth for such Lender on its signature page hereto as such Lender's "Commitment Amount" or as set forth in the applicable Assignment and Assumption Agreement, as the same may be reduced from time to time pursuant to Section 2.12. or otherwise pursuant to the terms of this Agreement or as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 13.7.

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

"**Compliance Certificate**" has the meaning given that term in Section 9.3.

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

“**Construction Budget**” means the fully budgeted costs for the construction, development and redevelopment (excluding tenant improvement costs reimbursable to the owner under the terms of the applicable lease and reasonably projected out-parcel sales) of a given Development Property, such budget to include an adequate operating deficiency reserve. For purposes of this definition the “fully budgeted costs” of a Development Property to be acquired by a Person upon completion pursuant to a contract in which the seller is required to develop or renovate prior to, and as a condition precedent to, such acquisition shall equal the maximum amount reasonably estimated to be payable by such Person under the contract assuming performance by the seller of its obligations under the contract which amount shall include, without limitation, any amounts payable after consummation of such acquisition which may be based on certain performance levels or other related criteria.

“**Construction in Process**” means construction in process as determined in accordance with GAAP.

“**Contingent Obligation**” means, for any Person, any commitment, undertaking, Guarantee or other obligation constituting a contingent liability that must be accrued under GAAP.

“**Continue**”, “**Continuation**” and “**Continued**” each refers to the continuation of a LIBOR Loan from one Interest Period to another Interest Period pursuant to Section 2.9.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to the conversion of a Revolving Loan of one Type into a Revolving Loan of another Type pursuant to Section 2.10.

“**Credit Event**” means any of the following: (a) the making (or deemed making) of any Loan, (b) the Conversion of Revolving Loan, (c) the Continuation of a LIBOR Loan and (d) the issuance or increase of the face amount of a Letter of Credit.

“**Credit Rating**” means the rating assigned by a Rating Agency to the senior unsecured long term Indebtedness of a Person.

“**Debt Service**” means, with respect to the Parent and its Consolidated Subsidiaries for any period, the sum of (a) Interest Expense for such period plus (b) regularly scheduled principal payments on Indebtedness of the Parent and its Consolidated Subsidiaries during such period, other than any balloon, bullet or similar principal payment payable on any Indebtedness of such Person which repays such Indebtedness in full.

“**Default**” means any of the events specified in Section 11.1., whether or not there has been satisfied any requirement for the giving of notice, the lapse of time, or both.

“**Defaulting Lender**” has the meaning given that term in Section 3.10.

“**Derivatives Contract**” means any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement. Not in limitation of the foregoing, the term “Derivatives Contract” includes any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other similar master agreement, including any such obligations or liabilities under any such master agreement.

“**Derivatives Termination Value**” means, in respect of any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Derivatives Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include the Agent or any Lender).

“**Designated Lender**” means a special purpose corporation which is an Affiliate of, or sponsored by, a Lender, that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and that issues (or the parent of which issues) commercial paper rated at least P-1 (or the then equivalent grade) by Moody’s or A-1 (or the then equivalent grade) by S&P that, in either case, (a) is organized under the laws of the United States of America or any state thereof, (b) shall have become a party to this Agreement pursuant to Section 13.7.(d) and (c) is not otherwise a Lender.

“**Designated Lender Note**” means a Bid Rate Note of the Borrower evidencing the obligation of the Borrower to repay Bid Rate Loans made by a Designated Lender.

“**Designating Lender**” has the meaning given that term in Section 13.7.(d).

“**Designation Agreement**” means a Designation Agreement between a Lender and a Designated Lender and accepted by the Agent, substantially in the form of Exhibit C or such other form as may be agreed to by such Lender, such Designated Lender and the Agent.

"**Development Property**" means either (a) a Property acquired by the Borrower, any Subsidiary or any Unconsolidated Affiliate as unimproved real estate to be developed or (b) a Property acquired by any such Person on which such Person is to (i) partially or completely demolish and redevelop the improvements on such Property, (ii) substantially reconfigure the existing improvements on such Property or (iii) increase materially the rentable square footage of such Property, in each case for which an 80% Occupancy Rate has not been achieved. The term "Development Property" shall include real property of the type described in the immediately preceding clause (a) or (b) to be (but not yet) acquired by any such Person upon completion of construction pursuant to a contract in which the seller of such real property is required to develop or renovate prior to, and as a condition precedent to, such acquisition, but shall not include any build-to-suit Property which is 100% preleased by a single tenant having a Credit Rating which is an Investment Grade Rating.

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

"**EBITDA**" means, with respect to any Person for any period and without duplication, net earnings (loss) of such Person for such period (including equity in net earnings or net loss of Unconsolidated Affiliates) excluding the following amounts (but only to the extent included in determining net earnings (loss) for such period): (a) depreciation and amortization expense and other non-cash charges of such Person for such period; (b) interest expense of such Person for such period; (c) income tax expense of such Person in respect of such period; and (d) extraordinary and nonrecurring gains and losses of such Person for such period, including without limitation, gains and losses from the sale of operating Properties (but not from the sale of Properties developed for the purpose of sale). For purposes of this definition, net earnings (loss) shall be determined before minority interests and distributions to holders of Preferred Stock.

"**Effective Date**" means the later of (a) the Agreement Date and (b) the date on which all of the conditions precedent set forth in Section 6.1. shall have been fulfilled or waived in accordance with the provisions of Section 13.8.

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

"**Eligible Property**" means a Property which satisfies all of the following requirements: (a) such Property is owned in fee simple by only the Borrower, a Wholly Owned Subsidiary of the Borrower or a Qualified Venture, or is owned under a nominee arrangement by the Borrower,

a Wholly Owned Subsidiary of the Borrower, a Qualified Venture or a trust controlled by the Borrower, a Wholly Owned Subsidiary of the Borrower or a Qualified Venture (so long as the sole beneficiary of such trust is a Wholly Owned Subsidiary); (b) neither such Property, nor any interest of the Borrower, such Subsidiary or such Qualified Venture is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (c) if such Property is owned by a Wholly Owned Subsidiary or Qualified Venture of the Borrower, (i) none of the Borrower's or Parent's direct or indirect ownership interest in such Subsidiary or Qualified Venture is subject to any Lien other than Permitted Liens or to any agreement (other than the Facility) that prohibits the creation of any Lien thereon as security for Indebtedness and (ii) the Borrower directly, or indirectly through a Subsidiary or Qualified Venture, has the right to take the following actions without the need to obtain the consent of any other owner of the Qualified Venture or any Person: (A) to create a Lien on such Property as security for Indebtedness of the Borrower or such Subsidiary or Qualified Venture, as applicable and (B) to sell, transfer or otherwise dispose of such Property; (d) such Property is free of all structural defects or major architectural deficiencies, title defects, or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property and (e) such Property is not subject to a ground lease (other than a lease of land on such Property owned by the Borrower, such Subsidiary of the Borrower or such Qualified Venture of the Borrower and leased to a Person which is not an Affiliate).

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

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

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“**ERISA Group**” means the Borrower, the Parent, any Loan Party, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

“**Event of Default**” means any of the events specified in Section 11.1., provided that any requirement for notice or lapse of time or any other condition has been satisfied.

“**Executive Officer**” means, with respect to any Person, a senior officer or other officer of such Person having authority to direct material policies or decisions of such Person.

“**Existing Bid Rate Loans**” means each of the bid rate loans made by a Lender to the Borrower under the Existing Credit Agreement and described on Schedule 1.1.(A).

“**Existing Credit Agreement**” has the meaning set forth in the first recital hereof.

“**Existing Letters of Credit**” means each of the letters of credit issued by the Agent under the Existing Credit Agreement and described on Schedule 1.1.(B).

“**Federal Funds Rate**” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal Funds brokers of recognized standing selected by Agent.

“**Fee Letter**” means that certain letter agreement dated as of November 7, 2006 by and between the Agent and the Borrower.

“**Fees**” means the fees and commissions provided for or referred to in Section 3.6. and any other fees payable by the Borrower hereunder or under any other Loan Document.

“**Fitch**” means Fitch, Inc.

“**Fixed Charges**” means, with respect to the Parent and its Consolidated Subsidiaries for a given period, the sum of (a) Debt Service, plus (b) any distributions by the Parent or any Subsidiary to the holders of Preferred Stock issued by the Parent or any such Subsidiary (excluding any such distributions made to the Parent or any Subsidiary), plus (c) the Reserve for Replacements.

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

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

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, commission, board, department or other entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

“**Gross Asset Value**” means, at a given time, the sum (without duplication) of (a) the Capitalized EBITDA of the Parent and its Consolidated Subsidiaries at such time, plus (b) the Capitalized Third Party Net Revenue of the Parent and its Consolidated Subsidiaries at such time, plus (c) the purchase price paid by the Parent or any Consolidated Subsidiary (less any amounts paid to the Parent or such Consolidated Subsidiary as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements) for any Property (other than a Development Property) acquired by the Parent or such Consolidated Subsidiary during the Parent’s two most recently ended fiscal quarters, plus (d) all of Parent’s and its Consolidated Subsidiaries’ cash and cash equivalents as of the end of such fiscal quarter (excluding tenant deposits and other cash and cash equivalents the disposition of which is restricted in any way (excluding restrictions in the nature of early withdrawal penalties and restrictions on cash deposited into an escrow account for the payment of property taxes in respect of real property but only to the extent the aggregate amount of cash held in such account exceeds the amount of accrued property taxes at such time)), plus (e) the book value of (i) the current portion of accounts receivable which are deemed collectable in the ordinary course of business and which have been outstanding for not more than 90 days from the date such account receivable was due and (ii) the current portion of notes receivable which are deemed to be collectable, in each case, as determined in accordance with GAAP, plus (f) with respect to each of the Parent’s Unconsolidated Affiliates, (i) with respect to any of such Unconsolidated Affiliate’s Properties under construction, the Parent’s Ownership Share of the book value of Construction in Process for such Property as of the end of such fiscal quarter and (ii) with respect to any of such Unconsolidated Affiliate’s Properties which have been completed, the Parent’s Ownership Share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties, plus (g) the book value of (i) all Construction in Process for Properties acquired for development by the Parent or any Consolidated Subsidiary and (ii) all unimproved real property, in each case as such book value is set forth on the Parent’s consolidated balance sheet most recently delivered to the Lenders under Section 9.1. or Section 9.2. plus (h) the contractual purchase price of any real property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could be specifically enforced by the seller of such real property, but only to the extent such obligations are included in the Parent’s or any Consolidated Subsidiary’s Total Liabilities plus (i) in the case of any real property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could not be specifically enforced by the seller of such real property, the aggregate amount of due diligence

deposits, earnest money payments and other similar payments made under the applicable contract which, at such time, would be subject to forfeiture upon termination of the contract, but only to the extent such amounts are included in the Parent's or any Consolidated Subsidiary's Total Liabilities.

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

"**Guaranty**", "**Guaranteed**" "**Guaranteeing**", or to "**Guarantee**" as applied to any obligation means and includes: (a) a guaranty (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), directly or indirectly, in any manner, of any part or all of such obligation, or (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the practical effect of which is to assure the payment or performance (or payment of damages in the event of nonperformance) of any part or all of such obligation whether by: (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor with respect to such obligation, (iv) repayment of amounts drawn down by beneficiaries of letters of credit (including Letters of Credit), or (v) the supplying of funds to or investing in a Person on account of all or any part of such Person's obligation under a Guaranty of any obligation or indemnifying or holding harmless, in any way, such Person against any part or all of such obligation. As the context requires, "Guaranty" shall also mean the guaranty executed and delivered pursuant to Section 6.1. or Section 8.13. and substantially in the form of Exhibit D.

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

"**Indebtedness**" means, with respect to a Person, at the time of computation thereof, all of the following (without duplication and determined on a consolidated basis): (a) all obligations of such Person in respect of money borrowed; (b) all obligations of such Person (other than trade debt incurred in the ordinary course of business), whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or

assumed as full or partial payment for property; (c) Capitalized Lease Obligations of such Person; (d) all reimbursement obligations of such Person under or in respect of any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Off-Balance Sheet Liabilities of such Person; (f) net obligations owed by such Person under all Derivative Contracts in an amount equal to the net Derivatives Termination Value thereof; (g) all Indebtedness of other Persons which (i) such Person has Guaranteed or which is otherwise recourse to such Person or (ii) is secured by a Lien on any property of such Person; (h) all Indebtedness of any other Person of which such Person is a general partner; and (i) with respect to Indebtedness of an Unconsolidated Affiliate, (i) all such Indebtedness which such Person has Guaranteed or is otherwise obligated on a recourse basis and (ii) such Person's Ownership Share of all other Indebtedness of such Unconsolidated Affiliate.

"**Intellectual Property**" has the meaning given that term in Section 7.1.(r).

"**Interest Expense**" means, with respect to the Parent and its Consolidated Subsidiaries for any period, (a) all paid, accrued or capitalized interest expense (other than capitalized interest funded from a construction loan interest reserve account held by another lender and not included in the calculation of cash for balance sheet reporting purposes), including interest expense attributable to Capitalized Lease Obligations) of the Parent and its Consolidated Subsidiaries and in any event shall include all letter of credit fees and all interest expense with respect to any Indebtedness in respect of which the Parent or its Consolidated Subsidiaries is wholly or partially liable whether pursuant to any repayment, interest carry, performance Guarantee or otherwise, plus (b) to the extent not already included in the foregoing clause (a) the Parent's and its Consolidated Subsidiaries' Ownership Share of all paid, accrued or capitalized interest expense for such period of their respective Unconsolidated Affiliates.

"**Interest Period**" means:

(a) with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made or the last day of the next preceding Interest Period for such Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. In addition to such periods, the Borrower may request Interest Periods for LIBOR Loans having durations of at least 7, but not more than 30, days no more than ten times during any 12-month period beginning during the term of this Agreement but only in anticipation of (i) the Borrower's prepayment of such LIBOR Loans from equity or debt offerings, financings or proceeds resulting from the sale or other disposition of major assets of the Borrower or any of its Subsidiaries or (ii) changes in the amount of the Lenders' Commitments associated with a modification of this Agreement; and

(b) with respect to any Bid Rate Loan, the period commencing on the date such Bid Rate Loan is made and ending on the numerically corresponding day in the first, second, or third calendar month thereafter, as the Borrower may select as provided in Section 2.2.(b), except that

each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month.

Notwithstanding the foregoing: (i) if any Interest Period would otherwise end after the Termination Date, such Interest Period shall end on the Termination Date; (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately following Business Day (or, if such immediately following Business Day falls in the next calendar month, on the immediately preceding Business Day); and (iii) notwithstanding the immediately preceding clauses (i) and (ii) but except as otherwise provided in the second sentence of the immediately preceding clause (a), no Interest Period for a LIBOR Loan shall have a duration of less than one month and, if the Interest Period for any such Loan would otherwise be a shorter period, such Loan shall not be available hereunder for such period.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended.

"**Investment**" means, with respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, by means of any of the following: (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, Guaranty of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any commitment to make an Investment in any other Person, as well as any option of another Person to require an Investment in such Person, shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in a Loan Document, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"**Investment Grade Rating**" means a Credit Rating of BBB-/Baa3 (or the equivalent) or higher from a Rating Agency.

"**L/C Commitment Amount**" has the meaning given to that term in Section 2.3.

"**Lender**" means each financial institution from time to time party hereto as a "Lender" or a "Designated Lender," together with its respective successors and permitted assigns, and, as the context requires, includes the Swingline Lender; provided, however, that the term "Lender" shall exclude each Designated Lender when used in reference to any Loan other than a Bid Rate Loan, the Commitments or terms relating to any Loan other than a Bid Rate Loan and the Commitments and shall further exclude each Designated Lender for all other purposes under the Loan Documents except that any Designated Lender which funds a Bid Rate Loan shall, subject to Section 13.7.(d), have the rights (including the rights given to a Lender contained in Sections 13.3. and 13.11.) and obligations of a Lender associated with holding such Bid Rate Loan; provided further, however, that in accordance with Section 3.10., with respect to matters requiring the consent or approval of all Lenders at any given time, all then existing Defaulting Lenders will be disregarded and excluded, and, for voting purposes only, all Lenders shall be deemed to mean all Lenders other than Defaulting Lenders.

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

"**Letter of Credit**" has the meaning given that term in Section 2.3.(a).

"**Letter of Credit Collateral Account**" means, if any, a special deposit account maintained by the Agent and under its sole dominion and control.

"**Letter of Credit Documents**" means, with respect to any Letter of Credit, collectively, any application therefor, any certificate or other document presented in connection with a drawing under such Letter of Credit and any other agreement, instrument or other document governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations.

"**Letter of Credit Liabilities**" means, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender (other than the Lender then acting as Agent) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest under Section 2.3. in the related Letter of Credit, and the Lender then acting as Agent shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Lenders (other than the Lender then acting as Agent) of their participation interests under such Section.

"**LIBOR**" means, the rate of interest, rounded upward to the nearest whole multiple of one-sixteenth of one percent (.0625%), offered to the Agent by first class banks from time to time as the London Inter-Bank Offered Rate for deposits in U.S. Dollars at approximately 9:00 a.m. California time, two Business Days prior to the first day of an Interest Period, for purposes of calculating effective rates of interest for loans or obligations making reference thereto for an amount approximately equal to a LIBOR Loan and for a period of time approximately equal to an Interest Period. Each determination of LIBOR by the Agent shall, in absence of demonstrable error, be conclusive and binding.

"**LIBOR Auction**" means a solicitation of Bid Rate Quotes for LIBOR Margin Loans pursuant to Section 2.2.

"**LIBOR Loan**" means a Revolving Loan bearing interest at a rate based on LIBOR.

"**LIBOR Margin**" has the meaning given that term in Section 2.2.(c)(ii)(D).

"**LIBOR Margin Loan**" means a Bid Rate Loan the interest rate on which is determined on the basis of LIBOR pursuant to a LIBOR Auction.

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

"**Loan**" means a Revolving Loan, a Bid Rate Loan or a Swingline Loan.

"**Loan Document**" means this Agreement, each Note, any Guaranty, each Letter of Credit Document, and each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement.

"**Loan Party**" means each of the Borrower, the Parent and each Guarantor. Schedule 1.1.(C) sets forth the Guarantors as of the Agreement Date.

"**Material Adverse Effect**" means a materially adverse effect on (a) the business, assets, liabilities, financial condition or operations of (i) the Borrower and its Consolidated Subsidiaries taken as a whole or (ii) the Parent and its Consolidated Subsidiaries taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Lenders and the Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith or the timely payment of all Reimbursement Obligations. Except with respect to representations made or deemed made by the Borrower under Section 7.1. or in any of the other Loan Documents to which it is a party, all determinations of materiality shall be made by the Agent in its reasonable judgment unless expressly provided otherwise.

"**Material Plan**" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $5,000,000.

"**Maximum Loan Availability**" means, at any time, the lesser of (a) an amount equal to the positive difference, if any, of (i) the Borrowing Base minus (ii) all Unsecured Liabilities (other than the Loans and the Letter of Credit Liabilities), of the Parent and its Consolidated Subsidiaries and (b) the aggregate amount of the Commitments at such time.

"**Moody's**" means Moody's Investors Service, Inc.

“**Mortgage**” means a mortgage, deed of trust, deed to secure debt or similar security instrument made or to be made by a Person owning an interest in real estate granting a Lien on such interest in real estate as security for the payment of Indebtedness.

“**Multiemployer Plan**” means at any time a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

“**Negative Pledge**” means, with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; provided, however, that an agreement that indirectly limits generally the amount of secured Indebtedness which may be incurred by such Person but does not generally prohibit the encumbrance of its assets or the encumbrance of specific assets, shall not constitute a Negative Pledge.

“**Net Operating Income**” means, for any Property and for a given period, the sum (without duplication) of (a) rents and other revenues received or accrued in the ordinary course from such Property (including proceeds of rent loss insurance but excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants’ obligations for rent) minus (b) all expenses paid or accrued by the Borrower, the Parent and the Subsidiaries and related to the ownership, operation or maintenance of such Property (other than those expenses normally covered by a management fee), including but not limited to, taxes, assessments and the like, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses (including an appropriate allocation for legal, accounting, advertising, marketing and other expenses incurred in connection with such Property, but specifically excluding general overhead expenses of the Borrower and any other Loan Party and any property management fees) minus (c) the Reserve for Replacements for such Property for such period minus (d) the greater of (i) the actual property management fee paid during such period with respect to such Property and (ii) an imputed management fee in an amount equal to 3.5% of the gross revenues for such Property for such period.

“**Net Worth**” means, for any Person and as of a given date, such Person’s total consolidated stockholders’ equity plus, in the case of the Parent and its Consolidated Subsidiaries, increases in accumulated depreciation accrued after the Agreement Date minus (a) (to the extent reflected in determining stockholders’ equity of such Person): (i) the amount of any write-up in the book value of any assets contained in any balance sheet resulting from revaluation thereof or any write-up in excess of the cost of such assets acquired, and (ii) the aggregate of all amounts appearing on the assets side of any such balance sheet for franchises, licenses, permits, patents, patent applications, copyrights, trademarks, trade names, goodwill, treasury stock, experimental or organizational expenses and other like assets which would be classified as intangible assets under GAAP, plus (b) (to the extent reflected in determining stockholders’ equity of such Person) the amount of any liabilities that would be classified as intangible liabilities under GAAP, all determined on a consolidated basis.

“**Newly Acquired Property**” mean an Eligible Property acquired by the Borrower, a Wholly Owned Subsidiary of the Borrower or a Qualified Venture during the immediately preceding two fiscal quarters.

“**Non-Guarantor Entity**” means any Person (other than the Borrower) who is a not a Guarantor and in which the Parent or the Borrower directly or indirectly owns an Equity Interest.

“**Nonrecourse Indebtedness**” means, with respect to a Person, Indebtedness for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, collusive involuntary bankruptcy and other similar customary exceptions to recourse liability in a form reasonably acceptable to the Agent) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

“**Note**” means a Revolving Note, a Bid Rate Note or a Swingline Note.

“**Notice of Borrowing**” means a notice substantially in the form of Exhibit E to be delivered to the Agent pursuant to Section 2.1.(b) evidencing the Borrower’s request for a borrowing of Revolving Loans.

“**Notice of Continuation**” means a notice substantially in the form of Exhibit F to be delivered to the Agent pursuant to Section 2.9. evidencing the Borrower’s request for the Continuation of a LIBOR Loan.

“**Notice of Conversion**” means a notice substantially in the form of Exhibit G to be delivered to the Agent pursuant to Section 2.10. evidencing the Borrower’s request for the Conversion of a Loan from one Type to another Type.

“**Notice of Swingline Borrowing**” means a notice substantially in the form of Exhibit H to be delivered to the Swingline Lender pursuant to Section 2.4.(b) evidencing the Borrower’s request for a Swingline Loan.

“**Obligations**” means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities; (c) all obligations under Derivatives Contracts entered into by any Loan Party with the Agent, any Lender or any Affiliate of the Agent or a Lender and (d) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower or any of the other Loan Parties owing to the Agent or any Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, including, without limitation, the Fees and indemnification obligations, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

“**Occupancy Rate**” means, with respect to a Property at any time, the ratio, expressed as a percentage, of (a) the net rentable square footage of such Property leased to tenants paying rent pursuant to binding leases as to which no monetary default has occurred and is existing to (b) the aggregate net rentable square footage of such Property. For the avoidance of doubt, when determining the Occupancy Rate of a Side Shop Center, the stand-alone anchor associated with such Side Shop Center shall be excluded from such determination.

“**Off-Balance Sheet Obligations**” means liabilities and obligations of the Borrower, any Subsidiary or any other Person in respect of “off-balance sheet arrangements” (as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act) which the Borrower would be required to disclose in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of the Borrower’s report on Form 10-Q or Form 10-K (or their equivalents) which the Borrower is required to file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor).

“**Operating Property**” means an Eligible Property that is not a Development Property, Newly Acquired Property or a Recently Completed Property.

“**Ownership Share**” means, with respect to any Subsidiary of a Person (other than a Wholly Owned Subsidiary) or any Unconsolidated Affiliate of a Person, the greater of (a) such Person’s relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary or Unconsolidated Affiliate or (b) subject to compliance with Section 9.4.(m), such Person’s relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary or Unconsolidated Affiliate determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Subsidiary or Unconsolidated Affiliate.

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

“**Participant**” has the meaning given that term in Section 13.7.(b).

“**PBGC**” means the Pension Benefit Guaranty Corporation and any successor agency.

“**Permitted Liens**” means, with respect to any asset or property of a Person, (a) Liens securing taxes, assessments and other charges or levies imposed by any Governmental Authority (excluding any Lien imposed pursuant to any of the provisions of ERISA or pursuant to any Environmental Laws) or the claims of materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which are not at the time required to be paid or discharged under Section 8.6.; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workers’ compensation, unemployment insurance, pension or social security programs or similar Applicable Laws; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which do not materially detract from the value of such property or

materially impair the intended use thereof in the business of such Person; (d) the rights of tenants under leases or subleases not interfering with the ordinary conduct of business of such Person and (e) Liens granted to the Agent or the Lenders pursuant to the terms of the Loan Documents.

"**Person**" means any natural person, corporation, limited partnership, general partnership, joint stock company, limited liability company, limited liability partnership, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, or any other nongovernmental entity, or any Governmental Authority.

"**Plan**" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"**Post-Default Rate**" means, in respect of any principal of any Loan or any other Obligation that is not paid when due (whether at stated maturity, by acceleration, by optional or mandatory prepayment or otherwise), a rate per annum equal to the Base Rate as in effect from time to time, plus the Applicable Margin for Base Rate Loans, plus four percent 4.0%.

"**Preferred Stock**" means, with respect to any Person, shares of capital stock of, or other Equity Interests in, such Person which are entitled to preference or priority over any other capital stock of, or other Equity Interest in, such Person in respect of the payment of dividends or distribution of assets upon liquidation or both.

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

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

"**Qualified Development Property**" means an Eligible Property that is a Development Property.

"**Qualified Venture**" means any Subsidiary of the Borrower which satisfies all of the following requirements: (a) such Subsidiary is a limited liability company or limited partnership, (b) such Subsidiary is a Consolidated Subsidiary of the Borrower, (c) such Subsidiary was formed for the purpose of developing a Development Property, (d) the Borrower or a Wholly Owned Subsidiary of the Borrower is the managing member or the general partner of such Subsidiary with authority to manage and control the day to day business and affairs of the Subsidiary, and with the right without the need to obtain the consent of any other Person,

including any minority member or partner of such Subsidiary, to create a Lien on such Subsidiary's Property as security for Indebtedness of such Subsidiary and to sell, transfer or otherwise dispose of such Property, (e) such Subsidiary has a minority member or partner which has agreed to assist in the development of the Property owned by such Subsidiary in the manner described in the organizational documents of such Subsidiary and which is entitled to participate in distributions by such Subsidiary of cash flow and/or sale or refinancing proceeds, subject to an agreed upon preferred return on capital contributed to such Subsidiary, and (f) the amount reasonably estimated by the Borrower to be payable to such minority member or partner on account of such participation (i) is included as an Unsecured Liability and (ii) does not exceed 10.0% of the Unencumbered Pool Values of all Eligible Properties owned by the Qualified Venture.

"**Rating Agency**" means S&P, Moody's, Fitch or any other nationally recognized securities rating agency selected by the Borrower and approved of by the Agent in writing.

"**Recently Completed Property**" means an Eligible Property which has ceased to be a Development Property within the immediately preceding four fiscal quarters.

"**Recourse Secured Indebtedness**" means Secured Indebtedness of the Parent, its Subsidiaries and its Unconsolidated Affiliates to the extent for which any Loan Party or any other Subsidiary owning an Unencumbered Pool Property is liable for repayment of such Indebtedness.

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

"**Reimbursement Obligation**" means the absolute, unconditional and irrevocable obligation of the Borrower to reimburse the Agent for any drawing honored by the Agent under a Letter of Credit.

"**REIT**" means a Person qualifying for treatment as a "real estate investment trust" under the Internal Revenue Code.

"**Requisite Lenders**" means, as of any date, Lenders (which shall include the Lender then acting as Agent) having at least 51% of the aggregate amount of the Commitments, or, if the Commitments have been terminated or reduced to zero, Lenders holding at least 51% of the principal amount of the outstanding Loans and Letter of Credit Liabilities; provided that (a) in determining such percentage at any given time, all then existing Defaulting Lenders will be disregarded and excluded and the Commitment Percentages of the Loan of Lenders shall be redetermined, for voting purposes only, to exclude the Commitment Percentages of the Loan of such Defaulting Lenders, and (b) at all times when two or more Lenders are party to this Agreement, the term "Requisite Lenders" shall in no event mean less than two Lenders.

“**Reserve for Replacements**” means, for any period and with respect to any Property, an amount equal to (a)(i) the aggregate square footage of all completed space of such Property if such Property is owned by the Parent or any of its Subsidiaries or (ii) the Parent’s or such Subsidiary’s Ownership Share of the aggregate square footage of all completed space of such Property if such Property is owned by an Unconsolidated Affiliate times (b) $0.15 times (c) the number of days in such period divided by (d) 365. If the term Reserve for Replacements is used without reference to any specific Property, then it shall be determined on an aggregate basis with respect to all Properties and the applicable Ownership Shares of all real property of all Unconsolidated Affiliates.

“**Restricted Payment**” means: (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock or other Equity Interest of the Borrower, the Parent, any other Loan Party or any Subsidiary now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock or other Equity Interest of the Borrower, the Parent, any other Loan Party or any Subsidiary now or hereafter outstanding, except, in the case of the Parent, for any conversion or exchange of partnership units in the Borrower solely for shares of capital stock of the Parent; (c) any payment or prepayment of principal of, premium, if any, or interest on, redemption, conversion, exchange, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Subordinated Debt; and (d) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of the Borrower, the Parent, any other Loan Party or any Subsidiary now or hereafter outstanding.

“**Retail Real Estate Properties**” mean grocery-anchored and non-grocery-anchored retail shopping centers, stand-alone retail stores, build-to-suit properties occupied by non-grocery tenants, and Side Shop Centers.

“**Revolving Loan**” means a loan made by a Lender to the Borrower pursuant to Section 2.1.(a).

“**Revolving Note**” means a promissory note of the Borrower substantially in the form of Exhibit I, payable to the order of a Lender in a principal amount equal to the amount of such Lender’s Commitment as originally in effect and otherwise duly completed and in any event shall include any new Revolving Note that may be issued from time to time pursuant to Section 13.7.

“**Secured Indebtedness**” means, with respect to any Person, any Indebtedness of such Person that is secured in any manner by any Lien on any real property and shall include such Person’s Ownership Share of the Secured Indebtedness of any of such Person’s Unconsolidated Affiliates.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

"**Side Shop Center**" means a Property developed as a "side shop center" located on real property adjacent to a third-party-owned, stand-alone grocery or non-grocery anchor.

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

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

"**Stated Amount**" means the amount available to be drawn by a beneficiary under a Letter of Credit from time to time, as such amount may be increased or reduced from time to time in accordance with the terms of such Letter of Credit.

"**Stein Parties**" means (a) (i) Joan Newton, Richard Stein, Robert Stein and Martin E. Stein, Jr., (ii) any of their immediate family members consisting of spouses and lineal descendants (whether natural or adopted) and (iii) any trusts established for the benefit of any of the foregoing and (b) The Regency Group, Inc., The Regency Group II, Ltd. and Regency Square II but only so long as the foregoing individuals or such trusts own, directly or indirectly, all of the capital stock of any such entity.

"**Subordinated Debt**" means Indebtedness for money borrowed of the Borrower, the Parent, any Loan Party or any Subsidiary that is subordinated in right of payment and otherwise to the Loans and the other Obligations in a manner satisfactory to the Agent in its sole and absolute discretion.

"**Subsidiary**" means, for any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the Equity Interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other individuals performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

"**Swingline Commitment**" means the Swingline Lender's obligation to make Swingline Loans pursuant to Section 2.4. in an amount up to, but not exceeding the amount set forth in Section 2.4., as such amount may be reduced from time to time in accordance with the terms hereof.

“**Swingline Lender**” means Wells Fargo Bank, National Association, together with its respective successors and assigns.

“**Swingline Loan**” means a loan made by the Swingline Lender to the Borrower pursuant to Section 2.4.

“**Swingline Note**” means the promissory note of the Borrower substantially in the form of Exhibit J, payable to the order of the Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed and in any event shall include any new Swingline Note that may be issued from time to time pursuant to Section 13.7.

“**Swingline Termination Date**” means the date which is 7 Business Days prior to the Termination Date.

“**Taxes**” has the meaning given that term in Section 3.11.

“**Termination Date**” means February 11, 2011, or such later date to which such date may be extended pursuant to Section 2.13.

“**Third Party Net Revenue**” means, with respect to a Person and for a given period (a) revenue accrued by such Person during such period from fees, commissions and other compensation derived from (without duplication) (i) managing and/or leasing properties owned by third parties; (ii) developing properties for third parties; (iii) arranging for property acquisitions by third parties; (iv) arranging financing for third parties; and (v) consulting and business services performed for third parties; plus (minus) (b) gains (losses) during such period from the sale of (i) outparcels of Properties and (ii) Properties developed for the purpose of sale; minus (c) taxes paid or accrued in accordance with GAAP during such period by any “taxable REIT subsidiary” (as defined in Sec. 856(l) of the Internal Revenue Code) of such Person or any of its Subsidiaries, minus (d) all expenses attributable to the activities described in clauses (a) and (b) above (including, without limitation, allocated general and administrative overhead), minus (e) to the extent that the sum of the foregoing clauses (a), (b), (c) and (d) exceeds 20% of the EBITDA of such Person, the amount of such excess.

“**Total Liabilities**” means, as to any Person as of a given date, all liabilities which would, in conformity with GAAP (except for intangible liabilities listed on such Person’s consolidated balance sheet in accordance with Statement of Financial Accounting Standards No. 141), be properly classified as a liability on a consolidated balance sheet of such Person as of such date, and in any event shall include (without duplication): (a) all Indebtedness of such Person; (b) all Contingent Obligations of such Person including, without limitation, all Guarantees of Indebtedness by such Person; (c) all liabilities of any Unconsolidated Affiliate of such Person, which liabilities such Person has Guaranteed or is otherwise obligated on a recourse basis; and (d) such Person’s Ownership Share of the Indebtedness of any Unconsolidated Affiliate of such Person, including Nonrecourse Indebtedness of such Person. For purposes of this definition, if the assets of a Subsidiary of a Person consist solely of Equity Interests in one Unconsolidated Affiliate of such Person and such Person is not otherwise obligated in respect of the Indebtedness of such Unconsolidated Affiliate, then only such Person’s Ownership Share of the Indebtedness of such Unconsolidated Affiliate shall be included as Total Liabilities of such Person.

“**Transfer Authorizer Designation Form**” means a form substantially in the form of Exhibit P to be delivered to the Agent pursuant to Section 6.1., as the same may be amended, restated or modified from time to time with the prior written approval of the Agent.

“**Type**” with respect to any Revolving Loan, refers to whether such Loan is a LIBOR Loan or a Base Rate Loan, or in the case of a Bid Rate Loan only, an Absolute Rate Loan or a LIBOR Margin Loan.

“**UCC**” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

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

“**Unencumbered NOI**” means, for any period, the aggregate Net Operating Income for such period of Eligible Properties.

“**Unencumbered Pool Certificate**” means a certificate in substantially the form of Exhibit K, certified by the chief financial officer of the Borrower, setting forth the calculations required to establish the Unencumbered Pool Value for each Unencumbered Pool Property and the Borrowing Base for all Unencumbered Pool Properties as of a specified date, all in form and detail satisfactory to the Agent.

“**Unencumbered Pool Properties**” means those Eligible Properties that, pursuant to the terms of this Agreement, are to be included when calculating the Borrowing Base.

“**Unencumbered Pool Value**” means, at any time, the following amount as determined for an Unencumbered Pool Property: if such Unencumbered Pool Property is (a) an Operating Property, (i) the Net Operating Income of such Unencumbered Pool Property for the fiscal quarter most recently ended <u>times</u> (ii) 4 and <u>divided by</u> (iii) 7.75%; (b) a Newly Acquired Property (other than a Qualified Development Property) or a Recently Completed Property, the book value of such Unencumbered Pool Property as determined in accordance with GAAP; and (c) a Qualified Development Property, the book value of Construction in Process for such Unencumbered Pool Property as determined in accordance with GAAP. Notwithstanding the foregoing,if an Unencumbered Pool Property shall cease to qualify as an Eligible Property, then the Unencumbered Pool Value of such Property shall be $0.

“**Unfunded Liabilities**” means, with respect to any Plan at any time, the amount (if any) by which (a) the value of all benefit liabilities under such Plan, determined on a plan termination basis using the assumptions prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds (b) the fair market value of all Plan assets allocable to such liabilities under Title IV of

ERISA (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

“**Unsecured Indebtedness**” means, with respect to a Person, all Indebtedness of such Person that is not Secured Indebtedness.

“**Unsecured Interest Expense**” means, with respect to the Parent and its Consolidated Subsidiaries and for a given period, all Interest Expense for such period attributable the Unsecured Indebtedness of the Parent and its Consolidated Subsidiaries.

“**Unsecured Liabilities**” means, as to any Person as of a given date, (a) all liabilities which would, in conformity with GAAP (except for intangible liabilities as listed on such Person’s consolidated balance sheet in accordance with Statements of Financial Accounting Standards No. 141), be properly classified as a liability on the consolidated balance sheet of such Person as at such date plus (b) all Indebtedness of such Person (to the extent not included in the preceding clause (a)) minus (c) all Secured Indebtedness of such Person. When determining the Unsecured Liabilities of the Parent and its Subsidiaries: (i) the following (to the extent not in excess of $10,000,000 in the aggregate) shall be excluded: (A) any amounts related to contributions by the Borrower paid in the Borrower’s capital stock to the 401(k) plan maintained by the Borrower and (B) contributions paid by the Borrower to the Borrower’s Long-term Omnibus Plan; (ii) accounts payable and accrued dividends payable shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of unrestricted cash then reportable on a consolidated balance sheet of the Borrower; and (iii) accrued property taxes in respect of real property shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of cash held by the Borrower and its Subsidiaries in escrow for the payment of such taxes at such time.

“**Wells Fargo**” means Wells Fargo Bank, National Association, and its successors and permitted assigns.

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

Section 1.2. General; References to San Francisco Time.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with GAAP as in effect on the Agreement Date; provided that, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Requisite Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Requisite Lenders); provided further that, until so

amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. With respect to any Property which has not been owned by a Loan Party or other Subsidiary for a full fiscal quarter, financial amounts with respect to such Property shall be adjusted appropriately to account for such lesser period of ownership unless specifically provided otherwise herein. References in this Agreement to “Sections”, “Articles”, “Exhibits” and “Schedules” are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time to the extent not prohibited hereby and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to “Subsidiary” means a Subsidiary of the Parent or a Subsidiary of such Subsidiary and a reference to an “Affiliate” means a reference to an Affiliate of the Borrower. Titles and captions of Articles, Sections, subsections and clauses in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement. Unless otherwise indicated, all references to time are references to San Francisco, California time.

ARTICLE II. CREDIT FACILITY

Section 2.1. Revolving Loans.

(a) Making of Revolving Loans. Subject to the terms and conditions set forth in this Agreement, including without limitation, Section 2.15., each Lender severally and not jointly agrees to make Revolving Loans to the Borrower during the period from and including the Effective Date to but excluding the Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, such Lender’s Commitment Percentage of the Maximum Loan Availability (but in no event in excess of such Lender’s Commitment). Within the foregoing limits and subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans.

(b) Requests for Revolving Loans. Not later than 9:00 a.m. San Francisco time at least two (2) Business Days prior to a borrowing of Base Rate Loans and not later than 9:00 a.m. San Francisco time at least three (3) Business Days prior to a borrowing of LIBOR Loans, the Borrower shall deliver to the Agent a Notice of Borrowing. Each Notice of Borrowing shall specify the aggregate principal amount of the Revolving Loans to be borrowed, the date such Revolving Loans are to be borrowed (which must be a Business Day), the use of the proceeds of such Revolving Loans, the Type of the requested Revolving Loans, and if such Revolving Loans are to be LIBOR Loans, the initial Interest Period for such Revolving Loans. Each Notice of Borrowing shall be irrevocable once given and binding on the Borrower. Prior to delivering a

Notice of Borrowing, the Borrower may (without specifying whether a Revolving Loan will be a Base Rate Loan or a LIBOR Loan) request that the Agent provide the Borrower with the most recent LIBOR available to the Agent. The Agent shall provide such quoted rate to the Borrower and to the Lenders on the date of such request or as soon as possible thereafter.

(c) Funding of Revolving Loans. Promptly after receipt of a Notice of Borrowing under the immediately preceding subsection (b), the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed borrowing. Each Lender shall deposit an amount equal to the Revolving Loan to be made by such Lender to the Borrower with the Agent at the Principal Office, in immediately available funds not later than 9:00 a.m. San Francisco time on the date of such proposed Revolving Loans. Subject to fulfillment of all applicable conditions set forth herein, the Agent shall make available to the Borrower in the account specified by the Borrower in the Transfer Authorizer Designation Form, not later than 12:00 noon San Francisco time on the date of the requested borrowing of Revolving Loans, the proceeds of such amounts received by the Agent. No Lender shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

(d) Assumptions Regarding Funding by Lenders. With respect to Revolving Loans to be made after the Effective Date, unless the Agent shall have been notified by any Lender that such Lender will not make available to the Agent a Revolving Loan to be made by such Lender, the Agent may assume that such Lender will make the proceeds of such Revolving Loan available to the Agent in accordance with this Section and the Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such Revolving Loan to be provided by such Lender.

Section 2.2. Bid Rate Loans.

(a) Bid Rate Loans. In addition to borrowings of Revolving Loans, at any time during the period from the Effective Date to but excluding the Termination Date, and so long as the Borrower continues to maintain an Investment Grade Rating from any two of the Rating Agencies, the Borrower may, as set forth in this Section, request the Lenders to make offers to make Bid Rate Loans to the Borrower in Dollars. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section. The parties agree that the Existing Bid Rate Loans shall be deemed to be Bid Rate Loans made hereunder.

(b) Requests for Bid Rate Loans. When the Borrower wishes to request from the Lenders offers to make Bid Rate Loans, it shall give the Agent notice (a "Bid Rate Quote Request") so as to be received no later than 9:00 a.m. San Francisco time on (x) the Business Day immediately preceding the date of borrowing proposed therein, in the case of an Absolute Rate Auction and (y) the date four Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction. The Agent shall deliver to each Lender a copy of each Bid Rate Quote Request promptly upon receipt thereof by the Agent. The Borrower may request offers to

make Bid Rate Loans for up to 3 different Interest Periods in each Bid Rate Quote Request (for which purpose Interest Periods in different lettered clauses of the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous); provided that the request for each separate Interest Period shall be deemed to be a separate Bid Rate Quote Request for a separate borrowing (a "Bid Rate Borrowing"). Each Bid Rate Quote Request shall be substantially in the form of Exhibit L and shall specify as to each Bid Rate Borrowing all of the following:

(i) the proposed date of such Bid Rate Borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Bid Rate Borrowing which shall be in a minimum amount of $15,000,000 and integral multiples of $1,000,000 in excess thereof which shall not cause any of the limits specified in Section 2.15. to be violated;

(iii) whether the Bid Rate Quote Request is for LIBOR Margin Loans or Absolute Rate Loans; and

(iv) the duration of the Interest Period applicable thereto, which shall not extend beyond the Termination Date.

The Borrower shall not deliver any Bid Rate Quote Request within five Business Days of the giving of any other Bid Rate Quote Request. The Borrower shall pay any fees due pursuant to Section 3.6.(e) at the time any Bid Rate Quote Request is delivered to the Agent. Such fees shall be due and payable whether or not any Bid Rate Quotes are submitted or any Bid Rate Quotes are accepted.

(c) Bid Rate Quotes.

(i) Each Lender may submit one or more Bid Rate Quotes, each containing an offer to make a Bid Rate Loan in response to any Bid Rate Quote Request; provided that, if the Borrower's request under Section 2.2.(b) specified more than one Interest Period, such Lender may make a single submission containing only one Bid Rate Quote for each such Interest Period. Each Bid Rate Quote must be submitted to the Agent not later than 7:30 a.m. San Francisco time (x) on the proposed date of borrowing, in the case of an Absolute Rate Auction and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction, and in either case the Agent shall disregard any Bid Rate Quote received after such time; provided that the Lender then acting as the Agent may submit a Bid Rate Quote only if it notifies the Borrower of the terms of the offer contained therein not later than 30 minutes prior to the latest time by which the Lenders must submit applicable Bid Rate Quotes. Subject to Article VI. and Article XI., any Bid Rate Quote so made shall be irrevocable. Such Bid Rate Loans may be funded by a Lender's Designated Lender (if any) as provided in Section 13.7.(d), however such Lender shall not be required to specify in its Bid Rate Quote whether such Bid Rate Loan will be funded by such Designated Lender.

(ii) Each Bid Rate Quote shall be substantially in the form of Exhibit M and shall specify:

(A) the proposed date of borrowing and the Interest Period therefor;

(B) the principal amount of the Bid Rate Loan for which each such offer is being made; provided that the aggregate principal amount of all Bid Rate Loans for which a Lender submits Bid Rate Quotes (x) may be greater or less than the Commitment of such Lender but (y) shall not exceed the principal amount of the Bid Rate Borrowing for a particular Interest Period for which offers were requested;

(C) in the case of an Absolute Rate Auction, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/1,000th of 1%) offered for each such Absolute Rate Loan (the "Absolute Rate");

(D) in the case of a LIBOR Auction, the margin above or below applicable LIBOR (the "LIBOR Margin") offered for each such LIBOR Margin Loan, expressed as a percentage (rounded upwards, if necessary, to the nearest 1/1,000th of 1%) to be added to (or subtracted from) the applicable LIBOR;

(E) the identity of the quoting Lender; and

(F) any Bid Rate Quote shall be in a minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess thereof.

No Bid Rate Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those set forth in the applicable Bid Rate Quote Request and, in particular, no Bid Rate Quote may be conditioned upon acceptance by the applicable Borrower of all (or some specified minimum) of the principal amount of the Bid Rate Loan for which such Bid Rate Quote is being made.

(d) Notification by Agent. The Agent shall, as promptly as practicable after the Bid Rate Quotes are submitted (but in any event not later than 8:30 a.m. San Francisco time (x) on the proposed date of borrowing, in the case of an Absolute Rate Auction and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction), notify the Borrower of the terms (i) of any Bid Rate Quote submitted by a Lender that is in accordance with Section 2.2.(c). and (ii) of any Bid Rate Quote that amends, modifies or is otherwise inconsistent with a previous Bid Rate Quote submitted by such Lender with respect to the same Bid Rate Quote Request. Any such subsequent Bid Rate Quote shall be disregarded by the Agent unless such subsequent Bid Rate Quote is submitted solely to correct a manifest error in such former Bid Rate Quote. The Agent's notice to the Borrower shall specify (A) the aggregate principal amount of the Bid Rate Borrowing for which offers have been received and (B) the principal amounts and Absolute Rates or LIBOR Margins, as applicable, so offered by each Lender.

(e) Acceptance by Borrower.

(i) Not later than 9:30 a.m. San Francisco time (x) on the proposed date of borrowing, in the case of an Absolute Rate Auction and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of LIBOR Auction, the Borrower shall notify the Agent of its acceptance or nonacceptance of the offers of which it was notified pursuant to Section 2.2.(d). which notice shall be in the form of Exhibit N. In the case of acceptance, such notice shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The failure of the Borrower to give such notice by such time shall constitute nonacceptance. The Borrower may accept any Bid Rate Quote in whole or in part; provided that:

(A) the aggregate principal amount of each Bid Rate Borrowing may not exceed the applicable amount set forth in the related Bid Rate Quote Request;

(B) the aggregate principal amount of each Bid Rate Borrowing shall comply with the provisions of Section 2.2. (b)(ii) but shall not cause the limits specified in Section 2.15. to be violated;

(C) acceptance of offers may be made only in ascending order of Absolute Rates or LIBOR Margins, as applicable, in each case beginning with the lowest rate so offered;

(D) any acceptance in part by the Borrower shall be in a minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess thereof; and

(E) the Borrower may not accept any offer that fails to comply with Section 2.2.(c) or otherwise fails to comply with the requirements of this Agreement.

(ii) If offers are made by two or more Lenders with the same Absolute Rates or LIBOR Margins, as applicable, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Bid Rate Loans in respect of which such offers are accepted shall be allocated by the Agent among such Lenders in proportion to the aggregate principal amount of such offers. Determinations by the Agent of the amounts of Bid Rate Loans shall be conclusive in the absence of manifest error.

(f) Obligation to Make Bid Rate Loans. The Agent shall promptly (and in any event not later than (x) 10:00 a.m. San Francisco time on the proposed date of borrowing of Absolute Rate Loans and (y) on the date three Business Days prior to the proposed date of borrowing of LIBOR Margin Loans) notify each Lender that submitted a Bid Rate Quote as to whose Bid Rate Quote has been accepted and the amount and rate thereof. A Lender who is notified that it has been selected to make a Bid Rate Loan may designate its Designated Lender (if any) to fund such Bid Rate Loan on its behalf, as described in Section 13.7.(d). Any Designated Lender which

funds a Bid Rate Loan shall on and after the time of such funding become the obligee under such Bid Rate Loan and be entitled to receive payment thereof when due. No Lender shall be relieved of its obligation to fund a Bid Rate Loan, and no Designated Lender shall assume such obligation, prior to the time the applicable Bid Rate Loan is funded. Any Lender whose offer to make any Bid Rate Loan has been accepted shall, not later than 11:00 a.m. San Francisco time on the date specified for the making of such Loan, make the amount of such Loan available to the Agent at its Principal Office in immediately available funds, for the account of the Borrower. The amount so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrower not later than 12:00 noon on such date by depositing the same, in immediately available funds, in an account of the Borrower designated by the Borrower.

(g) No Effect on Commitment. Except for the purpose and to the extent expressly stated in Section 2.12., the amount of any Bid Rate Loan made by any Lender shall not constitute a utilization of such Lender's Commitment.

Section 2.3. Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement, including without limitation, Section 2.15., the Agent, on behalf of the Lenders, agrees to issue for the account of the Borrower during the period from and including the Effective Date to, but excluding, the Termination Date, one or more letters of credit (each a "Letter of Credit") up to a maximum aggregate Stated Amount at any one time outstanding not to exceed $50,000,000 as such amount may be reduced from time to time in accordance with the terms hereof (the "L/C Commitment Amount"). The parties agree that the Existing Letters of Credit shall be deemed to be Letters of Credit issued hereunder.

(b) Terms of Letters of Credit. At the time of issuance, the amount, form, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the Agent and the Borrower. Notwithstanding the foregoing, in no event may the expiration date initially stated on any Letter of Credit extend beyond the earlier of (i) the date that is one year from its issuance and (ii) February 11, 2011; provided that, the expiration date initially stated on a Letter of Credit may extend to February 10, 2012 if, at the time of the issuance of such Letter of Credit, the Borrower would have the right to extend the Termination Date under the terms of Section 2.13.; provided further that, a Letter of Credit may contain a provision providing for the automatic extension of the expiration date in the absence of a notice of non-renewal from the Agent. The Borrower agrees to pay to the Agent such amounts with respect to any Letter of Credit that extends beyond the Termination Date as set forth in Section 2.14. Notwithstanding the foregoing, as provided in Section 13.12., this Agreement shall not terminate until all Obligations (other than the Obligations that survive pursuant to Section 13.12.) have been paid and satisfied in full. The initial Stated Amount of each Letter of Credit shall be at least $25,000.

(c) Requests for Issuance of Letters of Credit. The Borrower shall give the Agent written notice at least 5 Business Days prior to the requested date of issuance of a Letter of Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of

Credit, and in any event shall set forth with respect to such Letter of Credit the proposed (i) initial Stated Amount, (ii) the beneficiary, (iii) whether such Letter of Credit is a commercial or standby letter of credit and (iv) expiration date. The Borrower shall also execute and deliver such customary applications and agreements for letters of credit, and other forms as requested from time to time by the Agent. Provided the Borrower has given the notice prescribed by the first sentence of this subsection and delivered such application and agreements referred to in the preceding sentence, subject to the other terms and conditions of this Agreement, including the satisfaction of any applicable conditions precedent set forth in Article 6.2., the Agent shall issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary but in no event prior to the date 5 Business Days following the date after which the Agent has received all of the items required to be delivered to it under this subsection. Upon the written request of the Borrower, the Agent shall deliver to the Borrower a copy of (i) any Letter of Credit proposed to be issued hereunder prior to the issuance thereof and (ii) each issued Letter of Credit within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of such Loan Document shall control.

(d) Reimbursement Obligations. Upon receipt by the Agent from the beneficiary of a Letter of Credit of any demand for payment under such Letter of Credit, the Agent shall promptly notify the Borrower of the amount to be paid by the Agent as a result of such demand and the date on which payment is to be made by the Agent to such beneficiary in respect of such demand. The Borrower hereby absolutely, unconditionally and irrevocably agrees to pay and reimburse the Agent for the amount of each demand for payment under such Letter of Credit at or prior to the date on which payment is to be made by the Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind. Upon receipt by the Agent of any payment in respect of any Reimbursement Obligation, the Agent shall promptly pay to each Lender that has acquired a participation therein under the second sentence of the immediately following subsection (i) such Lender’s Commitment Percentage of such payment.

(e) Manner of Reimbursement. Upon its receipt of a notice referred to in the immediately preceding subsection (d), the Borrower shall advise the Agent whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse the Agent for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If the Borrower fails to so advise the Agent, or if the Borrower fails to reimburse the Agent for a demand for payment under a Letter of Credit by the date of such payment, then the Agent shall give each Lender prompt notice thereof and of the amount of the demand for payment, specifying such Lender’s Commitment Percentage of the amount of the related demand for payment and the provisions of subsection (j) of this Section shall apply.

(f) Effect of Letters of Credit on Commitments. Upon the issuance by the Agent of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Commitment of each Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the product of (i) such Lender’s Commitment Percentage and (ii) the sum of (A) the Stated Amount of such Letter of Credit plus (B) any related Reimbursement Obligations then outstanding.

(g) Agent's Duties Regarding Letters of Credit; Unconditional Nature of Reimbursement Obligations. The Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, neither the Agent nor any of the Lenders shall be responsible for (i) the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of or any drawing honored under any Letter of Credit even if such document should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telecopy or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or of the proceeds thereof; (vii) the misapplication by the beneficiary of any Letter of Credit, or of the proceeds of any drawing under any Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Agent or the Lenders. None of the above shall affect, impair or prevent the vesting of any of the Agent's rights or powers hereunder. Any action taken or omitted to be taken by the Agent under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create against the Agent any liability to the Borrower or any Lender. In this connection, the obligation of the Borrower to reimburse the Agent for any drawing made under any Letter of Credit shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement or any other applicable Letter of Credit Document under all circumstances whatsoever, including without limitation, the following circumstances: (A) any lack of validity or enforceability of any Letter of Credit Document or any term or provisions therein; (B) any amendment or waiver of or any consent to departure from all or any of the Letter of Credit Documents; (C) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against the Agent, any Lender, any beneficiary of a Letter of Credit or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or in the Letter of Credit Documents or any unrelated transaction; (D) any breach of contract or dispute between the Borrower, the Agent, any Lender or any other Person; (E) any demand, statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein or made in connection therewith being untrue or inaccurate in any respect whatsoever; (F) any non-application or misapplication by the beneficiary of a Letter of Credit or of the proceeds of any drawing under such Letter of Credit; (G) payment by the Agent under the Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of the Letter of Credit; and (H) any other act, omission to act, delay or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge of the Borrower's Reimbursement Obligations. Notwithstanding anything to the contrary contained in this Section or Section 13.11., but not in limitation of the Borrower's unconditional obligation to reimburse the Agent for any drawing made under a Letter of Credit as provided in this Section

and to repay any Revolving Loan made pursuant to the immediately preceding subsection (c), the Borrower shall have no obligation to indemnify the Agent or any Lender in respect of any liability incurred by the Agent or such Lender arising solely out of the gross negligence or willful misconduct of the Agent or such Lender in respect of a Letter of Credit as determined by a court of competent jurisdiction in a final, non-appealable judgment. Except as otherwise provided in this Section, nothing in this Section shall affect any rights the Borrower may have with respect to the gross negligence or willful misconduct of the Agent or any Lender with respect to any Letter of Credit.

(h) Amendments, Etc. The issuance by the Agent of any amendment, supplement or other modification to any Letter of Credit shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters of Credit (including, without limitation, that the request therefor be made through the Agent), and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Agent and Requisite Lenders shall have consented thereto. In connection with any such amendment, supplement or other modification, the Borrower shall pay the fees, if any, payable under the last sentence of Section 3.6.

(i) Lenders' Participation in Letters of Credit. Immediately upon the issuance by the Agent of any Letter of Credit each Lender shall be deemed to have absolutely, irrevocably and unconditionally purchased and received from the Agent, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Commitment Percentage of the liability of the Agent with respect to such Letter of Credit and each Lender thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Agent to pay and discharge when due, such Lender's Commitment Percentage of the Agent's liability under such Letter of Credit. In addition, upon the making of each payment by a Lender to the Agent in respect of any Letter of Credit pursuant to the immediately following subsection (j), such Lender shall, automatically and without any further action on the part of the Agent or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to the Agent by the Borrower in respect of such Letter of Credit and (ii) a participation in a percentage equal to such Lender's Commitment Percentage in any interest or other amounts payable by the Borrower in respect of such Reimbursement Obligation (other than the Fees payable to the Agent pursuant to the last sentence of Section 3.6.).

(j) Payment Obligation of Lenders. Each Lender severally agrees to pay to the Agent on demand in immediately available funds in Dollars the amount of such Lender's Commitment Percentage of each drawing paid by the Agent under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to the immediately preceding subsection (d); provided, however, that in respect of any drawing under any Letter of Credit, the maximum amount that any Lender shall be required to fund, whether as a Revolving Loan or as a participation, shall not exceed such Lender's Commitment Percentage of such drawing. Each Lender's obligation to make such payments to the Agent under this subsection, and the Agent's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure

of any other Lender to make its payment under this subsection, (ii) the financial condition of the Borrower, any other Loan Party or any Subsidiary, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 11.1.(e) or (f) or (iv) the termination of the Commitments. Each such payment to the Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

(k) Information to Lenders. Promptly following any change in Letters of Credit outstanding, the Agent shall deliver to each Lender and the Borrower a notice describing the aggregate amount of all Letters of Credit outstanding at such time. Upon the request of any Lender from time to time, the Agent shall deliver any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding. Other than as set forth in this subsection, the Agent shall have no duty to notify the Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of the Agent to perform its requirements under this subsection shall not relieve any Lender from its obligations under the immediately preceding subsection (j).

Section 2.4. Swingline Loans.

(a) Swingline Loans. Subject to the terms and conditions hereof, including without limitation Section 2.15., the Swingline Lender agrees to make Swingline Loans to the Borrower, during the period from the Effective Date to but excluding the Swingline Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, $50,000,000, as such amount may be reduced from time to time in accordance with the terms hereof. If at any time the aggregate principal amount of the Swingline Loans outstanding at such time exceeds the Swingline Commitment in effect at such time, the Borrower shall immediately pay the Agent for the account of the Swingline Lender the amount of such excess. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Swingline Loans hereunder.

(b) Procedure for Borrowing Swingline Loans. The Borrower shall give the Agent and the Swingline Lender notice pursuant to a Notice of Swingline Borrowing delivered to the Swingline Lender no later than 9:00 a.m. San Francisco time on the proposed date of such borrowing. Any such telephonic notice shall include all information to be specified in a written Notice of Swingline Borrowing. Not later than 11:00 a.m. San Francisco time on the date of the requested Swingline Loan and subject to satisfaction of the applicable conditions set forth in Section 6.2. for such borrowing, the Swingline Lender will make the proceeds of such Swingline Loan available to the Borrower in Dollars, in immediately available funds, in an account specified by the Borrower in the Transfer Authorizer Designation Form.

(c) Interest. Swingline Loans shall bear interest at a per annum rate equal to the Base Rate as in effect from time to time or at such other rate or rates as the Borrower and the Swingline Lender may agree from time to time in writing. All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.5. with respect to interest on Base Rate Loans (except as the Swingline Lender and the Borrower may otherwise agree in writing in connection with any particular Swingline Loan).

(d) Swingline Loan Amounts, Etc. Each Swingline Loan shall be in the minimum amount of $1,000,000 and integral multiples of $100,000 in excess thereof, or such other minimum amounts agreed to by the Swingline Lender and the Borrower. Any voluntary prepayment of a Swingline Loan must be in integral multiples of $100,000 or the aggregate principal amount of all outstanding Swingline Loans (or such other minimum amounts upon which the Swingline Lender and the Borrower may agree) and in connection with any such prepayment, the Borrower must give the Swingline Lender prior written notice thereof no later than 10:00 a.m. San Francisco time on the day prior to the date of such prepayment. The Swingline Loans shall, in addition to this Agreement, be evidenced by the Swingline Note.

(e) Repayment and Participations of Swingline Loans. The Borrower agrees to repay each Swingline Loan within one Business Day of demand therefor by the Swingline Lender and, in any event, within 7 Business Days after the date such Swingline Loan was made. Notwithstanding the foregoing, the Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Swingline Termination Date (or such earlier date as the Swingline Lender and the Borrower may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from the Borrower, the Swingline Lender may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), request a borrowing of Base Rate Loans from the Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations contained in Section 3.5. shall not apply to any borrowing of Base Rate Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Agent of any such borrowing of Base Rate Loans not later than 9:00 a.m. San Francisco time at least one Business Day prior to the proposed date of such borrowing. Not later than 9:00 a.m. San Francisco time on the proposed date of such borrowing, each Lender will make available to the Agent at the Principal Office for the account of the Swingline Lender, in immediately available funds, the proceeds of the Base Rate Loan to be made by such Lender. The Agent shall pay the proceeds of such Base Rate Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. If the Lenders are prohibited from making Loans required to be made under this subsection for any reason whatsoever, including without limitation, the occurrence of any of the Defaults or Events of Default described in Sections 11.1.(e) or (f), each Lender shall purchase from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Commitment Percentage of such Swingline Loan, by directly purchasing a participation in such Swingline Loan in such amount and paying the proceeds thereof to the Agent for the account of the Swingline Lender in Dollars and in immediately available funds. A Lender's obligation to purchase such a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Lender or any other Person may have or claim against the Agent, the Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Sections 11.1. (e) or (f), or the termination of any Lender's Commitment, (iii) the existence (or alleged existence) of an event or condition which has had or could have a Material Adverse Effect, (iv) any breach of any Loan Document by the Agent, any Lender, the Borrower or any other Loan Party, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline

Lender by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon the Swingline Lender's demand therefor, and until such time as such Lender makes the required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Loan Documents (other than those provisions requiring the other Lenders to purchase a participation therein). Further, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans, and any other amounts due to it hereunder, to the Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise).

Section 2.5. Rates and Payment of Interest on Loans.

(a) Rates. The Borrower promises to pay to the Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of the making of such Loan to but excluding the date such Loan shall be paid in full, at the following per annum rates:

(i) during such periods as such Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time), plus the Applicable Margin for Base Rate Loans;

(ii) during such periods as such Loan is a LIBOR Loan, at LIBOR for such Loan for the Interest Period therefor, plus the Applicable Margin for LIBOR Loans;

(iii) during such periods as such Loan is an Absolute Rate Loan, at the Absolute Rate for such Loan, as applicable, for the Interest Period therefor quoted by the Lender making such Loan in accordance with Section 2.2.; and

(iv) during such periods as such Loan is a LIBOR Margin Loan, at LIBOR for such Loan for the Interest Period therefor, plus (or minus) the LIBOR Margin quoted by the Lender making such Loan in accordance with Section 2.2.

Notwithstanding the foregoing, during the continuance of an Event of Default, the Borrower shall pay to the Agent for the account of each Lender interest at the Post-Default Rate on the outstanding principal amount of any Loan made by such Lender, on all Reimbursement Obligations and on any other amount payable by the Borrower hereunder or under the Notes held by such Lender to or for the account of such Lender (including without limitation, accrued but unpaid interest to the extent permitted under Applicable Law).

(b) Payment of Interest. All accrued and unpaid interest on the outstanding principal amount of each Loan shall be payable (i) monthly in arrears on the first day of each month, commencing with the first full calendar month occurring after the Effective Date and (ii) on any date on which the principal balance of such Loan is due and payable in full (whether at maturity, due to acceleration or otherwise). Interest payable at the Post-Default Rate shall be payable from time to time on demand. All determinations by the Agent of an interest rate hereunder shall be conclusive and binding on the Lenders and the Borrower for all purposes, absent manifest error.

Section 2.6. Number of Interest Periods.

There may be no more than 8 different Interest Periods outstanding at the same time.

Section 2.7. Repayment of Loans.

The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Revolving Loans on the Termination Date. The Borrower shall repay the entire outstanding principal amount of each Bid Rate Loan on the last day of the Interest Period of such Bid Rate Loan.

Section 2.8. Prepayments.

(a) Optional. Subject to Section 5.4., the Borrower may prepay any Loan at any time without premium or penalty. The Borrower shall give the Agent at least 3 Business Days prior written notice of the prepayment of any Loan.

(b) Mandatory.

(i) Commitment Overadvance. If at any time the aggregate principal amount of all outstanding Revolving Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceeds the aggregate amount of the Commitments, the Borrower shall immediately upon demand pay to the Agent for the account of the Lenders, the amount of such excess.

(ii) Borrowing Base Overadvance. If at any time the aggregate principal amount of all outstanding Revolving Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceeds the Maximum Loan Availability, the Borrower shall, within 15 days of the Borrower obtaining knowledge of the occurrence of any such excess, deliver to the Agent for prompt distribution to each Lender a written plan acceptable to all of the Lenders to eliminate such excess. If such excess is not eliminated within 45 days of the Borrower obtaining knowledge of the occurrence thereof, then the entire outstanding principal balance of all Loans, together with all accrued interest thereon, and an amount equal to all Letter of Credit Liabilities for deposit into the Letter of Credit Collateral Account, shall be immediately due and payable in full.

(iii) Bid Rate Facility Overadvance. If at any time the aggregate principal amount of all outstanding Bid Rate Loans exceeds one-half of the aggregate amount of all Commitments at such time, then the Borrower shall immediately pay to the Agent for the accounts of the applicable Lenders the amount of such excess. Such payment shall be applied as provided in Section 3.2.(e).

All payments under this subsection (b) shall be applied to pay all amounts of excess principal outstanding on the applicable Loans and any applicable Reimbursement Obligations in accordance with Section 3.2., and the remainder, if any, shall be deposited into the Letter of Credit Collateral Account for application to any Reimbursement Obligations as and when due.

Section 2.9. Continuation.

So long as no Default or Event of Default exists, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower giving to the Agent a Notice of Continuation not later than 9:00 a.m. on the third Business Day prior to the date of any such Continuation. Such notice by the Borrower of a Continuation shall be by telecopy, electronic mail or other form of communication in the form of a Notice of Continuation, specifying (a) the proposed date of such Continuation, (b) the LIBOR Loan and portion thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by facsimile, telecopy, electronic mail or other similar form of transmission of the proposed Continuation. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, such Loan will automatically, on the last day of the current Interest Period therefor, Convert into a LIBOR Loan with an Interest Period of one month notwithstanding failure of the Borrower to comply with Section 2.10.

Section 2.10. Conversion.

So long as no Default or Event of Default exists, the Borrower may on any Business Day, upon the Borrower’s giving of a Notice of Conversion to the Agent, Convert all or a portion of a Loan of one Type into a Loan of another Type. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan and, upon Conversion of a Base Rate Loan into a LIBOR Loan, the Borrower shall pay accrued interest to the date of Conversion on the principal amount so Converted. Each such Notice of Conversion shall be given not later than 9:00 a.m. one Business Day prior to the date of any proposed Conversion into Base Rate Loans and three Business Days prior to the date of any proposed Conversion into LIBOR Loans. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telecopy, electronic mail or other similar form of transmission of the proposed Conversion. Subject to the restrictions specified above, each Notice of Conversion shall be by telecopy in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Loan to be Converted, (c) the portion of such Type of Loan to be Converted, (d) the Type of Loan such Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given.

Section 2.11. Notes.

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

Section 2.12. Voluntary Reductions of the Commitment.

The Borrower may terminate or reduce the amount of the Commitments (for which purpose the amount of the Commitments shall be deemed to include the aggregate principal amount of all outstanding Bid Rate Loans and Swingline Loans and the aggregate amount of all Letter of Credit Liabilities) at any time and from time to time without penalty or premium upon not less than five (5) Business Days prior notice to the Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction (which in the case of any partial reduction of the Commitments shall not be less than $5,000,000 and integral multiples of $5,000,000 in excess of that amount in the aggregate) and shall be irrevocable once given and effective only upon receipt by the Agent ("Prepayment Notice"); provided, however, the Borrower may not reduce the aggregate amount of the Commitments below $100,000,000 unless the Borrower is terminating the Commitments in full. Promptly after receipt of a Prepayment Notice the Agent shall notify each Lender by telecopy, or other similar form of transmission, of the proposed termination or Commitment reduction. The Commitments, once reduced pursuant to this Section, may not be increased. The Borrower shall pay all interest and fees, on the Loans accrued to the date of such reduction or termination of the Commitments to the Agent for the account of the Lenders, including but not limited to any applicable compensation due to each Lender in accordance with Section 5.4. of this Agreement. Any reduction in the aggregate amount of the Commitments shall result in a proportionate reduction (rounded to the next lowest integral multiple of multiple of $100,000) in the Swingline Commitment and the L/C Commitment Amount.

Section 2.13. Extension of Termination Date.

The Borrower may request that the Agent and the Lenders extend the current Termination Date by one year by executing and delivering to the Agent at least 90 days but not more than 120 days prior to the current Termination Date, a written request for such extension (an "Extension Request"). The Agent shall forward to each Lender a copy of any such request delivered to the Agent promptly upon receipt thereof. Subject to satisfaction of the following conditions, the Termination Date shall be extended for one year: (a) immediately prior to such extension and immediately after giving effect thereto, no Default or Event of Default shall exist and (b) the Borrower shall have paid the Fees payable under Section 3.6.(c). The Termination Date may be extended only one time pursuant to this Section.

Section 2.14. Expiration or Maturity Date of Letters of Credit Past Termination Date.

If on the date the Commitments are terminated (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise), there are any Letters of Credit outstanding hereunder, the Borrower shall, on such date, pay to the Agent an amount of money equal to the aggregate amount of the Stated Amounts of such Letter(s) of Credit for deposit into the Letter of Credit Collateral Account. If a drawing pursuant to any such Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower authorizes the Agent to use the monies deposited in the Letter of Credit Collateral Account to make payment to the beneficiary with respect to such drawing or the payee with respect to such presentment. If no drawing occurs on or prior to the expiration date of such Letter of Credit, the Agent shall pay to the Borrower (or to whomever else may be legally entitled thereto) the monies deposited in the Letter of Credit Collateral Account with respect to such outstanding Letter of Credit on or before the date 30 days after the expiration date of such Letter of Credit.

Section 2.15. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, (a) no Lender shall be required to make any Loan, and the Agent shall not be required to issue any Letter of Credit if, immediately after the making of such Loan or issuance of such Letter of Credit the aggregate principal amount of all outstanding Loans, together with the aggregate amount of all Letter of Credit Liabilities, would exceed either (i) the aggregate amount of the Commitments or (ii) the Maximum Loan Availability and (b) the aggregate principal amount of all outstanding Bid Rate Loans shall not exceed one-half of the aggregate amount of all Commitments at such time provided, however, that, for two thirty-day periods during any calendar year, upon the request of the Borrower, the Bid Rate Loans may equal up to 70% of the aggregate amount of the Commitments at such time.

Section 2.16. Increase in Commitments.

The Borrower shall have the right to request increases in the aggregate amount of the Commitments by providing written notice to the Agent, which notice shall be irrevocable once given; provided, however, that after giving effect to any such increases the aggregate amount of the Commitments shall not exceed $750,000,000, less the amount of any voluntary reduction of the Commitments pursuant to Section 2.12. Each such increase in the Commitments must be an aggregate minimum amount of $10,000,000 and integral multiples of $5,000,000 in excess thereof. The Agent shall promptly notify each Lender of any such request. No Lender shall be obligated in any way whatsoever to increase its Commitment. If a new Lender becomes a party to this Agreement, or if any existing Lender agrees to increase its Commitment, such Lender shall on the date it becomes a Lender hereunder (or in the case of an existing Lender, increases its Commitment) (and as a condition thereto) purchase from the other Lenders its Commitment Percentage (determined with respect to the Lenders' relative Commitments and after giving effect to the increase of Commitments) of any outstanding Loans, by making available to the Agent for the account of such other Lenders, in same day funds, an amount equal to the sum of (A) the portion of the outstanding principal amount of such Loans to be purchased by such Lender plus (B) interest accrued and unpaid to and as of such date on such portion of the

outstanding principal amount of such Loans. The Borrower shall pay to the Lenders amounts payable, if any, to such Lenders under Section 5.4. as a result of the prepayment of any such Loans. No increase of the Commitments may be effected under this Section if either (x) a Default or Event of Default shall be in existence on the effective date of such increase or would occur after giving effect to such increase or (y) any representation or warranty made or deemed made by the Borrower or any other Loan Party in any Loan Document to which such Loan Party is a party is not (or would not be) true or correct in all material respects on the effective date of such increase except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted hereunder. In connection with any increase in the aggregate amount of the Commitments pursuant to this Section (a) any Lender becoming a party hereto shall execute such documents and agreements as the Agent may reasonably request and (b) the Borrower shall make appropriate arrangements so that each new Lender, and any existing Lender increasing its Commitment, receives a new or replacement Note, as appropriate, in the amount of such Lender’s Commitment at the time of the effectiveness of the applicable increase in the aggregate amount of Commitments.

Section 2.17. Funds Transfer Disbursements.

(a) Generally. The Borrower hereby authorizes the Agent to disburse the proceeds of any Loan to any of the accounts designated in the Transfer Authorizer Designation Form. The Borrower agrees to be bound by any transfer request: (i) authorized or transmitted by the Borrower; or, (ii) made in the Borrower’s name and accepted by the Agent in good faith and in compliance with these transfer instructions, even if not properly authorized by the Borrower. The Borrower further agrees and acknowledges that the Agent may rely solely on any bank routing number or identifying bank account number or name provided by the Borrower to effect a wire or funds transfer even if the information provided by the Borrower identifies a different bank or account holder than named by the Borrower. The Agent is not obligated or required in any way to take any actions to detect errors in information provided by the Borrower. If the Agent takes any actions in an attempt to detect errors in the transmission or content of transfer or requests or takes any actions in an attempt to detect unauthorized funds transfer requests, the Borrower agrees that no matter how many times the Agent takes these actions the Agent will not in any situation be liable for failing to take or correctly perform these actions in the future and such actions shall not become any part of the transfer disbursement procedures authorized under this provision, the Loan Documents, or any agreement between the Agent and the Borrower. The Borrower agrees to notify the Agent of any errors in the transfer of any funds or of any unauthorized or improperly authorized transfer requests within 14 days after the Agent’s confirmation to the Borrower of such transfer.

(b) Funds Transfer. The Agent will, in its sole discretion, determine the funds transfer system and the means by which each transfer will be made. The Agent may delay or refuse to accept a funds transfer request if the transfer would: (i) violate the terms of this authorization (ii) require use of a bank unacceptable to the Agent or prohibited by government authority; (iii) cause the Agent to violate any Federal Reserve or other regulatory risk control program or guideline, or (iv) otherwise cause the Agent to violate any applicable law or regulation.

(c) Limitation of Liability. The Agent shall not be liable to the Borrower or any other parties for (i) errors, acts or failures to act of others, including other entities, banks, communications carriers or clearinghouses, through which the Borrower's transfers may be made or information received or transmitted, and no such entity shall be deemed an agent of the Agent, (ii) any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government, labor disputes, failures in communications networks, legal constraints or other events beyond Agent's control, or (iii) any special, consequential, indirect or punitive damages, whether or not (x) any claim for these damages is based on tort or contract or (y) the Agent or the Borrower knew or should have known the likelihood of these damages.

Section 2.18. Option to Replace Lenders.

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

(a) have notified Agent of a determination under Section 5.1.(a) or become subject to the provisions of Section 5.3.; or

(b) make any demand for payment or reimbursement pursuant to Section 5.1.(d) or Section 5.4.;

then, provided that (x) there does not then exist any Default or Event of Default and (y) the circumstances resulting in such demand for payment or reimbursement under Section 5.1.(d) or Section 5.4. or the applicability of Section 5.1.(a) or Section 5.3. are not applicable to the Requisite Lenders generally, the Borrower may demand that such Lender, and upon such demand such Lender shall promptly, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 13.7.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender and all other amounts payable hereunder, any such assignment to be completed within 30 days after the making by such Lender of such determination or demand for payment, and such Lender shall no longer be a party hereto or have any rights or obligations hereunder (other than Sections 3.11, 13.3 and 13.11) or under any of the other Loan Documents. None of the Agent, such Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee.

ARTICLE III. PAYMENTS, FEES AND OTHER GENERAL PROVISIONS

Section 3.1. Payments.

Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under this Agreement, the Notes or any other Loan Document shall be made in Dollars, in immediately available funds, without setoff, deduction or counterclaim, to the Agent at the Principal Office, not later than 11:00 a.m. San Francisco time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Subject to Section 11.5., the Borrower shall, at the time of making each payment under this

Agreement or any other Loan Document, specify to the Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. In the event the Agent fails to pay such amounts to such Lender within one Business Day of receipt of such amounts, the Agent shall pay interest on such amount at a rate per annum equal to the Federal Funds Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall continue to accrue at the rate, if any, applicable to such payment for the period of such extension.

Section 3.2. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from Lenders under Section 2.1. shall be made from the Lenders, each payment of the fees under Sections 3.6.(a) and (b) and the first sentence of Section 3.6.(d) shall be made for the account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 2.12. or otherwise pursuant to this Agreement shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of Revolving Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them, provided that if immediately prior to giving effect to any such payment in respect of any Revolving Loans the outstanding principal amount of the Revolving Loans shall not be held by the Lenders pro rata in accordance with their respective Commitments in effect at the time such Loans were made, then such payment shall be applied to the Revolving Loans in such manner as shall result, as nearly as is practicable, in the outstanding principal amount of the Revolving Loans being held by the Lenders pro rata in accordance with their respective Commitments; (c) each payment of interest on Revolving Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; (d) the Conversion and Continuation of Revolving Loans of a particular Type (other than Conversions provided for by Section 5.1.) shall be made pro rata among the Lenders according to the amounts of their respective Revolving Loans and the then current Interest Period for each Lender's portion of each Revolving Loan of such Type shall be coterminous; (e) each prepayment of principal of Bid Rate Loans by the Borrower pursuant to Section 2.8.(b)(iii) shall be made for account of the Lenders then owed Bid Rate Loans pro rata in accordance with the respective unpaid principal amounts of the Bid Rate Loans then owing to each such Lender; (f) the Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.4., shall be in accordance with their respective Commitment Percentages; and (g) the Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.3., shall be pro rata in accordance with their respective Commitments. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Lender shall have acquired a participating interest in any such Swingline Loan pursuant to Section 2.4.).

Section 3.3. Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan under this Agreement or shall obtain payment on any other Obligation owing by the Borrower or any other Loan Party through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by the Borrower or any other Loan Party to a Lender not in accordance with the terms of this Agreement and such payment should be distributed to the Lenders in accordance with Section 3.2. or Section 11.5., such Lender shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any reasonable expenses which may actually be incurred by such Lender in obtaining or preserving such benefit) in accordance with the requirements of Section 3.2. or Section 11.5., as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with the respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Section 3.4. Several Obligations.

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

Section 3.5. Minimum Amounts.

(a) Borrowings. Each borrowing of Revolving Loans hereunder shall be in an aggregate principal amount of $1,000,000 and integral multiples of $100,000 in excess of that amount (except that any such borrowing of Revolving Loans may be in the aggregate amount of the Maximum Loan Availability, which Revolving Loans, if less than $1,000,000, must be Base Rate Loans).

(b) Prepayments. Each voluntary prepayment of Revolving Loans shall be in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess thereof.

Section 3.6. Fees.

(a) Closing Fee. On the Effective Date, the Borrower agrees to pay to the Agent and each Lender all loan fees as have been agreed to in writing by the Borrower and the Agent or each Lender, as applicable including, without limitation all fees set forth in the Fee Letter.

(b) Facility Fees. During the period from the Effective Date to but excluding the Termination Date, the Borrower agrees to pay to the Agent for the account of the Lenders a facility fee equal to the daily aggregate amount of the Commitments (whether or not utilized) times a rate per annum equal to the Applicable Facility Fee. Such fee shall be payable quarterly in arrears on the fifth day of each January, April, July and October during the term of this Agreement and on the Termination Date. The Borrower acknowledges that the fee payable hereunder is a bona fide commitment fee and is intended as reasonable compensation to the Lenders for committing to make funds available to the Borrower as described herein and for no other purposes.

(c) Extension Fee. If, pursuant to Section 2.13., the Borrower exercises its right to extend the Termination Date, the Borrower agrees to pay to the Agent for the account of each Lender an extension fee equal to 0.15% of the amount of such Lender's Commitment at such time. Such fee shall be paid to the Agent prior to, and as a condition to, such extension.

(d) Letter of Credit Fees. The Borrower agrees to pay to the Agent for the account of each Lender a letter of credit fee at a rate per annum equal to the Applicable Margin for LIBOR Loans times the daily average Stated Amount of each Letter of Credit for the period from and including the date of issuance of such Letter of Credit (x) to and including the date such Letter of Credit expires or is terminated or (y) to but excluding the date such Letter of Credit is drawn in full, whichever is earlier. Any fees paid to the Agent prior to the Agreement Date with respect to the Existing Letters of Credit in excess of the amounts required pursuant to the terms of the Existing Credit Agreement, shall be credited to the payments of the letter of credit fees set forth in the first sentence hereof. In addition to such fees, the Borrower shall pay to the Agent solely for its own account, a fronting fee in respect of each Letter of Credit at the rate equal to one-eighth of one percent (0.125%) per annum on the daily average Stated Amount of such Letter of Credit. The fees provided for in the immediately preceding two sentences shall be nonrefundable and payable in arrears (i) quarterly on the fifth day of January, April, July and October, (ii) on the Termination Date, (iii) on the date the Commitments are terminated or reduced to zero and (iv) thereafter from time to time on demand of the Agent. The Borrower shall pay directly to the Agent from time to time on demand all commissions, charges, costs and expenses in the amounts customarily charged by the Agent from time to time in like circumstances with respect to the issuance of each Letter of Credit, drawings, amendments and other transactions relating thereto.

(e) Bid Rate Loan Fees. The Borrower agrees to pay to the Agent such fees payable in connection with the Bid Rate Loans as set forth in the Fee Letter.

(f) Administrative and Other Fees. The Borrower agrees to pay the administrative and other fees of the Agent as may be agreed to in writing from time to time.

Section 3.7. Computations.

Unless otherwise expressly set forth herein, any accrued interest on any Loan, any Fees or other Obligations due hereunder shall be computed on the basis of a year of 360 days and the actual number of days elapsed.

Section 3.8. Usury.

In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by the Borrower or received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the respective Lender in writing that the Borrower elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law. The parties hereto hereby agree and stipulate that the only charge imposed upon the Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Section 2.5.(a)(i) through (iv) and with respect to Swingline Loans, in Section 2.3.(c). Notwithstanding the foregoing, the parties hereto further agree and stipulate that all agency fees, syndication fees, facility fees, letter of credit fees, underwriting fees, default charges, late charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by the Agent or any Lender to third parties or for damages incurred by the Agent or any Lender, are charges made to compensate the Agent or any such Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or incurred, by the Agent and the Lenders in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

Section 3.9. Statements of Account.

The Agent will account to the Borrower monthly with a statement of Loans, Letters of Credit, accrued interest and Fees, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed conclusive upon the Borrower absent manifest error. The Agent will account to the Borrower on changes in Letters of Credit in accordance with Section 2.3.(k). The failure of the Agent to deliver such a statement of accounts shall not relieve or discharge the Borrower from any of its obligations hereunder.

Section 3.10. Defaulting Lenders.

If for any reason any Lender (a "Defaulting Lender") shall fail or refuse to perform any of its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of 5 Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the

administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of Requisite Lenders, shall be suspended during the pendency of such failure or refusal. If for any reason a Lender fails to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under the immediately preceding provisions or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Defaulting Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Loans shall not be paid to such Defaulting Lender and shall be held by the Agent and paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

Section 3.11. Taxes.

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

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

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

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

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

(c) Tax Forms. Prior to the date that any Lender or Participant organized under the laws of a jurisdiction outside the United States of America becomes a party hereto, such Person shall deliver to the Borrower and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto (including Internal Revenue Service Forms W-8ECI and W-8BEN, as applicable, or appropriate successor forms), properly completed, currently effective and duly executed by such Lender or Participant establishing that payments to it hereunder and under the Notes are (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax under the Internal Revenue Code. Each such Lender or Participant shall (x) deliver further copies of such forms or other appropriate certifications on or before the date that any such forms expire or become obsolete and after the occurrence of any event requiring a change in the most recent form delivered to the Borrower and (y) obtain such extensions of the time for filing, and renew such forms and certifications thereof, as may be reasonably requested by the Borrower or the Agent. The Borrower shall not be required to pay any amount pursuant to last sentence of subsection (a) above to any Lender or Participant that is organized under the laws of a jurisdiction outside of the United States of America or the Agent, if it is organized under the laws of a jurisdiction outside of the United States of America, if such Lender, Participant or the Agent, as applicable, fails to comply with the requirements of this subsection. If any such Lender or Participant fails to deliver the above forms or other documentation, then the Agent may withhold from such payment to such Lender such amounts as are required by the Internal Revenue Code. If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including all fees and disbursements of any law firm or other external counsel and the allocated cost of internal legal services and all disbursements of internal counsel) of the Agent. The obligation of the Lenders under this Section shall survive the termination of the Commitments, repayment of all Obligations and the resignation or replacement of the Agent.

(d) Refunds. If the Agent or any Lender shall become aware that it is entitled to a refund in respect of Taxes for which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of the availability of such refund and shall, within 30 days after receipt of a written request by the Borrower, apply for such refund at the Borrower’s sole cost and expense. So long as no Event of Default shall have occurred and be continuing, if the Agent or any Lender shall receive a refund in respect of any such Taxes as to which it has been indemnified by the Borrower pursuant to this Section, the Agent or such Lender shall promptly notify the Borrower of such refund and shall, within

30 days of receipt, pay such refund (to the extent of amounts that have been paid by the Borrower under this Section with respect to such refund and not previously reimbursed) to the Borrower, net of all reasonable out-of-pocket expenses of such Lender or the Agent and without interest (other than the interest, if any, included in such refund).

ARTICLE IV. UNENCUMBERED POOL PROPERTIES

Section 4.1. Eligibility of Properties.

(a) Initial Unencumbered Pool Properties. Subject to compliance with Section 6.1., as of the date hereof, the Lenders have approved for inclusion in calculations of the Borrowing Base, the Properties identified on Schedule 4.1., as well as the Unencumbered Pool Value initially attributable to each such Property. Schedule 4.1 designates as to each such Unencumbered Pool Property, the owner of such Property (and whether such owner is a Qualified Venture) and whether such Unencumbered Pool Property is a Qualified Development Property, Newly Acquired Property, Recently Completed Property or Operating Property.

(b) Additional Unencumbered Pool Properties. If the Borrower desires that an additional Eligible Property be included as an Unencumbered Pool Property after the Effective Date, the Borrower shall deliver to the Agent an Unencumbered Pool Certificate setting forth the information required to be contained therein and assuming that such Eligible Property is included as an Unencumbered Pool Property. The Borrower shall not submit an Unencumbered Pool Certificate under this Section more than once per calendar month or during any calendar month in which an Unencumbered Pool Certificate was delivered pursuant to Section 9.4.(d). Subject to the terms and conditions of this Agreement, upon the Agent's receipt of such certificate, such Eligible Property shall be included as an Unencumbered Pool Property. If such Eligible Property is owned (or is being acquired) by a Subsidiary of the Borrower that is not yet a party to the Guaranty and such Subsidiary has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness, such Eligible Property shall not become an Unencumbered Pool Property unless and until an Accession Agreement executed by such Subsidiary, all other items required to be delivered under Section 8.13. and such other items as the Agent may reasonably request have all been executed and delivered to the Agent.

Section 4.2. Release of Properties.

Any Property previously included as an Unencumbered Pool Property but which is not included in an Unencumbered Pool Certificate subsequently submitted pursuant to this Agreement shall no longer be included as an Unencumbered Pool Property (effective as of the date of receipt by the Agent of such Unencumbered Pool Certificate) so long as no Default or Event of Default shall have occurred and be continuing or would exist immediately after such Property is no longer included as an Unencumbered Pool Property.

ARTICLE V. YIELD PROTECTION, ETC.

Section 5.1. Additional Costs; Capital Adequacy.

(a) Additional Costs. The Borrower shall promptly pay to the Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or such obligation or the maintenance by such Lender of capital in respect of its LIBOR Loans or its Commitment (such increases in costs and reductions in amounts receivable being herein called “Additional Costs”), resulting from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such LIBOR Loans or its Commitment (other than taxes imposed on or measured by the overall net income of such Lender or of its Lending Office for any of such LIBOR Loans by the jurisdiction in which such Lender has its principal office or such Lending Office), or (ii) imposes or modifies any reserve, special deposit or similar requirements (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System or other similar reserve requirement applicable to any other category of liabilities or category of extensions of credit or other assets by reference to which the interest rate on LIBOR Loans is determined) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, or other credit extended by, or any other acquisition of funds by such Lender (or its parent corporation), or any commitment of such Lender (including, without limitation, the Commitment of such Lender hereunder) or (iii) has or would have the effect of reducing the rate of return on capital of such Lender (or on the capital of such Lender’s holding company) to a level below that which such Lender (or such Lender’s holding company) could have achieved but for such Regulatory Change (taking into consideration such Lender’s policies with respect to capital adequacy).

(b) Lender’s Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsection (a), if by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue, or to Convert Base Rate Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 5.5. shall apply).

(c) Additional Costs in Respect of Letters of Credit. Without limiting the obligations of the Borrower under the preceding subsections of this Section (but without duplication), if as a result of any Regulatory Change or any risk-based capital guideline or other requirement heretofore or hereafter issued by any Governmental Authority there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement

against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the Agent of issuing (or any Lender of purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by the Agent or any Lender hereunder in respect of any Letter of Credit, then, upon demand by the Agent or such Lender, the Borrower shall pay immediately to the Agent for its account or the account of such Lender, as applicable, from time to time as specified by the Agent or a Lender, such additional amounts as shall be sufficient to compensate the Agent or such Lender for such increased costs or reductions in amount.

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

Section 5.2. Suspension of LIBOR Loans.

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

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

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

(c) any Lender that has outstanding a Bid Rate Quote with respect to a LIBOR Margin Loan reasonably determines (which determination shall be conclusive) that LIBOR will not adequately and fairly reflect the cost to such Lender of making or maintaining such LIBOR Margin Loan;

then the Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, (i) the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either prepay such Loan or Convert such Loan into a Base Rate Loan and (ii) in the case of clause (c) above, no Lender that has outstanding a Bid Rate Quote with respect to a LIBOR Margin Loan shall be under any obligation to make such Loan.

Section 5.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall determine (which determination shall be conclusive and binding) that it is unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy of such notice to the Agent) and such Lender's obligation to make or Continue, or to Convert Revolving Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 5.5. shall be applicable).

Section 5.4. Compensation.

The Borrower shall pay to the Agent for the account of each Lender, upon the request of the Agent, such amount or amounts as the Agent shall determine in its sole discretion shall be sufficient to compensate each Lender for any loss, cost or expense attributable to:

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

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article 6.2. to be satisfied) to borrow a LIBOR Loan or Bid Rate Loan from such Lender on the date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation; or

(c) the assignment of any LIBOR Loan other than on the last day of an Interest Period therefore as a result of a request by the Borrower pursuant to Section 2.18.

Not in limitation of the foregoing, such compensation shall include, without limitation; (i) in the case of a LIBOR Loan, an amount equal to the then present value of (A) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the Interest Period at the rate applicable to such LIBOR Loan, less (B) the amount of interest that would accrue on the same LIBOR Loan for the same period if LIBOR were set on the date on which such LIBOR Loan was repaid, prepaid or Converted or the date on which the Borrower failed to borrow, Convert or Continue such LIBOR Loan, as applicable, calculating present value by using as a discount rate LIBOR quoted on such date and (ii) in the case of a Bid Rate Loan, the sum of such losses and expenses as the Lender or Designated Lender who made such Bid Rate Loan may reasonably incur by reason of such prepayment, including without limitation any losses or expenses incurred in obtaining, liquidating or employing deposits from third parties. Upon the Borrower's request the Agent shall provide the Borrower with a statement setting forth the basis for requesting compensation under this Section and the method for determining the amount thereof. Any such statement shall be conclusive absent manifest error.

Section 5.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 5.1.(b), Section 5.2., or Section 5.3. then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 5.1.(b), Section 5.2., or Section 5.3. on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.1., Section 5.2., or Section 5.3. that gave rise to such Conversion no longer exist:

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

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

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 5.1. or 5.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments.

Section 5.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.11., 5.1. or 5.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

Section 5.7. Assumptions Concerning Funding of LIBOR Loans.

Calculation of all amounts payable to a Lender under this Article shall be made as though such Lender had actually funded LIBOR Loans through the purchase of deposits in the relevant market bearing interest at the rate applicable to such LIBOR Loans in an amount equal to the amount of the LIBOR Loans and having a maturity comparable to the relevant Interest Period;

provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article.

ARTICLE VI. CONDITIONS PRECEDENT

Section 6.1. Initial Conditions Precedent.

The obligation of the Lenders to effect or permit the occurrence of the first Credit Event hereunder, whether as the making of a Loan or the issuance of a Letter of Credit, is subject to the satisfaction or waiver of the following conditions precedent:

(a) The Agent shall have received each of the following, in form and substance satisfactory to the Agent:

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

(ii) Revolving Notes and Bid Rate Notes executed by the Borrower, payable to all Lenders and any Designated Lender, if applicable, and complying with the terms of Section 2.11.(a); and the Swingline Note executed by the Borrower;

(iii) the Guaranty executed by the Parent and any other Person that would be required under Section 8.13. to become a party to the Guaranty as of the Effective Date;

(iv) (A) an opinion of Foley & Lardner, counsel to the Borrower, the Parent and the other Guarantors addressed to the Agent and the Lenders and (B) an opinion of Alston & Bird LLP, counsel to the Agent addressed to the Agent and the Lenders;

(v) the certificate or articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of each Loan Party certified as of a recent date by the Secretary of State of the state of formation of such Person;

(vi) a certificate of good standing (or certificate of similar meaning) with respect to each Loan Party issued as of a recent date by the Secretary of State of the state of formation of each such Person and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which such Person is required to be so qualified;

(vii) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party with respect to each of the officers of such Person authorized to execute and deliver the Loan Documents to which such Person is a party, and in the case of the Borrower, authorized to execute and deliver on behalf of the Borrower Notices of Borrowing, Notices of Swingline Borrowing, requests for Letters of Credit, Notices of Conversion, Notices of Continuation and Bid Rate Quote Requests;

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

(ix) an Unencumbered Pool Certificate calculated as of the Effective Date;

(x) a Compliance Certificate calculated on a pro forma basis for the Borrower's fiscal quarter ending December 31, 2006;

(xi) evidence satisfactory to the Agent that the Existing Credit Agreement has been paid in full and that all commitments thereunder have been terminated;

(xii) a Transfer Authorizer Designation Form effective as of the Agreement Date;

(xiii) evidence satisfactory to the Agent that the Fees, if any, then due and payable under Section 3.6., together with all other fees, expenses and reimbursement amounts due and payable to the Agent and any of the Lenders, including without limitation, the fees and expenses of counsel to the Agent, have been paid; and

(xiv) such other documents and instruments as the Agent, or any Lender through the Agent, may reasonably request; and

(b) In the good faith judgment of the Agent:

(i) There shall not have occurred or become known to the Agent or any of the Lenders any event, condition, situation or status since December 31, 2005, concerning the Borrower, the Parent, any other Loan Party or any other Subsidiary that has had or could reasonably be expected to result in a Material Adverse Effect;

(ii) No litigation, action, suit, investigation or other arbitral, administrative or judicial proceeding shall be pending or threatened which could reasonably be expected to (A) result in a Material Adverse Effect or (B) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect, the ability of any Loan Party to fulfill its obligations under the Loan Documents to which it is a party;

(iii) The Borrower and the other Loan Parties shall have received all approvals, consents and waivers, and shall have made or given all necessary filings and notices as shall be required to consummate the transactions contemplated hereby (which approvals, consents and waivers shall be in full force and effect) without the occurrence of any default under, conflict with or violation of (A) any Applicable Law or (B) any agreement,

document or instrument to which any Loan Party is a party or by which any of them or their respective properties is bound, except for such approvals, consents, waivers, filings and notices the receipt, making or giving of which, or the failure to make, give or receive which, would not reasonably be likely to (1) have a Material Adverse Effect, or (2) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party; and

(iv) There shall not have occurred or exist any other material disruption of financial or capital markets that could reasonably be expected to materially and adversely affect the transactions contemplated by the Loan Documents.

Section 6.2. Conditions Precedent to All Loans and Letters of Credit.

The obligations of (i) Lenders to make any Loans, and (ii) the Agent to issue Letters of Credit, are each subject to the further conditions precedent that: (a) no Default or Event of Default shall exist as of the date of the making of such Loan or date of issuance of such Letter of Credit or would exist immediately after giving effect thereto, and none of the conditions described in Section 2.15. would exist after giving effect thereto; (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct in all material respects on and as of the date of the making of such Loan or date of issuance of such Letter of Credit with the same force and effect as if made on and as of such date except (x) to the extent that such representations and warranties are already qualified as to materiality, in which case they shall be true and correct in all respects, (y) to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate in all material respects on and as of such earlier date except to the extent that such representations and warranties are already qualified as to materiality, in which case they shall be true and correct in all respects on and as of such earlier date) and (z) for changes in factual circumstances specifically and expressly permitted hereunder and (c) in the case of the borrowing of Revolving Loans, the Agent shall have received a timely Notice of Borrowing, or in the case of a Swingline Loan, the Swingline Lender shall have received a timely Notice of Swingline Borrowing. Each Credit Event shall constitute a certification by the Borrower to the effect set forth in the preceding sentence (both as of the date of the giving of notice relating to such Credit Event and, unless the Borrower otherwise notifies the Agent prior to the date of such Credit Event, as of the date of the occurrence of such Credit Event). In addition, the Borrower shall be deemed to have represented to the Agent and the Lenders at the time such Loan is made or such Letter of Credit is issued that all conditions to the making of such Loan or issuing of such Letter of Credit contained in this Article VI. have been satisfied.

Section 6.3. Conditions as Covenants.

If the Lenders permit the making of any Loans, or the Agent issues a Letter of Credit, prior to the satisfaction of all conditions precedent set forth in Sections 6.1. and 6.2., the Borrower shall nevertheless cause any such condition or conditions not waived by the Agent and the Requisite Lenders to be satisfied within 5 Business Days after the date of the making of such Loans or the issuance of such Letter of Credit. Unless set forth in writing to the contrary, the

making of its initial Loan by a Lender shall constitute a confirmation by such Lender to the Agent and the other Lenders that insofar as such Lender is concerned the Borrower has satisfied the conditions precedent for initial Loans set forth in Sections 6.1. and 6.2.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.1. Representations and Warranties.

In order to induce the Agent and each Lender to enter into this Agreement and to make Loans and, in the case of the Agent, to issue Letters of Credit, and, in the case of the Lenders, to acquire participations in Letters of Credit, the Borrower represents and warrants to the Agent and each Lender as follows:

(a) Organization; Power; Qualification. Each of the Loan Parties and the other Subsidiaries is a corporation, partnership or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its incorporation or formation, has the power and authority to own or lease its respective properties and to carry on its respective business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a foreign corporation, partnership or other legal entity, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization and where the failure to be so qualified or authorized could reasonably be expected to have, in each instance, a Material Adverse Effect.

(b) Ownership Structure. Part I of Schedule 7.1.(b) is, as of the Agreement Date, a complete and correct list of all Subsidiaries of the Parent (including all Subsidiaries of the Borrower) setting forth for each such Subsidiary, (i) the jurisdiction of organization of such Person, (ii) each Person holding any Equity Interest in such Person, (iii) the nature of the Equity Interests held by each such Person and (iv) the percentage of ownership of such Person represented by such Equity Interests. Except as disclosed in such Schedule (A) each of the Parent and its Subsidiaries owns, free and clear of all Liens, and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on such Schedule, (B) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (C) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders’ or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. Part II of Schedule 7.1.(b) correctly sets forth all Unconsolidated Affiliates of the Parent, including the correct legal name of such Person, the type of legal entity which each such Person is, and all ownership interests in such Person held directly or indirectly by the Parent.

(c) Authorization of Agreement, Notes, Loan Documents and Borrowings. The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow. The Borrower and each other Loan Party has the right and power to obtain other extensions of credit hereunder, and has taken all necessary action to authorize it, to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Loan

Documents to which the Borrower or any other Loan Party is a party have been duly executed and delivered by the duly authorized officers of such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations contained herein or therein may be limited by equitable principles generally.

(d) Compliance of Agreement, Etc. with Laws. The execution, delivery and performance of this Agreement and the other Loan Documents to which any Loan Party is a party in accordance with their respective terms and the borrowings and other extensions of credit hereunder do not and will not, by the passage of time, the giving of notice, or both: (i) require any Governmental Approval or violate any Applicable Law (including all Environmental Laws) relating to any Loan Party; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of the Borrower or any other Loan Party, or any indenture, agreement or other instrument to which any other Loan Party is a party or by which it or any of its respective properties may be bound and the violation of which would have a Material Adverse Effect; or (iii) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by any Loan Party other than Liens created pursuant to the terms of the Loan Documents.

(e) Compliance with Law; Governmental Approvals. Each Loan Party and each other Subsidiary is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Law relating to it, except for noncompliances which, and Governmental Approvals the failure to possess which, could not, individually or in the aggregate, reasonably be expected to cause a Default or Event of Default or have a Material Adverse Effect.

(f) Title to Properties; Liens. Schedule 4.1. is, as of the Agreement Date, a complete and correct listing of all Unencumbered Pool Properties owned or leased by the Loan Parties and the other Subsidiaries, setting forth, for each such Property, the current occupancy status of such Property and whether such Property is a Qualified Development Property, Newly Acquired Property, Recently Completed Property or Operating Property. Each of the Loan Parties and all other Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. None of the Unencumbered Pool Properties is subject to any Lien other than Permitted Liens.

(g) Existing Indebtedness; Total Liabilities. Part I of Schedule 7.1.(g) is, as of the Agreement Date, a complete and correct listing of all Indebtedness (including all Guarantees) of each of the Loan Parties, the other Subsidiaries and any Non-Guarantor Entity (other than Unconsolidated Affiliates), and if such Indebtedness is secured by any Lien, a description of all of the property subject to such Lien. The Borrower, each Guarantor, each of the other Subsidiaries of the Parent or of the Borrower, each Non-Guarantor Entity and each Unconsolidated Affiliate have performed and are in material compliance with all of the terms of such Indebtedness and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, a determination of materiality, the satisfaction of any other condition or any combination of the foregoing, would

constitute such a default or event of default, exists with respect to any such Indebtedness. Part II of Schedule 7.1.(g) is, as of the Agreement Date, a complete and correct listing of all Total Liabilities of the Loan Parties, the other Subsidiaries and the Non-Guarantor Entities (other than Unconsolidated Affiliates) (excluding any Indebtedness set forth on Part I of such Schedule).

(h) Litigation. Except as set forth on Schedule 7.1.(h), there are no actions, suits or proceedings pending (nor, to the knowledge of the Borrower or the Parent, are there any actions, suits or proceedings threatened, nor is there any basis therefor) against or in any other way relating adversely to or affecting, any Loan Party, any other Subsidiary or any of their respective property in any court or before any arbitrator of any kind or before or by any other Governmental Authority which, (i) if adversely determined, could reasonably be expected to have a Material Adverse Effect or (ii) in any manner draws into question the validity or enforceability of any Loan Document. There are no strikes, slow downs, work stoppages or walkouts or other labor disputes in progress or threatened relating to, any Loan Party or any other Subsidiary.

(i) Taxes. All federal, state and other tax returns of, each Loan Party and each other Subsidiary required by Applicable Law to be filed have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon, each Loan Party and each other Subsidiary and their respective properties, income, profits and assets which are due and payable have been paid, except any such nonpayment or non-filing which is at the time permitted under Section 8.6. As of the Agreement Date, none of the United States income tax returns of, any Loan Party or any other Subsidiary is under audit. All charges, accruals and reserves on the books of the Loan Parties and each other Subsidiary in respect of any taxes or other governmental charges are in accordance with GAAP.

(j) Financial Statements. The Borrower and the Parent have furnished to each Lender copies of their respective (i) audited consolidated balance sheets for the fiscal years ended December 31, 2004 and December 31, 2005, and the related consolidated statements of operations, shareholders' equity and cash flow for the fiscal years ended on such dates, with the opinion thereon of KPMG LLP, and (ii) unaudited consolidated balance sheets for the fiscal quarter ended September 30, 2006, and the related consolidated statements of operations, shareholders' equity and cash flow for the 3 fiscal quarter period ended on such date. Such balance sheets and statements (including in each case related schedules and notes) are complete and correct in all material respects and present fairly, in accordance with GAAP consistently applied throughout the periods involved, the consolidated financial position of the Parent, the Borrower and their consolidated Subsidiaries as at their respective dates and the results of operations and the cash flow for such periods (except, as to interim statements, the lack of footnote disclosure and normal year-end audit adjustments). Each of the financial projections delivered, or required to be delivered, by the Borrower to the Agent or any Lender, whether prior to, on or after the date hereof (a) has been, or will be, as applicable, prepared for each Unencumbered Pool Property in light of the past business and performance of such Unencumbered Pool Property and (b) represents or will represent, as of the date thereof, the reasonable good faith estimates of the Borrower's financial performance, it being understood that projections as to future events are not viewed as facts and that the actual results may vary from such projections and such variances may be material. None of the Borrower, the Parent or any of their Consolidated Subsidiaries has on the Agreement Date any material contingent liabilities,

liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statements in accordance with GAAP.

(k) Operating Statements. Each of the operating statements pertaining to each of the Unencumbered Pool Properties delivered by the Borrower to the Agent in accordance with Section 9.4.(k) fairly presents the Net Operating Income of such Unencumbered Pool Property for the period then ended.

(l) No Material Adverse Change. Since December 31, 2005, there has been no event, change or occurrence which would reasonably be expected to have a Material Adverse Effect. Each of the Parent, the Borrower and the other Loan Parties is Solvent.

(m) ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

(n) Absence of Defaults. None of the Loan Parties or the other Subsidiaries is in default under its articles of incorporation, bylaws, partnership agreement or other similar organizational documents, and no event has occurred, which has not been remedied, cured or waived: (i) which constitutes a Default or an Event of Default; or (ii) which constitutes, or which with the passage of time, the giving of notice, or both, would constitute, a default or event of default by, any Loan Party or any other Subsidiary under any agreement (other than this Agreement) or any judgment, decree or order to which any such Person is a party or by which any such Person or any of its respective properties may be bound where such default or event of default would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(o) Environmental Laws. Each of the Loan Parties and the other Subsidiaries is in compliance with all applicable Environmental Laws and has obtained all Governmental Approvals which are required under Environmental Laws and is in compliance in all material respects with all terms and conditions of such Governmental Approvals, where with respect to each of the foregoing the failure to obtain or to comply with could be reasonably expected to have a Material Adverse Effect. Except for any of the following matters that could not be reasonably expected to have a Material Adverse Effect, neither the Parent nor the Borrower is aware of, nor has any Loan Party or any Subsidiary received notice of, any past or present events, conditions, circumstances, activities, practices, incidents, actions, or plans which, with respect to any Loan Party or any other Subsidiary, could reasonably be expected to unreasonably

interfere with or prevent compliance or continued compliance with Environmental Laws, or could reasonably be expected to give rise to any common-law or legal liability, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any Hazardous Material; and there is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, notice of violation, investigation, or proceeding pending or, to the Parent's knowledge, threatened, against any Loan Party or any other Subsidiary relating in any way to Environmental Laws which, is reasonably expected to be determined adversely to such Loan Party or such other Subsidiary, and if so determined could be reasonably expected to have a Material Adverse Effect.

(p) Investment Company; Etc. No Loan Party, nor any other Subsidiary is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (ii) subject to any other Applicable Law which purports to regulate or restrict its ability to borrow money or obtain other extensions of credit or to consummate the transactions contemplated by this Agreement or to perform its obligations under any Loan Document to which it is a party.

(q) Margin Stock. No Loan Party nor any other Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

(r) Affiliate Transactions. Except as permitted by Section 10.9., no Loan Party nor any other Subsidiary is a party to or bound by any agreement or arrangement (whether oral or written) with any Affiliate.

(s) Intellectual Property. Each of the Loan Parties and each other Subsidiary owns or has the right to use, under valid license agreements or otherwise, all patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, trade secrets and copyrights (collectively, "Intellectual Property") necessary to the conduct of its businesses, without known conflict with any patent, license, franchise, trademark, trade secret, trade name, copyright, or other proprietary right of any other Person. All such Intellectual Property is fully protected and/or duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filing or issuances. No material claim has been asserted by any Person with respect to the use of any such Intellectual Property, or challenging or questioning the validity or effectiveness of any such Intellectual Property.

(t) Business. The Parent and its Subsidiaries and the Borrower and its Subsidiaries are engaged in the business of owning, managing and developing community and neighborhood shopping centers and other activities incidental thereto.

(u) Broker's Fees. No broker's or finder's fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. No other similar fees or commissions will be payable by any Loan Party for any other services rendered to any Loan Party or any other Subsidiaries ancillary to the transactions contemplated hereby.

(v) Accuracy and Completeness of Information. All written information, reports and other papers and data (other than financial statements and projections) furnished to the Agent or any Lender by, on behalf of, or at the direction of, any Loan Party or any other Subsidiary were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the recipient a true and accurate knowledge of the subject matter. All financial statements furnished to the Agent or any Lender by, on behalf of, or at the direction of, any Loan Party or any other Subsidiary present fairly, in accordance with GAAP consistently applied throughout the periods involved, the financial position of the Persons involved as at the date thereof and the results of operations for such periods. No fact is known to any Loan Party or any other Subsidiary which has had, or may in the future reasonably be expected to have (so far as any Loan Party or such Subsidiary can reasonably foresee), a Material Adverse Effect which has not been set forth in the financial statements referred to in Section 7.1.(j). To the knowledge of the Parent and the Borrower, no document furnished or written statement made to the Agent or any Lender in connection with the negotiation, preparation or execution of, or pursuant to, this Agreement or any of the other Loan Documents contains or will contain any untrue statement of a fact material to the creditworthiness of any Loan Party or any other Subsidiary or omits or will omit to state a material fact necessary in order to make the statements contained therein not misleading.

(w) Not Plan Assets; No Prohibited Transactions. None of the assets of any Loan Party or any other Subsidiary constitutes "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any Plan. The execution, delivery and performance of the Loan Documents by the Loan Parties, and the borrowing, other credit extensions and repayment of amounts thereunder, do not and will not constitute "prohibited transactions" under ERISA or the Internal Revenue Code.

(x) Tax Shelter Regulations. None of the Parent, the Borrower, any Loan Party or any other Subsidiary intends to treat the Loans or the transactions contemplated by this Agreement and the other Loan Documents as being "reportable transactions" (within the meaning of Treasury Regulation Section 1.6011-4). If the Parent, the Borrower, any Loan Party or any other Subsidiary determines to take any action inconsistent with such intention, the Borrower will promptly notify the Agent thereof. If the Borrower so notifies the Agent, the Borrower acknowledges that the Agent or any Lender may treat the Loans as part of a transaction that is subject to Treasury Regulation Section 301.6112-1, and the Lender will maintain the lists and other records, including the identity of the applicable party to the Loans as required by such Treasury Regulation.

(y) Non-Guarantor Entities. No Non-Guarantor Entity or Unconsolidated Affiliate that has failed to become a party to the Guaranty under Section 8.13.(a) satisfies any condition contained in clause (i) of Section 8.13.(a).

Section 7.2. Survival of Representations and Warranties, Etc.

All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of any Loan Party or any other Subsidiary to the Agent or any Lender pursuant to or in connection with this Agreement or any of the other Loan Documents (including,

but not limited to, any such statement made in or in connection with any amendment thereto or any statement contained in any certificate, financial statement or other instrument delivered by or on behalf of any Loan Party or any other Subsidiary prior to the Agreement Date and delivered to the Agent or any Lender in connection with the underwriting or closing the transactions contemplated hereby) shall constitute representations and warranties made by the Borrower under this Agreement. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made at and as of the Agreement Date, the Effective Date and at and as of the date of the occurrence of each Credit Event, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances specifically permitted hereunder. All such representations and warranties shall survive the effectiveness of this Agreement, the execution and delivery of the Loan Documents and the making of the Loans and the issuance of the Letters of Credit.

ARTICLE VIII. AFFIRMATIVE COVENANTS

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 13.8., all of the Lenders) shall otherwise consent in the manner provided for in Section 13.8., the Borrower and the Parent shall comply with the following covenants:

Section 8.1. Preservation of Existence and Similar Matters.

Except as otherwise permitted under Section 10.4., the Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, preserve and maintain its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation or formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization and where the failure to be so authorized and qualified could reasonably be expected to have a Material Adverse Effect.

Section 8.2. Compliance with Applicable Law.

The Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, comply with all Applicable Law, including the obtaining of all Governmental Approvals, the failure with which to comply could reasonably be expected to have a Material Adverse Effect.

Section 8.3. Maintenance of Property.

The Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, (a) protect and preserve all of its material properties, including, but not limited to, all Intellectual Property necessary to the conduct of its respective business, and maintain in good repair, working order and condition all tangible properties, ordinary wear and tear and obsolescence excepted, and (b) from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 8.4. Conduct of Business.

The Borrower and the Parent shall, and shall cause the other Loan Parties and each other Subsidiary to, carry on its respective businesses as described in Section 7.1.(s) and not enter into any line of business not otherwise engaged in by such Person as of the Agreement Date.

Section 8.5. Insurance.

The Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, maintain insurance with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by similar businesses or as may be required by Applicable Law. Such insurance shall, in any event, include fire and extended coverage, public liability, property damage, worker's compensation and flood insurance (if required under Applicable Law). The Borrower and the Parent shall from time to time deliver to the Agent upon request a detailed list, together with copies of all policies of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

Section 8.6. Payment of Taxes and Claims.

The Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, pay and discharge when due (a) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (b) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of such Person; provided, however, that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the books of such Person in accordance with GAAP.

Section 8.7. Books and Records; Inspections.

The Borrower and the Parent will, and will cause each other Loan Party and each other Subsidiary to, keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. The Borrower and the Parent will, and will cause each other Loan Party and each other Subsidiary to, permit representatives of the Agent or any Lender to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (in the Parent's presence if an Event of Default does not then exist), all at such reasonable times during business hours and as often as may reasonably be requested and so long as no Event of Default exists, with reasonable prior notice. The Borrower shall be obligated to reimburse the Agent and the Lenders for their costs and expenses incurred in connection with the exercise of their rights under this Section only if such exercise occurs while a Default or Event of Default exists.

Section 8.8. Use of Proceeds.

The Borrower will only use the proceeds of Loans only for pre-development costs, development costs, acquisitions, capital expenditures, working capital and general corporate purposes, equity investments, repayment of Indebtedness or scheduled amortization payments on Indebtedness, financing loans to Subsidiaries, Unconsolidated Affiliates and other Affiliates of the Borrower for development activities, and for no other purposes. The Borrower shall only use Letters of Credit for the same purposes for which it may use the proceeds of Loans. The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, use any part of such proceeds to purchase or carry, or to reduce or retire or refinance any credit incurred to purchase or carry, any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

Section 8.9. Environmental Matters.

The Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, comply with all Environmental Laws the failure with which to comply could reasonably be expected to have a Material Adverse Effect. If any Loan Party or any other Subsidiary shall (a) receive notice that any violation of any Environmental Law may have been committed or is about to be committed by such Person, (b) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against any such Person alleging violations of any Environmental Law or requiring any such Person to take any action in connection with the release of Hazardous Materials or (c) receive any notice from a Governmental Authority or private party alleging that any such Person may be liable or responsible for costs associated with a response to or cleanup of a release of Hazardous Materials or any damages caused thereby, and the events or matters that are the subject of such notices, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, the Parent shall provide the Agent with a copy of such notice within 10 days after the receipt thereof by such Person or any of the Subsidiaries. The Loan Parties and the other Subsidiaries shall promptly take all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws.

Section 8.10. Further Assurances.

At the Borrower’s cost and expense and upon request of the Agent, the Borrower and the Parent shall, and shall cause each other Loan Party and each other Subsidiary to, duly execute and deliver or cause to be duly executed and delivered, to the Agent such further instruments, documents and certificates, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Agent to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.

Section 8.11. REIT Status; Consolidation with the Borrower.

The Parent shall maintain its status as a REIT. The Parent shall at all times own such Equity Interest of the Borrower such that the Borrower is at all times a Consolidated Subsidiary of the Parent.

Section 8.12. Exchange Listing.

The Parent shall cause its common stock to be listed for trading on the New York Stock Exchange or the American Stock Exchange.

Section 8.13. Guarantors.

(a) Generally. The Borrower and the Parent shall cause any Subsidiary and any Unconsolidated Affiliate that is not already a Guarantor and to which any of the following conditions apply (each a "New Guarantor") to execute and deliver to the Agent an Accession Agreement, together with the other items required to be delivered under the subsection (c) below:

(i) such Person Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of (1) the Parent; (2) the Borrower; (3) any other Subsidiary of the Parent or the Borrower; or (4) any Non-Guarantor Entity (except in the case of an Unconsolidated Affiliate Guaranteeing, or otherwise becoming obligated in respect of, any Indebtedness of another Unconsolidated Affiliate); or

(ii) such Person owns an Unencumbered Pool Property and has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness.

Any such Accession Agreement and the other items required under subsection (c) below must be delivered to the Agent no later than 10 days following the date on which any of the above conditions first applies to a Subsidiary.

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

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

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

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

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

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

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

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

(d) Release of Guarantor. The Borrower may request in writing that the Agent release, and upon receipt of such request the Agent shall release, a Guarantor from the Guaranty so long as: (i) such Guarantor is not the Parent; (ii) such Guarantor owns no Unencumbered Pool Property, nor any direct or indirect equity interest in any Subsidiary that does own an Unencumbered Pool Property; (iii) such Guarantor is not otherwise required to be a party to the Guaranty under this Section; and (iv) no Default or Event of Default shall then be in existence or would occur as a result of such release.

ARTICLE IX. INFORMATION

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 13.8., all of the Lenders) shall otherwise consent in the manner set forth in Section 13.8., the Borrower and the Parent, as applicable, shall furnish to the Agent at its Lending Office:

Section 9.1. Quarterly Financial Statements.

As soon as available and in any event within 5 days after the same is required to be filed with the Securities and Exchange Commission (but in no event later than 50 days after the end of each of the first, second and third fiscal quarters of the Parent), the unaudited consolidated balance sheet of the Parent and its Consolidated Subsidiaries as of such period and of the Borrower and its Consolidated Subsidiaries as of the end of such period and the related consolidated statements of operations, stockholders’ equity and cash flows of the Parent and its Consolidated Subsidiaries, and of the Borrower and its Consolidated Subsidiaries, for such

period (the "Quarterly Financial Statements"), setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year, all of which shall be certified by the chief financial officer of the Parent, in his or her opinion, to present fairly, in accordance with GAAP, the consolidated financial position of the Parent and its Consolidated Subsidiaries and the Borrower and its Consolidated Subsidiaries, as the case may be, as at the date thereof and the results of operations for such period (except the lack of footnote disclosure and normal year-end audit adjustments).

Section 9.2. Year-End Statements.

As soon as available and in any event within 5 days after the same is required to be filed with the Securities and Exchange Commission (but in no event later than 100 days after the end of each fiscal year of the Parent), the audited consolidated balance sheet of the Parent and its Consolidated Subsidiaries, and of the Borrower and its Consolidated Subsidiaries, as of the end of such fiscal year and the related consolidated statements of operations, stockholders' equity and cash flows of the Parent and its Consolidated Subsidiaries, and of the Borrower and its Consolidated Subsidiaries, for such fiscal year (the "Annual Financial Statements"), setting forth in comparative form the figures as of the end of and for the previous fiscal year, all of which shall be certified by (a) the chief financial officer of the Parent, in his or her opinion, to present fairly, in accordance with GAAP, the financial position of the Parent and its Consolidated Subsidiaries and of the Borrower and its Consolidated Subsidiaries, as the case may be, as at the date thereof and the result of operations for such period and (b) KPMG LLP or any other independent certified public accountants of recognized national standing acceptable to the Requisite Lenders, whose certificate shall be unqualified and in scope and substance satisfactory to the Requisite Lenders.

Section 9.3. Compliance Certificate.

At the time the financial statements are furnished pursuant to the immediately preceding Sections 9.1. and 9.2., a certificate substantially in the form of Exhibit O (a "Compliance Certificate") executed by the chief financial officer of the Parent (a) setting forth as of the end of such quarterly accounting period or fiscal year, as the case may be, the calculations required to establish whether the Borrower was in compliance with the covenants contained in Section 10.1.; (b) setting forth a schedule of all Contingent Obligations of the Parent, the Borrower, all Subsidiaries of the Parent or the Borrower, (c) setting forth the Credit Ratings of the Parent and the Borrower as of the date of such certificate and (d) stating that no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default and its nature, when it occurred and the steps being taken by the Borrower or the Parent with respect to such event, condition or failure.

Section 9.4. Other Information.

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to the Parent or its Board of Directors by its independent public accountants including, without limitation, any management report;

(b) Within 10 days of the filing thereof, copies of all registration statements (excluding the exhibits thereto and any registration statements on Form S-8 or its equivalent), reports on Forms 10-K, 10-Q and 8-K (or their equivalents) and all other periodic reports which any Loan Party or any other Subsidiary shall file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor) or any national securities exchange;

(c) Promptly upon the mailing thereof to the shareholders of the Parent generally, copies of all financial statements, reports and proxy statements so mailed and promptly upon the issuance thereof copies of all press releases issued by the Borrower, the Parent any Subsidiary or any other Loan Party;

(d) As soon as available and in any event within 50 days after the end of each fiscal quarters of the Borrower, an Unencumbered Pool Certificate setting forth the information to be contained therein. The Borrower shall also deliver an Unencumbered Pool Certificate as required pursuant to Sections 4.1.(b) and 4.2.

(e) As soon as available and in any event within 50 days after the end of the fourth fiscal quarter of the Borrower, the annual plan of the Parent and its Consolidated Subsidiaries which plan shall at least include capital and operating expense budgets, projections of sources and applications of funds, a projected balance sheet, profit and loss projections of the Parent and its Consolidated Subsidiaries for each quarter of the next succeeding fiscal year and a update copy of Schedule 7.1.(g), all itemized in reasonable detail and shall also set forth the pro forma calculations required (including any assumptions, where appropriate) to establish whether or not the Parent, and when appropriate its Consolidated Subsidiaries, will be in compliance with the covenants contained in Section 10.1. at the end of each fiscal quarter of the next succeeding fiscal year.

(f) If and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any “reportable event” (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the controller of the Parent setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(g) To the extent any Loan Party or any other Subsidiary is aware of the same, prompt notice of the commencement of any proceeding or investigation by or before any Governmental Authority and any action or proceeding in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, the any Loan Party or any other Subsidiary or any of their respective properties, assets or businesses which, if determined or resolved adversely to such Person, could reasonably be expected to have a Material Adverse Effect, and prompt notice of the receipt of notice that any United States income tax returns of any Loan Party or any other Subsidiary are being audited;

(h) A copy of any amendment to the articles of incorporation, bylaws, partnership agreement or other similar organizational documents of any Loan Party or any other Subsidiary promptly following the effectiveness thereof;

(i) Prompt notice of any change in the senior management of the Borrower or the Parent;

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

(k) Upon request by the Agent, all financial information maintained on the Parent, the Borrower, any other Loan Party or any Subsidiary and the individual real estate projects owned by the Parent, the Borrower, any other Loan Party or any Subsidiary, including, but not limited to, property cash flow reports, property budgets, operating statements, leasing status reports (both actual occupancy and leased occupancy), contingent liability summary, note receivable summary, summary of cash and cash equivalents and overhead and capital improvement budgets;

(l) Written notice not later than public disclosure of any material Investments, material acquisitions, dispositions, disposals, divestitures or similar transactions involving Property, the raising of additional equity or the incurring or repayment of material Indebtedness, by or with the Parent, the Borrower, any other Loan Party or any other Subsidiary of the Parent;

(m) Promptly upon the request of the Agent, evidence of the Borrower's calculation of the Ownership Share with respect to a Subsidiary or an Unconsolidated Affiliate, such evidence to be in form and detail satisfactory to the Agent;

(n) Promptly, upon any change in the Parent's or the Borrower's Credit Rating, a certificate stating that the Parents or the Borrower's Credit Rating has changed and the new Credit Rating that is in effect; and

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

ARTICLE X. NEGATIVE COVENANTS

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 13.8., all of the Lenders) shall otherwise consent in the manner set forth in Section 13.8., the Borrower shall comply with the following covenants:

Section 10.1. Financial Covenants.

(a) Minimum Net Worth. The Parent shall not at any time permit its Net Worth determined on a consolidated basis to be less than an amount equal to the greater of (a)(i) 75% of the Net Worth of the Parent determined on a consolidated basis as of September 30, 2006, plus (ii) 75% of the sum of (x) the amount of proceeds (net of transaction costs) received by the Parent from the sale or issuance of shares, options, warrants or other equity securities of any class or character of the Parent after September 30, 2006, which affect the Net Worth of the Parent plus (y) any positive change in the Parent's Net Worth occurring upon the issuance of any shares of the Parent in exchange for the limited partnership units held by the limited partners of the Borrower minus (iii) the aggregate amount paid by the Parent to purchase or redeem any equity securities of the Parent (to the extent such payments are permitted by Section 10.1.(h)) or (b) $1,000,000,000.

(b) Ratio of Total Liabilities to Gross Asset Value. The Parent shall not permit the ratio of (i) Total Liabilities of the Parent and its Consolidated Subsidiaries determined on a consolidated basis to (ii) Gross Asset Value determined on a consolidated basis, at the end of any fiscal quarter to exceed 0.60 to 1.00 at any time; provided, however, that if such ratio is greater than 0.60 to 1.00 but is not greater than 0.65 to 1.00, then such failure to comply with the foregoing covenant shall not constitute a Default or an Event of Default and the Parent shall be deemed to be in compliance with this Section 10.1.(b) so long as such ratio does not exceed 0.60 to 1.00 more than three times during the term of this facility, and in each instance, the ratio does not exceed 0.60 to 1.00 for a period of more than three consecutive fiscal quarters.

(c) Ratio of Recourse Secured Indebtedness to Gross Asset Value. The Parent shall not at any time permit the ratio of Recourse Secured Indebtedness to Gross Asset Value to exceed 0.15 to 1.00 at any time.

(d) Ratio of EBITDA to Fixed Charges. The Parent shall not permit the ratio of (i) EBITDA of the Parent and its Consolidated Subsidiaries for the four fiscal-quarter period most recently ended to (ii) Fixed Charges for such four fiscal-quarter period to be less than 1.65 to 1.00 at the end of each fiscal quarter.

(e) Unsecured Interest Expense Coverage. The Parent shall not permit the ratio of Unencumbered NOI to Unsecured Interest Expense for any fiscal quarter to be less than 1.75 to 1.00 for such fiscal quarter.

(f) Permitted Investments. The Parent and the Borrower shall not, and shall not permit any Loan Party or other Subsidiary to, make an Investment in or otherwise own the following items which would cause the aggregate value of Investments of the Parent, the Borrower, any other Loan Party or other Subsidiary in the following items to exceed 30% of the Parent's Gross Asset Value:

(i) unimproved real estate;

(ii) Common stock, Preferred Stock, other capital stock, beneficial interest in trust, membership interest in limited liability companies and other Equity Interests in Persons (other than consolidated Subsidiaries and Unconsolidated Affiliates);

(iii) Mortgages in favor of the Parent, the Borrower, any other Loan Party or any Subsidiary;

(iv) Subsidiaries that are not Wholly Owned Subsidiaries; and

(v) Unconsolidated Affiliates. For purposes of this clause (v), the "value" of any such Investment in an Unconsolidated Affiliate shall be determined in the manner set forth in subsection (f) of the definition of "Gross Asset Value".

In addition to the foregoing, the aggregate amount of the Construction Budgets for Development Properties in which the Parent either has a direct or indirect ownership interest shall not exceed 30% of the Gross Asset Value. If a Development Property is owned by an Unconsolidated Affiliate of the Parent, the Borrower, or any other Subsidiary, then the greater of (1) the product of (A) the Parent's, the Borrower's, or such Subsidiary's Ownership Share in such Unconsolidated Affiliate and (B) the amount of the Construction Budget for such Development Property or (2) the recourse obligations of the Parent, the Borrower or such Subsidiary relating to the Indebtedness of such Unconsolidated Affiliate, shall be used in calculating such investment limitation.

(g) Aggregate Occupancy Rates. The Borrower shall not permit the weighted average aggregate Occupancy Rate of all Operating Properties that are Unencumbered Pool Properties to be less than 90% at any time.

(h) Dividends and Other Restricted Payments. If a Default or an Event of Default under Section 11.1.(a) shall exist none of the Borrower, the Parent or any Subsidiary (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments. If any other Event of Default exists, none of the Borrower, the Parent or any Subsidiary (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments except that the Parent may make cash distributions to its shareholders in the minimum amount necessary to maintain compliance with Section 8.11.

Section 10.2. Negative Pledge.

Neither the Borrower nor the Parent shall, nor shall they permit any other Loan Party or Subsidiary to, (a) create, assume, incur, permit or suffer to exist any Lien on any Unencumbered Pool Property or any direct or indirect ownership interest of the Borrower or the Parent in any Person owning any Unencumbered Pool Property, now owned or hereafter acquired, except for Permitted Liens or (b) permit any Unencumbered Pool Property or any direct or indirect ownership interest of the Borrower or the Parent in any Person owning an Unencumbered Pool Property, to become subject to a Negative Pledge.

Section 10.3. Restrictions on Intercompany Transfers.

Neither the Borrower nor the Parent shall, nor shall they permit any other Loan Party or any other Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to: (i) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interests owned by the Borrower, the Parent or any other Subsidiary; (ii) pay any Indebtedness owed to the Borrower, the Parent or any other Subsidiary; (iii) make loans or advances to the Borrower, the Parent or any other Subsidiary; or (iv) transfer any of its property or assets to the Borrower, the Parent or any other Subsidiary; provided, however, that this Section does not prohibit encumbrances or restrictions contained in Secured Indebtedness of a Subsidiary that neither is a Loan Party nor owns an Unencumbered Pool Property.

Section 10.4. Merger, Consolidation, Sales of Assets and Other Arrangements.

The Borrower and the Parent shall not, and shall not permit any other Loan Party or other Subsidiary to: (i) enter into any transaction of merger or consolidation; (ii) liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); or (iii) convey, sell, lease, sublease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its business or assets, whether now owned or hereafter acquired; provided, however, that:

(a) any of the actions described in the immediately preceding clauses (i) through (iii) may be taken with respect to any Subsidiary or any other Loan Party (other than the Borrower or the Parent) so long as immediately prior to the taking of such action, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence; notwithstanding the foregoing, any such Loan Party may enter into a transaction of merger pursuant to which such Loan Party is not the survivor of such merger only if (i) the Borrower shall have given the Agent and the Lenders at least 10 Business Days' prior written notice of such merger; (ii) if the surviving entity is a Subsidiary and is required under Section 8.13. to become a Guarantor, within 5 Business Days of consummation of such merger (x) the survivor entity (if not already a Guarantor) shall have executed and delivered to the Agent an Accession Agreement, the other items required to be delivered under such Section, copies of all documents entered into by such Loan Party or the surviving entity to effectuate the consummation of such

merger, including, but not limited to, articles of merger and the plan of merger, copies of any filings with the Securities and Exchange Commission in connection with such merger; and (y) such Loan Party and the surviving entity each takes such other action and delivers such other documents, instruments, opinions and agreements as the Agent may reasonably request;

(b) the Parent, the Borrower, the other Loan Parties and the other Subsidiaries may lease and sublease their respective assets, as lessor or sublessor (as the case may be), in the ordinary course of their business;

(c) a Person may merge with and into the Parent or the Borrower so long as (i) the Parent or the Borrower, as the case may be, is the survivor of such merger, (ii) immediately prior to such merger, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence, (iii) the Borrower shall have given the Agent and the Lenders at least 10 Business Days' prior written notice of such merger (except that such prior notice shall not be required in the case of the merger of a Subsidiary with and into the Borrower) and (iv) the Borrower shall have delivered to the Agent such data, certificates, reports, statements, opinions of counsel, documents or further information as the Agent or any Lender may reasonably request; and

(d) the Parent, the Borrower, the other Loan Parties and the other Subsidiaries may sell, transfer or dispose of assets among themselves.

Section 10.5. Acquisitions.

The Borrower and the Parent shall not, and shall not permit any Subsidiary of the Parent to, make any Acquisition in which the consideration paid (whether by way of payment of cash, issuance of capital stock, assumption of Indebtedness, or otherwise) by the Borrower, the Parent, or such Subsidiary, as applicable, equals or exceeds 35% of the sum of (a) total consolidated assets of the Parent plus (b) consolidated accumulated depreciation of the Parent unless (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Parent shall have given the Agent and the Lenders at least 5 days prior written notice of such Acquisition and (iii) the Parent shall have delivered to the Agent and the Lenders a Compliance Certificate, calculated on a pro forma basis, evidencing the Borrower's and Parent's continued compliance with the terms and conditions of this Agreement and the other Loan Documents, including without limitation, the financial covenants contained in Article 10.1., after giving effect to such Acquisition.

Section 10.6. Plans.

Neither the Borrower nor the Parent shall, nor shall they permit any Loan Party or any other Subsidiary to, permit any of its respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder.

Section 10.7. Fiscal Year.

Neither the Borrower nor the Parent shall, nor shall they permit any Loan Party or other Subsidiary to, change its fiscal year from that in effect as of the Agreement Date.

Section 10.8. Modifications of Organizational Documents.

Neither the Borrower nor the Parent shall, nor shall they permit any Loan Party or other Subsidiary to, amend, supplement, restate or otherwise modify its articles of incorporation or by-laws without the prior written consent of the Agent and the Requisite Lenders unless such amendment, supplement, restatement or other modification is could not reasonably be expected to have a Material Adverse Effect.

Section 10.9. Indebtedness.

The Borrower and the Parent will not, and will not permit any other Loan Party or any other Subsidiary of the Parent to, incur, assume or suffer to exist any Indebtedness other than:

(a) Indebtedness under this Agreement;

(b) Indebtedness set forth in Schedule 7.1.(g);

(c) Indebtedness represented by declared but unpaid dividends; and

(d) other Indebtedness so long as (i) no Default or Event of Default shall have occurred and be continuing and (ii) the incurrence of such Indebtedness would not cause the occurrence of a Default or Event of Default, including without limitation, a Default or Event of Default resulting from a violation of Section 10.1.

Section 10.10. Transactions with Affiliates.

Neither the Borrower nor the Parent shall permit to exist or enter into, nor will they permit any Loan Party or other Subsidiary to permit to exist or enter into, any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of any Loan Party, except (a) as set forth on Schedule 7.1.(q) or (b) transactions in the ordinary course of and pursuant to the reasonable requirements of the business of the Borrower, the Parent, such Loan Party or any of the Subsidiaries and upon fair and reasonable terms which are no less favorable to the Borrower, the Parent, such Loan Party or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the forgoing, no payments may be made with respect to any items set forth on such Schedule upon the occurrence and during the continuation of a Default or Event of Default pursuant to Section 11.1.(a).

Section 10.11. Derivatives Contracts.

The Borrower and the Parent shall not, and shall not permit any Subsidiary of the Parent to, create, incur or suffer to exist any obligations in respect of Derivatives Contracts other than

(a) Derivatives Contracts existing on the date hereof and described in Schedule 10.11.; (b) interest rate cap agreements and (c) interest rate Derivatives Contracts (excluding interest rate cap agreements) entered into from time to time after the date hereof with counterparties that are nationally recognized, investment grade financial institutions in an aggregate notional amount not to exceed the aggregate amount of the Commitments at any time outstanding; provided that, no Derivatives Contract otherwise permitted hereunder may be speculative in nature.

ARTICLE XI. DEFAULT

Section 11.1. Events of Default.

Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of Applicable Law or pursuant to any judgment or order of any Governmental Authority:

(a) Default in Payment. (i) The Borrower shall fail to pay (A) the principal amount of any Loan or any Reimbursement Obligation when due or (B) any interest on any Loan or other Obligation, or any fees or other Obligations, owing by it, solely in the case of this clause (B), within 5 Business Days of the due date therefor or (ii) any other Loan Party shall fail to pay within 5 Business Days of when due any other payment obligation owing by such Loan Party under any Loan Document to which it is a party.

(b) Default in Performance.

(i) Any Loan Party shall fail to perform or observe any term, covenant, condition or agreement on its part to be performed or observed and contained in Section 9.4.(j), 10.2., 10.4. or 10.9.; or

(ii) Any Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a party and not otherwise mentioned in this Section and such failure shall continue for a period of 30 calendar days after the earlier of (x) the date upon which any Loan Party obtains knowledge of such failure or (y) the date upon which the Borrower has received written notice of such failure from the Agent.

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

(d) Indebtedness Cross-Default.

(i) Any Loan Party shall fail to pay when due and payable the principal of, or interest (x) on any Indebtedness (other than the Loans or Nonrecourse Indebtedness) or any Contingent Obligations, which Indebtedness or Contingent Obligations have an

aggregate outstanding principal amount of $25,000,000 or more or (y) on any Nonrecourse Indebtedness, which Indebtedness has an aggregate outstanding principal amount of $50,000,000 or more ((x) and (y) together, "Material Indebtedness"); or

(ii) (x) The maturity of any Material Indebtedness shall have been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Material Indebtedness or (y) any Material Indebtedness shall have been required to be prepaid or repurchased prior to the stated maturity thereof;

(iii) Any other event shall have occurred and be continuing which, with or without the passage of time, the giving of notice, or otherwise, would permit any holder or holders of any Material Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person, to accelerate the maturity of any Material Indebtedness or require any Material Indebtedness to be prepaid or repurchased prior to its stated maturity; or

(iv) There occurs under any Derivatives Contract in effect between any Loan Party and any Lender (or Affiliate of a Lender) an Early Termination Date (or similar term as defined in such Derivatives Contract) resulting from (A) any event of default under such Derivatives Contract as to which any Loan Party is the Defaulting Party (or similar term as defined in such Derivatives Contract) or (B) any Termination Event (or similar term as so defined) under such Derivatives Contract as to which any Loan Party is an Affected Party (or similar term as defined in such Derivatives Contract).

(e) Voluntary Bankruptcy Proceeding. The Parent, the Borrower, any Guarantor, any other Loan Party or any other Affiliates shall: (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws or consent to any proceeding or action described in the immediately following subsection (f); (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(f) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against the Parent, the Borrower, any Guarantor, any other Loan Party or any other Affiliates in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver,

custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and in the case of either clause (i) or (ii) such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in such case or proceeding (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(g) Revocation of Loan Documents. Any Loan Party shall (or shall attempt to) disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of any Loan Document.

(h) Judgment. A judgment or order for the payment of money shall be entered against the Borrower, the Parent, any other Loan Party or any Subsidiary, by any court or other tribunal and (i) such judgment or order shall continue for a period of 30 days without being paid stayed or dismissed through appropriate appellate proceedings and (ii) either (A) the amount for which insurance has not been acknowledged in writing by the applicable insurance carrier (or the amount as to which the insurer has denied liability) exceeds, individually or together with all other such judgments or orders entered against such Persons, $25,000,000 or (B) such judgment or order could reasonably be expected to have a Material Adverse Effect.

(i) Attachment. A warrant, writ of attachment, execution or similar process shall be issued against any property of the Borrower, the Parent, any other Loan Party or any other Subsidiary, which exceeds, individually or together with all other such warrants, writs, executions and processes, $5,000,000 in amount and such warrant, writ, execution or process shall not be paid, discharged, vacated, stayed or bonded for a period of 30 days.

(j) ERISA. Any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $5,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of $5,000,000.

(k) Loan Documents. An Event of Default (as defined therein) shall occur under any of the other Loan Documents;

(l) Change of Control/Change in Management.

(i) (A) Any Person (or two or more Persons acting in concert) (other than the Stein Parties) shall acquire "beneficial ownership" within the meaning of Rule 13d-3 of

the Securities and Exchange Act of 1934, as amended, of the capital stock or securities of the Parent representing 20% or more of the aggregate voting power of all classes of capital stock and securities of the Parent entitled to vote for the election of directors or (B) during any twelve-month period (commencing both before and after the Agreement Date), individuals who at the beginning of such period were directors of the Parent shall cease for any reason (other than death or mental or physical disability) to constitute a majority of the board of directors of the Parent;

(ii) the general partner of the Borrower shall cease to be the Parent; or

(iii) any two of Martin E. Stein, Jr., Mary Lou Fiala and Bruce M. Johnson shall cease for any reason (including death or disability) to occupy the positions of Chairman, President, Chief Executive Officer or Chief Financial Officer (or other more senior office) of the Parent, or shall otherwise cease to be principally involved in the senior management of the Parent on a full-time basis, and such individuals shall not have been replaced within 120 days following the date on which such condition first existed with other individuals reasonably acceptable to the Requisite Lenders (which must include the Lender then acting as Agent).

(m) Damage; Strike; Casualty. Any material damage to, or loss, theft or destruction of, any Property, whether or not insured, or any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than 30 consecutive days beyond the coverage period of any applicable business interruption insurance, the cessation or substantial curtailment of revenue producing activities of the Borrower, the Parent, any other Loan Party or the Subsidiaries if any such event or circumstance could reasonably be expected to have a Material Adverse Effect.

Section 11.2. Remedies Upon Event of Default.

Upon the occurrence of an Event of Default the following provisions shall apply:

(a) Acceleration; Termination of Facilities.

(i) Automatic. Upon the occurrence of an Event of Default specified in Sections 11.1.(e) or 11.1.(f), (1)(A) the principal of, and all accrued interest on, the Loans and the Notes at the time outstanding, (B) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default and (C) all of the other Obligations of the Borrower, including, but not limited to, the other amounts owed to the Lenders and the Agent under this Agreement, the Notes or any of the other Loan Documents shall become immediately and automatically due and payable by the Borrower without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower, and (2) the Commitments and the Swingline Commitment, the obligation of the Lenders to make Loans hereunder, and the obligation of the Agent to issue Letters of Credit hereunder, shall all immediately and automatically terminate.

(ii) Optional. If any other Event of Default shall exist, the Agent may, and at the direction of the Requisite Lenders shall: (1) declare (A) the principal of, and accrued interest on, the Loans and the Notes at the time outstanding, (B) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default and (C) all of the other Obligations, including, but not limited to, the other amounts owed to the Lenders and the Agent under this Agreement, the Notes or any of the other Loan Documents to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower, and (2) terminate the Commitments and the obligation of the Lenders to make Loans hereunder and the obligation of the Agent to issue Letters of Credit hereunder. If the Agent has exercised any of the rights provided under the preceding sentence, the Swingline Lender shall: (x) declare the principal of, and accrued interest on, the Swingline Loans and the Swingline Notes at the time outstanding, and all of the other Obligations owing to the Swingline Lender, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower and (y) terminate the Swingline Commitment and the obligation of the Swingline Lender to make Swingline Loans.

(b) Loan Documents. The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise any and all of its rights under any and all of the other Loan Documents.

(c) Applicable Law. The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise all other rights and remedies it may have under any Applicable Law.

(d) Appointment of Receiver. To the extent permitted by Applicable Law, the Agent and the Lenders shall be entitled to the appointment of a receiver for the assets and properties of the Borrower, the other Loan Parties and the Subsidiaries, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the property and/or the business operations of the Borrower, the other Loan Parties and the Subsidiaries and to exercise such power as the court shall confer upon such receiver.

Section 11.3. Remedies Upon Default.

Upon the occurrence of a Default specified in Sections 11.1.(e) or 11.1.(f), the Commitments shall immediately and automatically terminate.

Section 11.4. Marshaling; Payments Set Aside.

Neither the Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other party or against or in payment of any or all of the Obligations. To the extent that any Loan Party makes a payment or payments to the Agent and/or any Lender, or the Agent and/or any Lender enforce their security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or

setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such recovery, the Obligations or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section 11.5. Allocation of Proceeds.

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

(a) amounts due to the Agent and the Lenders in respect of Fees and expenses due under Section 13.3.;

(b) payments of interest on Swingline Loans;

(c) payments of interest on all other Loans, to be applied for the ratable benefit of the Lenders, in such order as the Lenders may determine in their sole discretion;

(d) payment of principal on Swingline Loans;

(e) payments of principal of all other Loans, to be applied for the ratable benefit of the Lenders, in such order as the Lenders may determine in their sole discretion;

(f) amounts to be deposited into the Letter of Credit Collateral Account in respect of Letters of Credit;

(g) amounts due to the Agent and the Lenders pursuant to Sections 12.6. and 13.11.;

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

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

Section 11.6. Letter of Credit Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities, the Borrower hereby pledges and grants to the Agent, for the benefit of the Agent and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Letter of Credit Collateral Account established pursuant to the requirements of

Section 2.14. and the balances from time to time in the Letter of Credit Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Letter of Credit Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Letter of Credit Collateral Account shall be subject to withdrawal only as provided in this Section and in Section 2.14.

(b) Amounts on deposit in the Letter of Credit Collateral Account shall be invested and reinvested by the Agent in such cash equivalents as the Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Agent, provided, that all earnings on such investments will be credited to and retained in the Letter of Credit Collateral Account. The Agent shall exercise reasonable care in the custody and preservation of any funds held in the Letter of Credit Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Agent accords other funds deposited with the Agent, it being understood that the Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Letter of Credit Collateral Account.

(c) If an Event of Default exists, the Agent may (and, if instructed by the Requisite Lenders, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such investments and reinvestments and credit the proceeds thereof to the Letter of Credit Collateral Account and apply or cause to be applied such proceeds and any other balances in the Letter of Credit Collateral Account to the payment of any of the Letter of Credit Liabilities due and payable.

(d) So long as no Default or Event of Default exists, the Agent shall, from time to time, at the request of the Borrower, deliver to the Borrower, against receipt but without any recourse, warranty or representation whatsoever, such of the balances in the Letter of Credit Collateral Account as exceed the aggregate amount of Letter of Credit Liabilities at such time. When all of the Obligations shall have been indefeasibly paid in full and no Letters of Credit remain outstanding, the Agent shall deliver to the Borrower, against receipt but without any recourse, warranty or representation whatsoever, the balances, if any, remaining in the Letter of Credit Collateral Account.

(e) The Borrower shall pay to the Agent from time to time such fees as the Agent normally charges for similar services in connection with the Agent’s administration of the Letter of Credit Collateral Account and investments and reinvestments of funds therein.

Section 11.7. Rescission of Acceleration by Requisite Lenders.

If at any time after acceleration of the maturity of the Loans and the other Obligations, the Borrower shall pay all arrears of interest and all payments on account of principal of the Obligations which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by Applicable Law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Defaults (other than nonpayment of principal of and accrued interest on the Obligations due and payable solely by virtue of

acceleration) shall become remedied or waived to the satisfaction of the Requisite Lenders, then by written notice to the Borrower, the Requisite Lenders may elect, in the sole discretion of such Requisite Lenders, to rescind and annul the acceleration and its consequences. The provisions of the preceding sentence are intended merely to bind all of the Lenders to a decision which may be made at the election of the Requisite Lenders, and are not intended to benefit the Borrower and do not give the Borrower the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are satisfied.

Section 11.8. Performance by Agent.

If the Borrower shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents, the Agent may perform or attempt to perform such covenant, duty or agreement on behalf of the Borrower after the expiration of any cure or grace periods set forth herein. In such event, the Borrower shall, at the request of the Agent, promptly pay any amount reasonably expended by the Agent in such performance or attempted performance to the Agent, together with interest thereon at the applicable Post-Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, neither the Agent nor any Lender shall have any liability or responsibility whatsoever for the performance of any obligation of the Borrower under this Agreement or any other Loan Document.

Section 11.9. Rights Cumulative.

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

ARTICLE XII. THE AGENT

Section 12.1. Appointment and Authorization.

Each Lender hereby irrevocably appoints and authorizes the Agent to take such action as contractual representative on such Lender’s behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Not in limitation of the foregoing, each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Agent a trustee or fiduciary for any Lender or to impose on the Agent duties or obligations other than those expressly provided for herein. Without limiting the generality of the foregoing, the use of the terms “Agent”, “Agent”, “agent” and similar terms in the Loan

Documents with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, use of such terms is merely a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Agent shall deliver to each Lender, promptly upon receipt thereof by the Agent, copies of each of the financial statements, certificates, notices and other documents delivered to the Agent pursuant to Article IX. that the Borrower is not otherwise required to deliver directly to the Lenders. The Agent will also furnish to any Lender, upon the request of such Lender, a copy (or, where appropriate, an original) of any document, instrument, agreement, certificate or notice furnished to the Agent by the Borrower, any Loan Party or any other Affiliate of the Borrower, pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that, notwithstanding anything in this Agreement to the contrary, the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Agent shall exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have directed the Agent otherwise. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Requisite Lenders, or where applicable, all the Lenders.

Section 12.2. Wells Fargo as Lender.

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

Section 12.3. Approvals of Lenders.

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

Section 12.4. Notice of Defaults.

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

Section 12.5. Agent's Reliance

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Agent nor any of its directors, officers, agents, employees or counsel shall be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful misconduct in connection with its duties expressly set forth herein or therein. Without limiting the generality of the foregoing, the Agent: may consult with legal counsel (including its own counsel or counsel for the Borrower or any other Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. Neither the Agent nor any of its directors, officers, agents, employees or counsel: (a) makes any warranty or representation to any Lender or any other Person and shall be responsible to any Lender or any other Person for any statement, warranty or representation made or deemed made by the Borrower, any other Loan Party or any other Person in or in connection with this Agreement or any other Loan Document; (b) shall have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons or inspect the property, books or records of the Borrower

or any other Person; (c) shall be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Agent on behalf of the Lenders in any such collateral; (d) shall have any liability in respect of any recitals, statements, certifications, representations or warranties contained in any of the Loan Documents or any other document, instrument, agreement, certificate or statement delivered in connection therewith; and (e) shall incur any liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone, telecopy or electronic mail) believed by it to be genuine and signed, sent or given by the proper party or parties. The Agent may execute any of its duties under the Loan Documents by or through agents, employees or attorneys-in-fact and shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

Section 12.6. Indemnification of Agent.

Regardless of whether the transactions contemplated by this Agreement and the other Loan Documents are consummated, each Lender severally agrees to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Commitment Percentage (determined at the time such indemnity is sought), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent (in its capacity as Agent but not as a "Lender") in any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment; provided, however, that no action taken in accordance with the directions of the Requisite Lenders (or all of the Lenders, if expressly required hereunder) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limiting the generality of the foregoing, each Lender severally agrees to reimburse the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) promptly upon demand for such ratable share as determined at the time such payment is sought of any out-of-pocket expenses (including the reasonable fees and expenses of the counsel to the Agent) actually incurred by the Agent in connection with the preparation, negotiation, execution, administration, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Agent to enforce the terms of the Loan Documents and/or collect any Obligations, any "lender liability" suit or claim brought against the Agent and/or the Lenders, and any claim or suit brought against the Agent and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Agent notwithstanding any claim or assertion that the Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Agent that the Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction

that the Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Agent for any Indemnifiable Amount following payment by any Lender to the Agent in respect of such Indemnifiable Amount pursuant to this Section, the Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

Section 12.7. Lender Credit Decision, Etc.

Each Lender expressly acknowledges and agrees that neither the Agent nor any of its officers, directors, employees, agents, counsel, attorneys-in-fact or other Affiliates has made any representations or warranties to such Lender and that no act by the Agent hereafter taken, including any review of the affairs of the Parent, the Borrower, any other Loan Party or any other Subsidiary or Affiliate, shall be deemed to constitute any such representation or warranty by the Agent to any Lender. Each Lender acknowledges that it has, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, or any of their respective officers, directors, employees, agents or counsel, and based on the financial statements of the Borrower, the Parent, the other Loan Parties, the other Subsidiaries and other Affiliates, and inquiries of such Persons, its independent due diligence of the business and affairs of the Borrower, the Parent, the other Loan Parties, the other Subsidiaries and other Persons, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the transactions contemplated hereby. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent or any of their respective officers, directors, employees and agents, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. The Agent shall not be required to keep itself informed as to the performance or observance by the Borrower, the Parent, or any other Loan Party of the Loan Documents or any other document referred to or provided for therein or to inspect the properties or books of, or make any other investigation of, the Borrower, the Parent, any other Loan Party or any other Subsidiary. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent under this Agreement or any of the other Loan Documents, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, the Parent, any other Loan Party or any other Affiliate thereof which may come into possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or other Affiliates. Each Lender acknowledges that the Agent’s legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

Section 12.8. Successor Agent.

The Agent may resign at any time as Agent under the Loan Documents by giving written notice thereof to the Lenders and the Borrower. The Agent may be removed as Agent under the Loan Documents for gross negligence or wilfull misconduct by all Lenders (other than the

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

Section 12.9. Titled Agents.

Each of the Documentation Agents, the Syndication Agent, the Managing Agent and the Sole Lead Arranger (each a "Titled Agent") in each such respective capacity, assumes no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for the Lenders. The titles given to the Titled Agents are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Agent, any Lender, the Borrower or any other Loan Party and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

ARTICLE XIII. MISCELLANEOUS

Section 13.1. Notices.

Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered as follows:

If to the Borrower:

Regency Centers Corporation
One Independent Drive, Suite 114
Jacksonville, Florida 32202-5019
Attention: Chief Financial Officer
Telecopier: (904) 354-1832
Telephone: (904) 598-7608

If to the Agent or a Lender:

To such Lender's address or telecopy number, as applicable, set forth on its signature page hereto or in the applicable Assignment and Assumption Agreement.

or, as to each party at such other address as shall be designated by such party in a written notice to the other parties delivered in compliance with this Section; provided, a Lender shall only be required to give notice of any such other address to the Agent and the Borrower. All such notices and other communications shall be effective (i) if mailed, when received; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered. Notwithstanding the immediately preceding sentence, all notices or communications to the Agent or any Lender under Article II. and any notice of a change of address for notices shall be effective only when actually received. Neither the Agent nor any Lender shall incur any liability to the Borrower (nor shall the Agent incur any liability to the Lenders) for acting upon any telephonic notice referred to in this Agreement which the Agent or such Lender, as the case may be, believes in good faith to have been given by a Person authorized to deliver such notice or for otherwise acting in good faith hereunder.

Section 13.2. Electronic Document Delivery.

Documents required to be delivered pursuant to the Loan Documents shall be delivered by electronic communication and delivery, including, the Internet, e-mail or intranet websites to which the Agent and each Lender have access (including a commercial, third-party website such as www.Edgar.com <http://www.Edgar.com> or a website sponsored or hosted by the Agent or the Borrower) provided that (A) the foregoing shall not apply to notices to any Lender (or the Issuing Bank) pursuant to Article II. and (B) the Lender has not notified the Agent or Borrower that it cannot or does not want to receive electronic communications. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic delivery pursuant to procedures approved by it for all or particular notices or communications. Documents or notices delivered electronically shall be deemed to have been delivered twenty-four (24) hours after the date and time on which the Agent or Borrower posts such documents or the documents become available on a commercial website and the Agent or Borrower notifies each Lender of said posting and provides a link thereto provided if such notice or other communication is not sent or posted during the normal business hours of the recipient, said posting date and time shall be deemed to have commenced as of 9:00 a.m. on the opening of business on the next business day for the recipient. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the certificate

required by 9.3. to the Agent and shall deliver paper copies of any documents to the Agent or to any Lender that requests such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender. Except for the certificates required by 9.3., the Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents delivered electronically, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery. Each Lender shall be solely responsible for requesting delivery to it of paper copies and maintaining its paper or electronic documents.

Section 13.3. Expenses.

The Borrower agrees (a) to pay or reimburse the Agent for all of its reasonable out-of-pocket costs and reasonable expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, any of the Loan Documents (including due diligence expense and reasonable travel expenses related to closing), and the consummation of the transactions contemplated thereby, including the reasonable fees and disbursements of counsel to the Agent, (b) to pay or reimburse the Agent and the Lenders for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under the Loan Documents, including the reasonable fees and disbursements of their respective counsel (including the allocated fees and expenses of in-house counsel) and any payments in indemnification or otherwise payable by the Lenders to the Agent pursuant to the Loan Documents, (c) to pay, and indemnify and hold harmless the Agent and the Lenders from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of any of the Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Loan Document and (d) to the extent not already covered by any of the preceding subsections, to pay the fees and disbursements of counsel to the Agent and any Lender incurred in connection with the representation of the Agent or such Lender in any matter relating to or arising out of any bankruptcy or other proceeding of the type described in Sections 11.1.(e) or 11.1.(f), including, without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Obligations and (iii) the negotiation and preparation of any debtor-in-possession financing or any plan of reorganization of the Borrower or any other Loan Party, whether proposed by the Borrower, such Loan Party, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding.

Section 13.4. Stamp, Intangible and Recording Taxes.

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

Section 13.5. Setoff.

Subject to Section 3.3. and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent, each Lender and each Participant is hereby authorized by the Borrower, at any time or from time to time while an Event of Default exists, without notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or a Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender or any Affiliate of the Agent or such Lender, to or for the credit or the account of the Borrower against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 11.2., and although such obligations shall be contingent or unmatured.

Section 13.6. Litigation; Jurisdiction; Other Matters; Waivers.

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

(b) EACH OF THE BORROWER, THE AGENT AND EACH LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF THE AGENT, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE BORROWER, THE AGENT OR ANY OF THE LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE LOANS AND LETTERS OF CREDIT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE BORROWER AND EACH OF THE LENDERS EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING

OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, THE TERMINATION OR EXPIRATION OF ALL LETTERS OF CREDIT AND THE TERMINATION OF THIS AGREEMENT.

Section 13.7. Successors and Assigns.

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

(b) Participations. Any Lender may at any time grant to an Affiliate of such Lender, or one or more banks or other financial institutions (each a “Participant”) participating interests in its Commitment or the Obligations owing to such Lender. Except as otherwise provided in Section 13.5., no Participant shall have any rights or benefits under this Agreement or any other Loan Document. In the event of any such grant by a Lender of a participating interest to a Participant, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase such Lender’s Commitment, (ii) extend the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender, or (iii) reduce the rate at which interest is payable thereon. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Assignments. Any Lender may with the prior written consent of the Agent and the Borrower (which consent in each case, shall not be unreasonably withheld) at any time assign to one or more Eligible Assignees (each an “Assignee”) all or a portion of its rights and obligations under this Agreement and the Notes; provided, however, (i) no such consent by the Borrower shall be required (x) if a Default or Event of Default shall exist or (y) in the case of an assignment to another Lender or an Affiliate of another Lender; (ii) any partial assignment shall be in an amount at least equal to $10,000,000 and after giving effect to such assignment the assigning Lender retains a Commitment, or if the Commitments have been terminated, holds

Notes having an aggregate outstanding principal balance, of at least $10,000,000, and (iii) each such assignment shall be effected by means of an Assignment and Assumption Agreement. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be deemed to be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such Assignment and Assumption Agreement, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Agent and the Borrower shall make appropriate arrangements so the new Notes are issued to the Assignee and such transferor Lender, as appropriate. In connection with any such assignment, the transferor Lender shall pay to the Agent an administrative fee for processing such assignment in the amount of $4,500. Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to the Borrower, the Parent or any of their respective Affiliates or Subsidiaries. Notwithstanding anything set forth in this Agreement to the contrary, an assignment by a Lender to a Person who is not an Eligible Assignee shall require the written consent of the Borrower and the Requisite Lenders.

(d) Designated Lenders. Any Lender (each, a “Designating Lender”) may at any time while the Borrower or the Parent, as the case may be, has been assigned an Investment Grade Rating from either S&P or Moody’s designate one Designated Lender to fund Bid Rate Loans on behalf of such Designating Lender subject to the terms of this subsection (d) and the provisions in the immediately preceding subsections (b) and (c) shall not apply to such designation. No Lender may designate more than one Designated Lender. The parties to each such designation shall execute and deliver to the Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Lender, the Agent will accept such Designation Agreement and give prompt notice thereof to the Borrower, whereupon, (i) the Borrower shall execute and deliver to the Designating Lender a Designated Lender Note payable to the order of the Designated Lender, (ii) from and after the effective date specified in the Designation Agreement, the Designated Lender shall become a party to this Agreement with a right to make Bid Rate Loans on behalf of its Designating Lender pursuant to Section 2.2. after the Borrower has accepted a Bid Rate Loan (or portion thereof) of the Designating Lender, and (iii) the Designated Lender shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Lender which is not otherwise required to repay obligations of such Designated Lender which are then due and payable; provided, however, that regardless of such designation and assumption by the Designated Lender, the Designating Lender shall be and remain obligated to the Borrower, the Agent and the Lenders for each and every of the obligations of the Designating Lender and its related Designated Lender with respect to this Agreement, including, without limitation, any indemnification obligations under Section 12.6. and any sums otherwise payable to the Borrower by the Designated Lender. Each Designating Lender shall serve as the Agent of the Designated Lender and shall on behalf of, and to the exclusion of, the Designated Lender: (i) receive any and all payments made for the benefit of the Designated Lender and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes,

approvals, waivers, consents and amendments under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver, consent or amendment shall be signed by the Designating Lender as Agent for the Designated Lender and shall not be signed by the Designated Lender on its own behalf and shall be binding on the Designated Lender to the same extent as if signed by the Designated Lender on its own behalf. The Borrower, the Agent and the Lenders may rely thereon without any requirement that the Designated Lender sign or acknowledge the same. No Designated Lender may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Lender. The Borrower, the Lenders and the Agent each hereby agrees that it will not institute against any Designated Lender or join any other Person in instituting against any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (x) one year and one day after the payment in full of the latest maturing commercial paper note issued by such Designated Lender and (y) the Termination Date. In connection with any such designation the Designating Lender shall pay to the Agent an administrative fee for processing such designation in the amount of $2,000.

(e) Federal Reserve Bank Assignments. In addition to the assignments and participations permitted under the foregoing provisions of the Section, and without the need to comply with any of the formal or procedural requirements of this Section, any Lender may at any time and from time to time, pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge of assignment shall release such Lender from its obligations thereunder.

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

Section 13.8. Amendments and Waivers.

(a) Generally. Except as otherwise expressly provided in this Agreement, (i) any consent or approval required or permitted by this Agreement or in any Loan Document to be given by the Lenders may be given, (ii) any term of this Agreement or of any other Loan Document (other than any fee letter solely between the Borrower and the Agent) may be amended, (iii) the performance or observance by the Borrower or any other Loan Party of any terms of this Agreement or such other Loan Document (other than any fee letter solely between the Borrower and the Agent) may be waived, and (iv) the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders (or the Agent at the written direction of the Requisite Lenders), and, in the case of an amendment to any Loan Document, the written consent of each Loan Party which is party thereto.

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

(i) amend Section 10.1. or waive any Default or Event of Default occurring under Section 11.1. resulting from a violation of such Sections; or

(ii) modify the definitions of the terms "Borrowing Base", "Maximum Loan Availability", "Total Liabilities", "Gross Asset Value", "Unencumbered Pool Value", "Unencumbered NOI" or "Indebtedness" (or the definitions used in such definition or the percentages or rates used in the calculation thereof).

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

(i) increase the Commitments of the Lenders (excluding any increase as a result of an assignment of Commitments permitted under Section 13.7.) or subject the Lenders to any additional obligations except for any increases contemplated under Section 2.16.;

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

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

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

(v) change the Commitment Percentages (excluding any change as a result of an assignment of Commitments permitted under Section 13.7. or an increase of Commitments effected pursuant to Section 2.16.;);

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

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

(viii) release any Guarantor from its obligations under the Guaranty except as contemplated under Section 8.13.(d);

(ix) waive a Default or Event of Default under Section 11.1.(a);

(x) amend, or waive the Borrower's compliance with, Section 2.15.; or

(xi) amend Section 3.2.

(d) Amendment of Agent's Duties, Etc. No amendment, waiver or consent unless in writing and signed by the Agent, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.4. or the obligations of the Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of the Swingline Lender. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

Section 13.9. Nonliability of Agent and Lenders.

The relationship between the Borrower, on the one hand, and the Lenders and the Agent, on the other hand, shall be solely that of borrower and lender. Neither the Agent nor any Lender shall have any fiduciary responsibilities to the Borrower and no provision in this Agreement or in any of the other Loan Documents, and no course of dealing between or among any of the parties hereto, shall be deemed to create any fiduciary duty owing by the Agent or any Lender to any Lender, the Borrower, any Subsidiary or any other Loan Party. Neither the Agent nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

Section 13.10. Confidentiality.

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

Section 13.11. Indemnification.

(a) The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Agent, each of the Lenders and their respective directors, officers, shareholders, agents, employees, counsel and Affiliates (each referred to herein as an "Indemnified Party") from and against any and all losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses of every kind and nature (including, without limitation, amounts paid in settlement, court costs and the fees and disbursements of counsel incurred in connection with any litigation, investigation, claim or proceeding or any advice rendered in connection therewith, but excluding losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses indemnification in respect of which is specifically covered by Section 3.11. or 5.1. or expressly excluded from the coverage of such Sections) incurred by an Indemnified Party (except to the extent it results from such Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment) in connection with, arising out of, or by reason of, any suit, cause of action, claim, arbitration, investigation or settlement, consent decree or other proceeding (the foregoing referred to herein as an "Indemnity Proceeding") which is in any way related directly or indirectly to: (i) this Agreement or any other Loan Document or the transactions contemplated thereby; (ii) the making of any Loans or issuance of Letters of Credit hereunder; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans or Letters of Credit; (iv) the Agent's or any Lender's entering into this Agreement; (v) the fact that the Agent and the Lenders have established the credit facility evidenced hereby in favor of the Borrower; (vi) the fact that the Agent and the Lenders are creditors of the Borrower and have or are alleged to have information regarding the financial condition, strategic plans or business operations of the Borrower, the Parent and the Subsidiaries; (vii) the fact that the Agent and the Lenders are material creditors of the Borrower and are alleged to influence directly or indirectly the business decisions or affairs of the Borrower, the Parent and the Subsidiaries or their financial condition; (viii) the exercise of any right or remedy the Agent or the Lenders may have under this Agreement or the other Loan Documents; or (ix) any violation or non-compliance by the Borrower, the Parent, any Loan Party or any Subsidiary of any Applicable Law (including any Environmental Law) including, but not limited to, any Indemnity Proceeding commenced by (A) the Internal Revenue Service or state taxing authority or (B) any Governmental Authority or other Person under any Environmental Law, including any Indemnity Proceeding commenced by a Governmental Authority or other Person seeking remedial or other action to cause the Borrower, the Parent, any other Loan Party or any Subsidiary (or its respective properties) (or the Agent and/or the Lenders as successors to the Borrower) to be in compliance with such Environmental Laws.

(b) The Borrower's indemnification obligations under this Section shall apply to all Indemnity Proceedings arising out of, or related to, the foregoing whether or not an Indemnified Party is a named party in such Indemnity Proceeding. In this connection, this indemnification shall cover all costs and expenses of any Indemnified Party in connection with any deposition of any Indemnified Party or compliance with any subpoena (including any subpoena requesting the production of documents). This indemnification shall, among other things, apply to any Indemnity Proceeding commenced by other creditors of the Borrower, the Parent or any

Subsidiary, any shareholder of the Borrower, the Parent or any Subsidiary (whether such shareholder(s) are prosecuting such Indemnity Proceeding in their individual capacity or derivatively on behalf of the Borrower), any account debtor of the Borrower, the Parent or any Subsidiary or by any Governmental Authority.

(c) This indemnification shall apply to any Indemnity Proceeding arising during the pendency of any bankruptcy proceeding filed by or against the Borrower, the Parent and/or any Subsidiary.

(d) All out-of-pocket fees and expenses of, and all amounts paid to third-persons by, an Indemnified Party shall be advanced by the Borrower at the request of such Indemnified Party notwithstanding any claim or assertion by the Borrower that such Indemnified Party is not entitled to indemnification hereunder upon receipt of an undertaking by such Indemnified Party that such Indemnified Party will reimburse the Borrower if it is actually and finally determined by a court of competent jurisdiction that such Indemnified Party is not so entitled to indemnification hereunder.

(e) An Indemnified Party may conduct its own investigation and defense of, and may formulate its own strategy with respect to, any Indemnity Proceeding covered by this Section and, as provided above, all costs and expenses incurred by such Indemnified Party shall be reimbursed by the Borrower. No action taken by legal counsel chosen by an Indemnified Party in investigating or defending against any such Indemnity Proceeding shall vitiate or in any way impair the obligations and duties of the Borrower hereunder to indemnify and hold harmless each such Indemnified Party; provided, however, that (i) if the Borrower is required to indemnify an Indemnified Party pursuant hereto and (ii) the Borrower has provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed).

(f) If and to the extent that the obligations of the Borrower hereunder are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law.

(g) The Borrower’s obligations hereunder shall survive any termination of this Agreement and the other Loan Documents and the payment in full in cash of the Obligations, and are in addition to, and not in substitution of, any of the other obligations set forth in this Agreement or any other Loan Document to which it is a party.

Section 13.12. Termination; Survival.

At such time as (a) all of the Commitments have been terminated, (b) none of the Lenders is obligated any longer under this Agreement to make any Loans and (c) all Obligations (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full, this Agreement shall terminate. The indemnities to which the Agent and the Lenders are entitled under the provisions of Sections 3.11., 5.1., 5.4., 12.6., 13.3. and 13.11. and

any other provision of this Agreement and the other Loan Documents, the provisions of Section 13.6., and the statement regarding recalculation of interest and fees set forth in the definition of Applicable Margin shall continue in full force and effect and shall protect the Agent and the Lenders (i) notwithstanding any termination of this Agreement, or of the other Loan Documents, against events arising after such termination as well as before and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement.

Section 13.13. Severability of Provisions.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 13.14. GOVERNING LAW.

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

Section 13.15. Counterparts.

This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

Section 13.16. Obligations with Respect to Loan Parties.

The obligations of the Borrower and the Parent to direct or prohibit the taking of certain actions by the other Loan Parties as specified herein shall be absolute and not subject to any defense the Borrower or the Parent may have that the Borrower or the Parent does not control such Loan Parties.

Section 13.17. Independence of Covenants.

All covenants hereunder shall be given in any jurisdiction independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 13.18. Limitation of Liability.

Neither the Agent nor any Lender, nor any Affiliate, officer, director, employee, attorney, or agent of the Agent or any Lender shall have any liability with respect to, and the Borrower

hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. The Borrower hereby waives, releases, and agrees not to sue the Agent or any Lender or any of the Agent's or any Lender's Affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or financed hereby.

Section 13.19. Entire Agreement.

This Agreement, the Notes, and the other Loan Documents referred to herein embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto.

Section 13.20. No Waivers.

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

Section 13.21. Construction.

The Agent, the Borrower and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the Agent, the Borrower and each Lender.

Section 13.22. USA Patriot Act Notice; Compliance.

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

Section 13.23. No Novation.

THE PARTIES HERETO HAVE ENTERED INTO THIS AGREEMENT SOLELY TO AMEND AND RESTATE THE TERMS OF THE EXISTING CREDIT AGREEMENT. THE PARTIES DO NOT INTEND THIS AGREEMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY THE BORROWER UNDER OR IN CONNECTION WITH THE EXISTING CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE EXISTING CREDIT AGREEMENT).

[Signatures on Following Pages]

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

BORROWER:

REGENCY CENTERS, L.P.

By: Regency Centers Corporation,
its sole general partner

By: /s/ John F. Euart, Jr.
Name: John F. Euart, Jr.
Title: Managing Director

PARENT:

REGENCY CENTERS CORPORATION

By: /s/ John F. Euart, Jr.
Name: John F. Euart, Jr.
Title: Managing Director

[Signatures Continued on Next Page]

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

By: /s/ Edwin S. Poole, III
Name: Edwin S. Poole, III
Title: Vice President

Commitment Amount:

$____________

Lending Office (all Types of Loans) and Address for Notices:

Wells Fargo Bank, National Association
Suite 1200
2859 Paces Ferry Road
Atlanta, Georgia 30339
Attn: W. Grant Pierson
Telecopier: 770-435-2262
Telephone: 770-319-7492

[Signatures Continued on Next Page]

JPMORGAN CHASE BANK, N.A.

By: /s/ Michael O’Keefe
Name: Michael O’Keefe
Title: Vice President

Commitment Amount:

$52,000,000

Lending Office (all Types of Loans) and Address for Notices:

JPMorgan Chase Bank, N.A.
131 South Dearborn, Floor 05 Chicago, IL 60603
Attn: Michael O’Keefe
Telecopier: 312-325-3122
Telephone: 312-325-3161

[Signatures Continued on Next Page]

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Wayne Robertson
Name: Wayne Robertson
Title: Senior Vice President

Commitment Amount:

$52,000,000

Lending Office (all Types of Loans) and Address for Notices:

PNC Bank, National Association
One PNC Plaza
249 Fifth Avenue
Mailstop: P1-POPP-19-2
Pittsburgh, PA 15222
Attn: Wayne Robertson
Telecopier: 412-762-6500
Telephone: 412-762-8452

[Signatures Continued on Next Page]

SUNTRUST BANK

By: /s/ Nancy B. Richards
Name: Nancy B. Richards
Title: Senior Vice President

Commitment Amount:

$52,000,000

Lending Office (all Types of Loans) and Address for Notices:

SunTrust Bank
8330 Boone Boulevard
Vienna, VA 22182
Attn: Nancy B. Richards
Telecopier: 703-442-1570
Telephone: 703-442-1557

[Signatures Continued on Next Page]

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Amit Khimji
Name: Amit Khimji
Title: Vice President

Commitment Amount:

$52,000,000

Lending Office (all Types of Loans) and Address for Notices:

Wachovia Bank, National Association
171 17th Street NW, 100 Bldg.
Atlanta, GA 30363
Attn: Cathy Casey
Telecopier: 404-214-5493
Telephone: 404-214-6335

[Signatures Continued on Next Page]

REGIONS BANK

By: /s/ Lori Hatcher
Name: Lori Hatcher
Title: Assistant Vice President

Commitment Amount:

$40,000,000

Lending Office (all Types of Loans) and Address for Notices:

Regions Bank
1900 5th Avenue North
Regions Center 15
Birmingham, AL 35203
Attn: Alan Brown
Telecopier: 205-326-4075
Telephone: 205-581-7267

[Signatures Continued on Next Page]

COMERICA BANK

By: /s/ Adam Sheets
Name: Adam Sheets
Title: Account Officer

Commitment Amount:

$26,000,000

Lending Office (all Types of Loans) and Address for Notices:

Comerica Bank
500 Woodward MC 3256
Detroit, MI 48226
Attn: Leslie A. Vorel
Telecopier: 313-222-9295
Telephone: 313-222-9290

[Signatures Continued on Next Page]

EUROHYPO AG, NEW YORK BRANCH

By: /s/ Michael A. Seton
Name: Michael A. Seton
Title: Managing Director

By: /s/ Stephen Cox
Name: Stephen Cox
Title: Director

Commitment Amount:

$23,000,000

Lending Office (all Types of Loans) and Address for Notices:

Eurohypo AG, New York Branch
1114 Avenue of the Americas, 29th Floor
New York, New York 10036
Attn: Head of Portfolio Operations
Telecopier: 866-267-7680
Telephone: 212-479-5700

With a copy to:

Eurohypo AG, New York Branch
1114 Avenue of the Americas, 29th Floor
New York, New York 10036
Attn: Head of Legal Department

Telecopier: 866-267-7680

Telephone: 212-479-5700

[Signatures Continued on Next Page]

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ Jeff Assenmacher
Name: Jeff Assenmacher
Title: Vice President

Commitment Amount:

$23,000,000

Lending Office (all Types of Loans) and Address for Notices:

LaSalle Bank National Association
135 S. LaSalle Street, Suite 1260
Chicago, IL 60603
Attn: Jeff Assenmacher
Telecopier: 312-992-4851
Telephone: 312-992-1324

[Signatures Continued on Next Page]

MIZUHO CORPORATE BANK, LTD.

By: /s/ Noel Purcell
Name: Noel Purcell
Title: Senior Vice President

Commitment Amount:

$23,000,000

Lending Office (all Types of Loans) and Address for Notices:

Mizuho Corporate Bank, Ltd.
1251 Avenue of the Americas
New York, NY 10020
Attn: John Davies
Telecopier: 212-282-4488
Telephone: 212-282-3327

[Signatures Continued on Next Page]

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND

By: /s/ Barry Heraty
Name: Barry Heraty
Title: Authorized Signatory

By: /s/ Paul Kelly
Name: Paul Kelly
Title: Authorized Signatory

Commitment Amount:

$23,000,000

Lending Office (all Types of Loans) and Address for Notices:

The Governor and Company of the Bank of Ireland
Lower Baggot Street
Dublin 2
Ireland
Attn: Noelle McGrath/Ciaran Doyle
Telecopier: +353 1 604 4798
Telephone: +353 1 604 4709/4707

[Signatures Continued on Next Page]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ James T. Taylor
Name: James T. Taylor
Title: Vice President

Commitment Amount:

$22,000,000

Lending Office (all Types of Loans) and Address for Notices:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
1251 Avenue of the Americas
New York, NY 10020
Attn: John Feeney
Telecopier: 212-782-6442
Telephone: 212-782-5557

[Signatures Continued on Next Page]

U.S. BANK, NATIONAL ASSOCIATION

By: /s/ J.R. Miller
Name: J.R. Miller
Title: Vice President

Commitment Amount:

$22,000,000

Lending Office (all Types of Loans) and Address for Notices:

U.S. Bank, National Association
50 South 16th Street, Suite 1960
Philadelphia, PA 19102
Attn: Christine Creighton
Telecopier: 215-523-6138
Telephone: 215-523-6137

[Signatures Continued on Next Page]

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK BRANCH

By: /s/ Carol Sun
Name: Carol Sun
Title: VP and AGM

Commitment Amount:

$21,000,000

Lending Office (all Types of Loans) and Address for Notices:

Chang Hwa Commercial Bank, Ltd., New York Branch
685 Third Avenue, 29th Floor
New York, NY 10017
Attn: Danielle Tsai
Telecopier: 212-651-9785
Telephone: 212-651-9770 ext. 29

[Signatures Continued on Next Page]

ROYAL BANK OF CANADA

By: /s/ Dan LePage
Name: Dan LePage
Title: Attorney-in-Fact

Commitment Amount:

$21,000,000

Lending Office (all Types of Loans) and Address for Notices:

Royal Bank of Canada
One Liberty Plaza, 4th Floor
165 Broadway
New York, NY 10006-1404
Attn: Dan LePage
Telecopier: 212-428-6459
Telephone: 212-428-6605

[Signatures Continued on Next Page]

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ David A. Buck
Name: David A. Buck
Title: Senior Vice President

Commitment Amount:

$21,000,000

Lending Office (all Types of Loans) and Address for Notices:

Sumitomo Mitsui Banking Corporation
277 Park Avenue, 5th Floor
New York, NY 10172
Attn: Charles Sullivan
Telecopier: 212-224-4887
Telephone: 212-224-4178

[Signatures Continued on Next Page]

CHEVY CHASE BANK, F.S.B.

By: /s/ Frederick H. Denecke
Name: Frederick H. Denecke
Title: Vice President

Commitment Amount:

$19,000,000

Lending Office (all Types of Loans) and Address for Notices:

Chevy Chase Bank, F.S.B.
7501 Wisconsin Avenue, 12th Floor
Bethesda, MD 20814-6519
Attn: Frederick H. Denecke
Telecopier: 240-497-7714
Telephone: 240-497-7735

[Signatures Continued on Next Page]

PEOPLE'S BANK

By: /s/ Maurice E. Fry
Name: Maurice Fry
Title: Vice President

Commitment Amount:

$19,000,000

Lending Office (all Types of Loans) and Address for Notices:

People's Bank
850 Main St., RC 461
Bridgeport, CT 06604
Attn: Maurice Fry
Telecopier: 203-338-7800
Telephone: 203-338-7375

[Signatures Continued on Next Page]

FIRST HORIZON BANK, A DIVISION OF FIRST TENNESSEE BANK, NA

By: /s/ Blake G. Bowers
Name: Blake G. Bowers
Title: Vice President

Commitment Amount:

$14,000,000

Lending Office (all Types of Loans) and Address for Notices:

First Horizon Bank, a division of First Tennessee Bank, NA
1650 Tysons Blvd., Suite 1150
McLean, VA 22102
Attn: Kenneth W. Rub
Telecopier: 703-394-1834
Telephone: 703-394-2520

Exhibit 10.2

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

RRP OPERATING, LP

THE UNITS IN RRP OPERATING, LP ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN SECTION 9 OF THIS AGREEMENT AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS THEREOF. THEREFORE, PURCHASERS OF THE UNITS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENTS FOR AN INDEFINITE PERIOD OF TIME. THE UNITS HAVE NOT BEEN REGISTERED (i) UNDER ANY STATE SECURITIES LAWS (THE "STATE ACTS"), (ii) UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "FEDERAL ACT"), OR (iii) UNDER THE SECURITIES LAWS OF ANY FOREIGN JURISDICTION (THE "FOREIGN ACTS"), AND NEITHER THE UNITS NOR ANY PART THEREOF MAY BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF SECTION 9 OF THIS AGREEMENT AND (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER ANY APPLICABLE STATE ACTS OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER SUCH STATE ACTS OR FOR WHICH SUCH REGISTRATION OTHERWISE IS NOT REQUIRED, (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE FEDERAL ACT OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE FEDERAL ACT OR FOR WHICH SUCH REGISTRATION OTHERWISE IS NOT REQUIRED, AND (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER ANY APPLICABLE FOREIGN ACTS OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER SUCH FOREIGN ACTS OR FOR WHICH SUCH REGISTRATION OTHERWISE IS NOT REQUIRED.

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AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
RRP OPERATING, LP
(A Delaware Limited Partnership)

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF RRP OPERATING, LP (this "Agreement") is entered into and shall be effective as of February __, 2007, by and among those Persons who have executed this Agreement or a counterpart hereof, or who become parties hereto pursuant to the terms of this Agreement.

WHEREAS, on December 21, 2006, the General Partner and the Limited Partners entered into that certain Limited Partnership Agreement of RRP Operating, LP (the "Prior Partnership Agreement");

WHEREAS, the parties thereto desire to amend and restate the Prior Partnership Agreement in its entirety pursuant to the terms hereof; and

WHEREAS, this Agreement shall constitute the "partnership agreement" (within the meaning of the Act) of the Partnership, and shall be binding upon all Persons now or at any time hereafter who are Partners.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

SECTION 1
THE PARTNERSHIP

1.1 Formation . The Partnership was formed as a limited partnership organized pursuant to the provisions of the Act by the filing of a certificate of limited partnership with the Secretary of State of Delaware on November 8, 2006 (the "Certificate").

1.2 Name. The name of the Partnership is "RRP Operating, LP," and all business of the Partnership shall be conducted in such name or in any other name that is selected by the General Partner. The words "Limited Partnership," "LP," "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 may change the name of the Partnership without the approval of any Limited Partner, and may amend the Certificate to give effect to such change in name. The General Partner shall notify the other Partners of any such name change. Upon termination of the Partnership or the termination or withdrawal of RRP Subsidiary REIT, LP as the General Partner, all of the Partnership's right, title and interest in and to the use of the name "RRP Operating, LP" and any variation thereof, shall become the property of Regency, and if requested to do so by Regency, the Partnership shall change the name of the Partnership to exclude the term "Regency" and any variation thereof. Neither the Partnership nor any Limited Partner shall have any right or interest in and to the use of any such name or mark.

1.3 Purposes and Powers. The Partnership shall be 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, including, but not limited to, the following: (i) invest in Properties, Temporary Investments and other assets which are designed to accomplish the purposes of the Partnership, as described in the Investment Strategy; (ii) act as general or limited partner, member, joint venturer, manager or shareholder of any entity that owns, directly or indirectly, an interest in or manages one or more Properties, and exercise all of the powers, duties, rights and responsibilities associated therewith; (iii) take any and all actions necessary, convenient or appropriate as the holder of any such interests or positions; (iv) make purchase money loans in connection with the sale of Properties, provided, in no event shall the Partnership have outstanding at any time purchase money loans that are, in the aggregate, in excess of fifty million dollars ($50,000,000); (v) operate, purchase, maintain, finance, improve, own, sell, convey, assign, encumber, mortgage, lease, construct, demolish or otherwise dispose of any real property or personal property as may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership; (vi) subject to the Leverage Policy, borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and secure the same by mortgage, pledge or other lien or encumbrance on any assets of the Partnership; (vii) invest any funds of the Partnership pending distribution or payment of the same pursuant to the provisions of this Agreement; (viii) subject to the Leverage Policy, prepay in whole or in part, refinance, recast, increase, modify or extend any indebtedness of the Partnership and, in connection therewith, execute any extensions, renewals or modifications of any mortgage or security agreement securing such indebtedness; (ix) subject to Section 5.14, enter into, perform and carry out contracts of any kind, including, without limitation, contracts with the General Partner, a Limited Partner or Regency (or an Affiliate of any of the foregoing), necessary to, in connection with, or incidental to the accomplishment of the purposes of the Partnership; (x) establish reserves for capital expenditures, working capital, debt service, taxes, assessments, insurance premiums, repairs, improvements, depreciation, depletion, obsolescence and general maintenance of buildings or other property out of the rents, profits or other income received; (xi) employ or otherwise engage employees, managers, contractors, advisors and consultants, and pay compensation for such services, and enter into employee benefit plans of any type; (xii) purchase or repurchase any or all Units from any Partner for such consideration as the General Partner may determine in its reasonable discretion (whether more or less than the original issuance price of such Units or, subject to Section 5.5(g), the then Net Asset Value Per Unit); (xiii) effect the registration of the securities of the Partnership, or a subsidiary thereof, under the Securities Act and any other securities laws in connection with an initial public offering; and (xiv) create, and admit as a Limited Partner, any entity that may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

1.4 Principal Place of Business; Registered Agent and Registered Office. The principal place of business of the Partnership shall be located at One Independent Drive, Suite 114, Jacksonville, Florida 32202-5019. The registered agent and registered office, as required by the Act, is the Corporation Service Company, 2711 Centreville Road, Suite 400, City of

Wilmington, County of New Castle, Delaware 19808. The General Partner may change the principal place of business, the registered agent or the registered office of the Partnership, in its sole discretion, upon notice to the Partners. The General Partner shall cause the Partnership to maintain a registered agent and registered office as required by the Act.

1.5 Term. The Partnership commenced on the date of the filing of the Certificate and shall continue until it is dissolved pursuant to the provisions of Section 12 or as otherwise provided by law.

1.6 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act (Delaware Code Annotated, Title 6, Chapter 17), as amended from time to time (or any corresponding provisions of succeeding law).

"Acquisition Opportunity" has the meaning given to it in the Exclusivity Agreement.

"Additional Capital Amount" has the meaning given to it in Section 2.2.

"Adjusted Capital Account" means, with respect to any Partner, such Partner's Capital Account as of the end of the relevant Fiscal Period, after giving effect to the following adjustments:

(i) Add to such Capital Account any amounts that such Partner 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) Subtract from such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

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

"Advisory Council" has the meaning given to it in Section 5.3(a).

"Affiliate" means, with respect to a specified Person, any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the specified Person. For this purpose, (i) the term "control" (including, without limitation, the terms "controlling," "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and (ii) neither Regency nor any of its Affiliates shall be deemed to be an Affiliate of any Fund Entity (for avoidance of doubt, any Fund Entity is an Affiliate of any other Fund Entity).

"Agreement" means this Amended and Restated Limited Partnership Agreement, as amended from time to time. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," refer to this Agreement as a whole, unless the context otherwise requires.

"Allocation Policy" has the meaning given to it in Section 5.11.

"Business Day" means any day other than a Saturday, Sunday, or a day on which banking institutions in New York City, New York are authorized or obligated by law or executive order to be closed.

"Capital Account" means, with respect to any Partner, the capital account maintained for such Partner in accordance with the following provisions:

(i) To each Partner's Capital Account there shall be added such Partner's Capital Contributions, including any amounts deemed contributed by such Partner as a result of a distribution reinvestment under Section 4.2 hereof, Profits allocated to such Partner under Section 3.1(a) and any items in the nature of income or gain that are specially allocated to such Partner pursuant to Section 3.2, 3.3 or 3.7 hereof, and the amount of any Partnership liabilities assumed by such Partner or that are secured by any Partnership property distributed to such Partner;

(ii) From each Partner's Capital Account there shall be subtracted the amount of money and the Gross Asset Value of any property other than money distributed to such Partner pursuant to any provision of this Agreement (including any amounts deemed distributed to and reinvested by such Partner under Section 4.2), Losses allocated to such Partner under Section 3.1(b) and any items in the nature of expenses or losses that are specially allocated to such Partner pursuant to Section 3.2, 3.3 or 3.7 hereof, and the amount of any liabilities of such Partner assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership (except to the extent such liabilities already have been taken into account in determining such Partner's Capital Contributions);

(iii) In the event any Units are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Units; and

(iv) In determining the amount of any liability for purposes of the foregoing clauses (i) and (ii) of this definition of Capital Account, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other 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 determines that it is prudent to modify the manner in which the Capital Accounts, or any additions or subtractions thereto, are computed in order to comply with such Regulations, the General Partner may make such modification. 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)(g), 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).

"Capital Amount Proportion" has the meaning given to it in Section 2.2.

"Capital Call Notice" has the meaning given to it in Section 2.2

"Capital Contribution" means, with respect to any Partner, the amount of cash or cash equivalents, and the fair market value of any Property determined pursuant to the Exclusivity Agreement (net of liabilities secured by such Property that the Partnership is considered to assume or take subject to under Code Section 752) actually contributed to the Partnership by such Partner as of the time the determination is made, which such Partner contributes or is deemed to have contributed to the Partnership pursuant to Section 2.1, 2.2 or 2.3 hereof.

"Capital Contribution Percentage" means, with respect to any Fund Limited Partner, a fraction expressed as a percentage, the numerator of which is such Fund Limited Partner's Unfunded Capital Commitment and the denominator of which is the sum of the Unfunded Capital Commitments of all Fund Limited Partners.

"Cash Flow" for any period means the sum of (a) all amounts of money received in the business of the Partnership, plus (b) all amounts of money received by the Partnership from the sale or other disposition of all or any portion of the Properties, plus (c) all income from Temporary Investments for such period, plus (d) net proceeds of any financing, plus (e) decreases in reserves to the extent not used to pay Operating Expenses, minus (f) all Operating Expenses.

"Certificate" has the meaning given to it in Section 1.1.

"Closing Costs Cap" means 1.45% of the Gross Contribution Value (as defined in the Exclusivity Agreement) of a Development Asset to be acquired pursuant to the Exclusivity Agreement (but without duplication of closing and financing costs).

"Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"Common Unit" means a unit of partnership interest issued pursuant to Section 2.1, 2.3 or 4.2, with the rights, powers and duties set forth herein. The number of Common Units owned by each Partner shall be set forth on Exhibit A.

"Confidential Information" has the meaning given to it in Section 13.15(a).

"Depreciation" means, for each Fiscal Period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Period, except that (i) with respect to any asset the Gross Asset

Value of which differs from its adjusted tax basis for federal income tax purposes at the beginning of such Fiscal Period and which difference is being eliminated by use of the "remedial method" as defined by Section 1.704-3(d) of the Regulations, Depreciation for such Fiscal Period shall be the amount of book basis recovered for such Fiscal Period under the rules prescribed by Section 1.704-3(d)(2) of the Regulations, and (ii) with respect to any other asset the Gross Asset Value of which differs from its adjusted tax basis for federal income tax purposes at the beginning of such Fiscal 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 Fiscal Period bears to such beginning adjusted tax basis; provided, that in the case of clause (ii) above, if the adjusted tax basis for federal income tax purposes of an asset at the beginning of such Fiscal Period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"Designated Properties" has the meaning given to it in Section 12.4(c).

"Development Asset" has the meaning given to it in the Exclusivity Agreement.

"Disabling Conduct" has the meaning given to it in Section 11.3.

"Established Net Value" means, with respect to any Property, the gross fair market value ascribed to such Property in an appraisal conducted by an Independent Valuation Firm, reduced, but not below zero, by the amount of (without duplication) (i) all indebtedness and other liabilities secured solely by such Property, (ii) all non-recourse liabilities to which such Property is subject, (iii) the portion of any indebtedness secured by such Property and other Properties allocated to such Property in good faith by the Regency Partner, and (iv) a portion of any unsecured indebtedness or other liabilities of the Partnership allocated to such Property in good faith by the Regency Partner, in each case adjusted to reflect the cost or value of any above- or below- market indebtedness. The Established Net Value is determined by the Regency Partner, subject to the approval of the Independent Valuation Firm, pursuant to Section 12.4.

"Exclusivity Agreement" has the meaning given to it in Section 5.9.

"Exculpated Person" has the meaning given to it in Section 11.3.

"Exercise Period" has the meaning given to it in Section 12.3.

"Federal Act" has the meaning given to it in the Legend.

"Feeder Partnership" or "Feeder Partnerships" means one or more limited partnerships which own Subsidiary REIT Common Shares. The Parent REIT shall not be considered a Feeder Partnership.

"Fiscal Period" means the fiscal year of the Partnership. The first Fiscal Period shall commence on the date hereof and each succeeding Fiscal Period shall commence on the day immediately following the last day of the immediately preceding Fiscal Period. Each Fiscal Period shall end on the earliest to occur after the commencement of such Fiscal Period of

(i) December 31, or (ii) the date on which the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g). To the extent any computation or other provision of the Agreement provides for an action to be taken on a Fiscal Period basis, an appropriate pro ration or other adjustment shall be made in respect of the initial and final Fiscal Periods to reflect that such periods are less than full calendar year periods.

"FOIA" has the meaning given to it in Section 13.15(b).

"For Cause Termination Event" means, with respect to the general partner of the Fund Partnership as general partner of the Fund Partnership (including acts or omissions performed or failed to be performed by the general partner on behalf of the Fund Partnership in the Fund Partnership's capacity as a shareholder of the Parent REIT or as a limited partner of the Subsidiary REIT), the general partner of the Subsidiary REIT as general partner of the Subsidiary REIT (including, in turn, acts or omissions it causes the Subsidiary REIT to take or fail to take as general partner of the Partnership) or any other Fund General Partner in its capacity as the general partner of a Feeder Partnership (i) gross negligence in the management of such entity or entities which has a material adverse effect on the entity or entities, (ii) fraud or willful misconduct with respect to such entity or entities, (iii) material breach of a Fund Governing Document, in the event that such material breach is not cured within ten (10) Business Days after receipt by the respective general partner of written notice of such material breach from Fund Limited Partners who collectively hold at least five percent (5%) of the outstanding Fund Limited Partner Units or (iv) the occurrence of any For Cause Termination Event by any other Fund General Partner that is an Affiliate of Regency.

"Foreign Acts" has the meaning given to it in the Legend.

"Fund" means the total investment structure composed of the Fund Partnership, the Parent REIT, the Subsidiary REIT, the Feeder Partnerships, the Partnership and Subsidiaries of the Partnership.

"Fund Capital Commitment" means, with respect to any Fund Limited Partner, the amount of money required to be contributed to the respective Participating Partnership in which such Fund Limited Partner is a limited partner by such Fund Limited Partner, as set forth in such Fund Limited Partner's subscription agreement delivered to such Participating Partnership.

"Fund Entities" means the Partnership, the Parent REIT, the Subsidiary REIT, the Feeder Partnerships, the Fund Partnership and Subsidiaries of the Partnership.

"Fund General Partners" means the general partner of the Fund Partnership, the general partner of the Subsidiary REIT and the general partner in each Feeder Partnership, all of which shall be Regency Retail GP, LLC or another Affiliate of Regency, unless one or more of the Fund General Partners is removed by a vote of the Fund Limited Partners.

"Fund Governing Documents" means this Agreement, the Parent REIT Charter, the Subsidiary REIT Charter, the Fund Partnership Agreement, the limited partnership agreements of the Feeder Partnerships and the Umbrella Agreement.

"Fund Indebtedness" has the meaning given to it in Exhibit D.

"Fund Limited Partners" means the limited partners in the Fund Partnership (other than the Regency Partner or any Affiliate of the Regency Partner) and the limited partners in the Feeder Partnerships (other than the Regency Partner or any Affiliate of the Regency Partner).

"Fund Limited Partner Units" means (i) the outstanding units in the Fund Partnership held by limited partners (other than the Regency Partner or any Affiliate of the Regency Partner) and (ii) the outstanding units in the Feeder Partnerships held by limited partners (other than the Regency Partner or any Affiliate of the Regency Partner).

"Fund Partnership" means Regency Retail Partners, LP, a Delaware limited partnership.

"Fund Partnership Agreement" means the Limited Partnership Agreement of Regency Retail Partners, LP, as such agreement may be amended in accordance with its terms from time to time.

"GAAP" means generally accepted accounting principles applicable in the United States from time to time.

"General Partner" means the Subsidiary REIT.

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

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined pursuant to the Exclusivity Agreement;

(ii) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partner, as of the following times: (a) 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; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of money or other property as consideration for an interest in the Partnership; and (c) 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 (a) and (b) 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 Partner in the Partnership;

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

(iv) 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 Regulation Section 1.704-1(b)(2)(iv)(m) and part (iv) of this definition and Section 3.2(b) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this part (iv) to the extent the General Partner determines that an adjustment pursuant to part (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this part (iv).

If the Gross Asset Value of an asset has been adjusted pursuant to part (i), (ii) or (iii) of this definition, 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. For purposes of part (ii) of this definition, the gross fair market value of the Partnership's assets shall be determined in a manner consistent with clause (x) of the definition of Net Asset Value; *provided, however*, that the gross fair market value of the Partnership's assets at the time of an adjustment resulting from a distribution to the Regency Partner under Section 12.4 shall be equal to the gross fair market value of the asset as determined pursuant to the definition of Established Net Value.

"In-Kind Distribution" has the meaning given to it in Section 12.4(a).

"In-Kind Distribution Consultant" has the meaning given to it in Section 12.4(b).

"In-Kind Distribution Costs" has the meaning given to it in Section 12.4(c).

"In-Kind Redemption Units" has the meaning given to it in Section 12.4(a).

"In-Kind Redemption Price" has the meaning given to it in Section 12.4(a).

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating him or her incompetent to manage his or her Person or 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 limited liability company which is a Partner, the dissolution and commencement of winding up of the limited liability company; (v) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership; (vi) 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 (vii) 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 (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect; (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner; (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors; (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature

described in clause (b) above; (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties; (f) any proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof; (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment; or (h) an appointment referred to in clause (g) which has been stayed is not vacated within ninety (90) days after the expiration of any such stay.

"Independent Valuation Firm" has the meaning given to it in the Valuation Policy.

"Initial Closing" has the meaning given to it in the Fund Partnership Agreement.

"Initial Investment Period" has the meaning given to it in the Fund Partnership Agreement.

"Initial Offering Period" has the meaning given to it in the Fund Partnership Agreement.

"Investment Strategy" means the Fund's investment strategy as set forth in the Private Placement Memorandum as of the date of the Initial Closing, as it may be changed with the approval of the Advisory Council pursuant to Section 5.4(a).

"Leverage Policy" has the meaning given to it in Section 5.12.

"Limited Partners" means all Partners except the General Partner.

"Liquidating Event" has the meaning given to it in Section 12.1.

"Liquidation Preference" has the meaning given to it in Section 12.2(a)(ii).

"Liquidation Value" has the meaning given to it in Section 12.4(b).

"Liquidating Trustee" has the meaning given to it in Section 12.2(a).

"Market Rates" has the meaning given to it in Section 5.14.

"Net Asset Value" means the Partnership's net asset value, as determined by the General Partner as of the last day of the most recent calendar quarter and at such other times as required in this Agreement (x) with the asset value to be based on (i) the aggregate value of the Partnership's Properties in accordance with the Valuation Policy or prior to valuation, the initial costs of such Properties, and updates to the valuations obtained by the Partnership, (ii) additions to the valuations or updates (or cost calculations) described in clause (i) to reflect capital expenditures made subsequent to the date of such valuations or updates (or cost calculations), if appropriate, and (iii) the carrying value under GAAP of all other Partnership assets and liabilities, including intangibles, provided that, for this purpose intangibles shall include only closing and acquisition costs incurred by the Fund in acquiring Properties (provided such costs

are not included in clause (i) hereof), unamortized leasing commissions and tenant improvements (provided such costs are not included in clause (i) hereof) and unamortized loan fees and expenses incurred by the Fund in financing or refinancing Fund Indebtedness; and (y) less the amount of all funded indebtedness of the Partnership; *provided*, *however*, that with respect to indebtedness of the Partnership, such indebtedness shall be carried at its outstanding principal balance. Organizational and Offering Expenses incurred in connection with funds raised during the Initial Offering Period shall be capitalized and amortized over a period of twelve (12) calendar quarters (beginning with the quarter in which the Initial Closing occurs) for the purposes of determining Net Asset Value, and shall be included in the "intangibles" described in clause (x)(iii) of the previous sentence. Where this Agreement or any other Fund Governing Document specifies any date for the calculation of Net Asset Value other than the last day of a calendar quarter, the Net Asset Value as of such date shall be equal to the Net Asset Value as of the last day of the most recent calendar quarter with such adjustments to the items specified in clauses (x)(ii), (x)(iii) and (y), above, to reflect material changes to such items as of the last day of the most recent calendar month.

"Net Asset Value Per Unit" means, as of any date, for a Common Unit (x) Net Asset Value as of such date, less (i) $1,000 multiplied by the number of Preferred Units outstanding as of such date, (ii) the value of the Preferred Return Account, and (iii) the value of the Preferred REIT Maintenance Account, divided by (y) the number of Common Units outstanding. Where this Agreement or any other Fund Governing Document specifies any date for the calculation of Net Asset Value Per Unit other than the last day of a calendar quarter, the Net Asset Value Per Unit as of such date shall be calculated based upon (a) the Net Asset Value as of such date as determined in accordance with the last sentence of the definition of Net Asset Value and (b) the items specified in clauses (x)(i), (x)(ii), (x)(iii) and (y) in this definition of Net Asset Value Per Unit determined as of the last day of the most recent calendar month.

"Offer" has the meaning given to it in Section 12.3.

"One Portfolio Policy" has the meaning given to it in Section 5.10.

"OP Redemption Notice" has the meaning given to it in Section 9.2(a).

"OP Redemption Notice Effective Date" has the meaning given to it in Section 9.2(a).

"Operating Expenses" means all expenses reasonably incurred by the General Partner, the Partnership or other Persons authorized to act on the Partnership's behalf in connection with the operation of the Partnership, including, without limitation: (i) fees and expenses of custodians, transfer agents, trustees and paying agents; (ii) audit, legal, accounting and appraisal fees, and other consultants' fees; (iii) brokers' commissions incurred in connection with the purchase, sale, leasing or financing of Properties; (iv) taxes and assessments; (v) any fees and expenses payable to independent contractors and subcontractors in connection with the actual or prospective acquisition, financing, management or disposition of a Property by the Partnership (including property managers, leasing companies, engineers, advisors, consultants and other experts engaged by the General Partner on behalf of the Partnership); (vi) expenses of making distributions to holders of Common Units and Preferred Units, and reinvesting any such

distributions pursuant to a reinvestment plan, including the cost of engaging a third party administrator for such plans; (vii) all reasonable out of pocket third party costs and expenses connected with the actual or prospective acquisition, disposition, financing, improvement, management, maintenance, operation, repair, leasing and ownership of Properties, including the Properties comprising the Initial Test Assets (as defined in the Exclusivity Agreement), and other assets of the Partnership, and any legal and closing costs connected therewith; and (viii) premiums for such insurance as the General Partner deems appropriate or necessary.

"Organizational and Offering Expenses" means all legal, accounting, printing, travel and other expenses reasonably incurred by the Fund Entities or other Persons authorized to act on the Fund's behalf in connection with (i) the formation of the Fund Entities, (ii) the preparation of the Private Placement Memorandum provided to the Fund Limited Partners, including any supplements thereto, (iii) the qualification for the exemption of the offer and sale of common units, preferred units and shares from registration under Federal and state securities laws or the securities laws of foreign jurisdictions and (iv) the private placement and sale of Fund Limited Partner Units; provided, however, that no placement fees or similar fees paid to any Person with respect to obtaining or soliciting subscriptions for Fund Limited Partner Units at any closing shall be included in Organizational and Offering Expenses.

"Ownership Restricted Partner" has the meaning given to it in Section 9.2(b).

"Parent REIT" means RRP Parent REIT, Inc., a Maryland corporation.

"Parent REIT Charter" means the Articles of Incorporation of RRP Parent REIT, Inc., as such agreement may be amended in accordance with its terms from time to time.

"Parent REIT Preferred Share" means a preferred share in the Parent REIT.

"Participating Partnerships" means the Fund Partnership and the Feeder Partnerships.

"Partner" means a Person who has executed a counterpart of this Agreement, so long as such Person has not ceased to be a partner of the Partnership pursuant to the terms of this Agreement, and any Person that becomes a substituted partner of the Partnership pursuant to the terms of this Agreement and has not ceased to be a partner of the Partnership pursuant to the terms of this Agreement. "Partners" means all such Persons. The Partners shall be identified on Exhibit A attached hereto, which may be modified, supplemented, or amended from time to time.

"Partnership" means RRP Operating, LP, a Delaware limited partnership.

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing the number of Common Units owned by such Partner by the total number of Common Units then outstanding.

"Person" means an individual, corporation, limited liability company, partnership, estate, trust (or portion thereof), association, joint stock company, government agency or political subdivision thereof, charitable organization, or other entity.

"Plan" has the meaning given to it in Section 4.2(a).

"Portfolio Test" has the meaning given to it in the Exclusivity Agreement.

"Preferred REIT Maintenance Account" means, with respect to each of the Parent REIT and the Subsidiary REIT, as of any relevant date after the issuance of the Preferred Units, the excess, if any, of (a) the accrued expenses of such entity relating to (i) the issuance of the Parent REIT Preferred Shares or Subsidiary REIT Preferred Shares by such entity and any ongoing administrative or other costs relating to such Parent REIT Preferred Shares or Subsidiary REIT Preferred Shares, including, without limitation, any redemption premiums due with respect to such shares (to the extent not paid pursuant to Section 9.3) and any amounts due to REIT Funding, LLC, REIT Administration, LLC, H & L Equities, LLC or their affiliates with respect to such shares (but excluding any repayment of the consideration received by such entity in exchange for the issuance of such shares) and (ii) any other administrative costs of such entity, including, but not limited to, tax return preparation and audit, accounting, and investor communication costs, over (b) the sum of the cumulative distributions made to such entity prior to such relevant date pursuant to Section 4.1(b) (including distributions received by such entity pursuant to Section 4.1(b) by reason of Section 12.2(a)(ii) hereof) and clause (d) of Section 9.3.

"Preferred Redemption Date" has the meaning given to it in Section 9.3.

"Preferred Return Account" means, with respect to each of the Parent REIT and the Subsidiary REIT as of any relevant date after the issuance of the Preferred Units, the excess, if any, of (a) an amount equal to a return computed like interest accruing on a daily basis from and including the date that the Preferred Units are issued hereunder at the rate of twelve and one half percent (12.5%) per annum on the sum of (x) the product of $1,000 and the number of Preferred Units held by each of Parent REIT and the Subsidiary REIT on each day of a relevant period, plus (y) all accumulated, accrued and unpaid distributions thereon, from and including the date hereof over (b) the sum of cumulative distributions made to such entity prior to such relevant date pursuant to Section 4.1(a) (including distributions received by such entity pursuant to Section 4.1(a) by reason of Section 12.2(a)(ii) hereof) and clause (c) of Section 9.3.

"Preferred Unit" means a fractional, undivided share of the partnership interests issued pursuant to Section 2.1(b) with the rights, powers and duties set forth in Section 2.1(b), which will be issued at such time as the Parent REIT and the Subsidiary REIT issue Parent REIT Preferred Shares and Subsidiary REIT Preferred Shares and will be designated as such on Exhibit A and expressed in the number set forth on Exhibit A, as such exhibit may be amended from time to time.

"Prior Partnership Agreement" has the meaning given to it in the Recitals.

"Private Placement Memorandum" means the Fund's Confidential Private Placement Memorandum, as amended, modified, or supplemented from time to time.

"Profits" and "Losses" means, for any Fiscal Period, an amount equal to the Partnership's taxable income or loss for such period, determined in accordance with Code Section 703(a) (for

this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(iii) If the Gross Asset Value of any Partnership asset is adjusted pursuant to part (ii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

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

(vi) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Any items that are specially allocated pursuant to Section 3.2 or Section 3.3 shall be excluded in computing Profits or Losses.

If for any Fiscal Period the sum of such items is a positive amount, such amount shall be deemed Profits for such Fiscal Period, and if the sum of such items is a negative amount, such amount shall be deemed Losses for such Fiscal Period.

"Property" means any direct or indirect interest in real or personal property, including without limitation, a fee interest, an interest in a ground lease or an interest in a joint venture or a partnership that the Partnership may own or hold from time to time or any purchase money loan held by the Partnership from time to time.

"Qualifying Center" has the meaning given to it in the Exclusivity Agreement.

"Redemption Date" has the meaning given to it in Section 9.2(g).

"Redemption Premium" means a redemption premium per Preferred Unit, payable pursuant to Section 9.3 or Section 12.2(a)(ii) calculated as follows based on the date of the redemption or Liquidating Event, as applicable: (1) until December 31, 2008, $200; (2) from January 1, 2009 to December 31, 2009, $150; (3) from January 1, 2010 to December 31, 2010, $100; (4) from January 1, 2011 to December 31, 2011, $50 and thereafter, no Redemption Premium.

"Redemption Right" has the meaning given to it in Section 9.2(a).

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

"Regency Interests" means all economic ownership interests in the Partnership, the Feeder Partnerships and the Fund Partnership held by the Regency Partner in exchange for which the Regency Partner contributed cash or property resulting in the issuance of Common Units either issued directly to the Regency Partner or to a Fund Entity through which the Regency Partner holds beneficial ownership to such Common Units (such as Common Units held by the Parent REIT and the Subsidiary REIT which the Regency Partner beneficially owns through a Participating Partnership). Regency Interests shall include, without limitation, any of the following held by the Regency Partner: (i) units in the Fund Partnership, (ii) any partnership interests in any Feeder Partnership, and (iii) any limited partnership interests in Partnership. The Regency Interests shall only be held by the Regency Partner, and may not be Transferred, except in connection with a Transfer pursuant to Section 9.1.

"Regency Investment Percentage" means, as of any date, the quotient obtained by dividing (i) the number of Common Units that Regency and its Affiliates own, either directly or beneficially, through ownership of the Regency Interests by (ii) the total number of outstanding Common Units.

"Regency Partner" means Regency Retail GP, LLC, a Delaware limited liability company, in its capacity as a limited partner.

"Regency Required Investment" has the meaning given to it in Section 2.4.

"Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning given to it in Section 3.

"Reinvestment Proceeds" has the meaning given to it in Section 4.2.

"REIT" means "real estate investment trust," as such term is defined in Section 856 of the Code.

"Right of First Refusal" has the meaning given to it in Section 12.3.

"ROFR Notice" has the meaning given to it in Section 12.3.

"State Acts" has the meaning given to it in the Legend.

"Subject Property" has the meaning given to it in Section 12.3.

"Subsidiary" means, with respect to any Person, any other Person of which fifty percent (50%) or more of (i) the voting power, or (ii) the outstanding equity interests, is owned, directly or indirectly (including through other Subsidiaries), by such Person.

"Subsidiary REIT" means RRP Subsidiary REIT, LP, a Delaware limited partnership.

"Subsidiary REIT Charter" means the Agreement of Limited Partnership of the Subsidiary REIT, as such agreement may be amended in accordance with its terms from time to time.

"Subsidiary REIT Common Share" means a common share in the Subsidiary REIT.

"Subsidiary REIT Preferred Share" means a preferred share in the Subsidiary REIT.

"Tax Matters Partner" has the meaning given to it in Section 7.2(b).

"Temporary Investments" means short-term investments by the Partnership consisting of (a) United States government and agency obligations maturing within 180 days, (b) commercial paper rated at least A-1 (or the equivalent thereof) by S&P or P-1 (or the equivalent thereof) by Moody's with a maturity not to exceed six (6) months and one (1) day, (c) interest-bearing deposits in United States banks maturing within 180 days and (d) money market mutual funds the assets of which are reasonably believed by the General Partner to consist primarily of items described in one or more of the foregoing clauses (a), (b) and (c).

"Transfer" means any sale, transfer, gift, assignment, devise or other disposition of Units (but excluding any redemption of Units), whether voluntary or involuntary, whether of record, constructively or beneficially and whether by operation of law or otherwise. With respect to any Limited Partner for which Units constitute all or substantially all of such Limited Partner's assets, a sale or other conveyance of a majority of the equity or ownership interests of or control of, such Limited Partner to an unaffiliated third party shall constitute a Transfer of the Units held by such Limited Partner.

"Umbrella Agreement" means that certain Agreement Among the Fund Entities by and among the Fund General Partners, the Fund Partnership, the Parent REIT, the Subsidiary REIT, the Feeder Partnerships and the Partnership, as such agreement may be amended in accordance with its terms from time to time.

"Unfunded Capital Commitment" means, with respect to a Fund Limited Partner as of any date, such Fund Limited Partner's Fund Capital Commitment, less the aggregate amount of such Fund Limited Partner's capital contributions to the Participating Partnership in which such Fund Limited Partner is a partner as of such date.

"Unfunded Capital Percentage" means, with respect to a Fund Limited Partner as of any date, a percentage equal to such Fund Limited Partner's Unfunded Capital Commitment divided by such Fund Limited Partner's Fund Capital Commitment.

"Units" means Common Units and Preferred Units in the Partnership.

"Valuation Policy" has the meaning given to it in Section 5.13.

SECTION 2
PARTNERS' CAPITAL CONTRIBUTIONS

2.1 Units.

(a) Common Units. Capital Contributions made by Partners are set forth in Exhibit A, and each Partner shall own the number of Common Units set forth for such Partner in Exhibit A, which Capital Contributions and Common Units shall be adjusted in Exhibit A from time to time by the General Partner to the extent necessary to reflect accurately the issuance or redemption of Common Units or similar events having an effect on any Partner's Common Units.

(i) Certificates. Common Units shall be evidenced by entries on the books of the Partnership. Certificates representing Common Units shall not be issued; provided, however, that the General Partner may provide that some or all of the Common Units shall be certificated.

(ii) Voting. Common Units shall not entitle the holder to vote on any matter under this Agreement, except as expressly required by the Act.

(iii) Rights. Each Common Unit shall have the rights and be governed by the provisions set forth in this Agreement, and none of such Common Units shall have any preemptive rights, or give the holders thereof any rights to convert into any other securities of the Partnership.

(iv) Restrictions on Transferability. The Common Units shall be subject to the restrictions on transfer provided in Section 9.1.

(b) Preferred Units. Upon the issuance of the Parent REIT Preferred Shares and Subsidiary REIT Preferred Shares, each of the Parent REIT and the Subsidiary REIT will contribute to the Partnership an amount equal to the amount received by such entity in exchange for such shares, and the Partnership shall issue a number of Preferred Units to such entity in exchange for such contribution equal to the amount contributed by such entity, divided by $1,000.

(i) Certificates. Preferred Units shall be evidenced by entries on the books of the Partnership. Certificates representing Preferred Units shall not be issued; provided, however, that the General Partner may provide that some or all of the Preferred Units shall be certificated.

(ii) Voting. Preferred Units shall not entitle the holder to vote on any matter under this Agreement, as expressly required by the Act.

(iii) Rights. Each Preferred Unit shall have the rights and be governed by the provisions set forth in this Agreement, and none of such Preferred Units shall have any preemptive rights, or give the holders thereof any rights to convert into any other securities of the Partnership.

(iv) Restrictions on Transferability. The Preferred Units shall be subject to the restrictions on transfer provided in Section 9.1.

2.2 Capital Calls During Initial Investment Period.

(a) At any time, and from time to time, during the Initial Investment Period, the General Partner may provide notice to the Fund General Partners that the Partnership requires additional capital for Partnership purposes (a "Capital Call Notice"). In determining the additional capital required for Partnership purposes that will be specified in the Capital Call Notice, the General Partner shall take into account any cash that will be contributed by the Regency Partner or any Affiliate pursuant to Section 2.6. Each Capital Call Notice shall include the total additional amount of capital that the Partnership requires (the "Additional Capital Amount") and the respective portions of such Additional Capital Amount that it requires from each of the Participating Partnerships (each, a "Capital Amount Proportion"). The Capital Amount Proportion for each Participating Partnership will be equal to the sum of the capital contributions from each Fund Limited Partner that is a limited partner in such Participating Partnership assuming that all Fund Limited Partners make capital contributions to their respective Participating Partnerships in the following manner until the aggregate amount of such capital contributions is equal to the Additional Capital Amount:

(i) first from:

(A) any Fund Limited Partners that made a capital contribution at the Initial Closing that have an Unfunded Capital Percentage that is greater than the Unfunded Capital Percentage of the Fund Limited Partner(s) with the lowest Unfunded Capital Percentage of the Fund Limited Partners that made capital contributions at the Initial Closing, and

(B) the Fund Limited Partners that made or increased their Capital Commitments after the Initial Closing

in proportion to, and to the extent necessary to cause, each such Fund Limited Partner's Unfunded Capital Percentage to equal the then-current Unfunded Capital Percentage of the Fund Limited Partner(s) with the lowest Unfunded Capital Percentage; and

(ii) second, from all Fund Limited Partners in an amount with respect to each such Fund Limited Partner equal to the product of (A) the Additional Capital Amount less the amounts contributed pursuant to Section 2.2(a)(i) multiplied by (B) such Fund Limited Partner's Capital Contribution Percentage.

(b) The Regency Partner's obligation to make Capital Contributions shall be governed by Section 2.4 and not by this Section 2.2.

(c) Notwithstanding anything to the contrary set forth herein, no Fund Limited Partner shall be required to make capital contributions to the Participating Partnership in which such Fund Limited Partner is a limited partner in an aggregate amount exceeding such Fund Limited Partner's Fund Capital Commitment.

(d) For purposes of Capital Calls pursuant to this Section 2.3, the General Partner shall not take into account Delinquent Limited Partners (as defined in the Fund Partnership Agreement) or any other Fund Limited Partner that is delinquent in making capital contributions to a Feeder Partnership and the units held by such delinquent Fund Limited Partners.

2.3 Issuance of Additional Units.

(a) At any time after the date hereof, without the consent of any Limited Partner, the General Partner may cause the Partnership to issue additional Units (including Common Units and Preferred Units) to the Parent REIT, the Subsidiary REIT, the Regency Partner (in connection with a contribution of Properties pursuant to the Exclusivity Agreement) or an Affiliate of the Regency Partner (in connection with a contribution of Properties pursuant to the Exclusivity Agreement) and reflect such issuance on an amendment or supplement to Exhibit A, in exchange for Capital Contributions; provided, however, that the issuance of Common Units at other than Net Asset Value Per Unit is subject to the approval of the Advisory Council, pursuant to Section 5.5(g), except that during the Initial Investment Period Common Units shall be issued at a price equal to the greater of Net Asset Value Per Unit or one thousand dollars ($1,000) per Unit provided, however, that Common Units issued as a result of the investment of proceeds from the issuance of Fund Limited Partner Units to Fund Limited Partners that became Fund Limited Partners prior to June 30, 2007 will be issued at one thousand dollars ($1,000) per Common Unit until such time as all Fund Limited Partners that became Fund Limited Partners prior to June 30, 2007 (other than any Delinquent Limited Partner (as defined in the Fund Partnership Agreement) or any other Fund Limited Partner that is delinquent in making capital contributions to a Feeder Partnership) have made Capital Contributions such that they all have the same Unfunded Capital Percentage. The Partnership shall not issue additional Preferred Units unless it is necessary or advisable to do so in order to maintain the status of the Subsidiary REIT or Parent REIT as a REIT. The Partnership shall not issue any partnership interests or equity securities other than Preferred Units or Common Units issued in accordance with this Section 2.3.

(b) Except as otherwise provided herein, from and after the date hereof, the Subsidiary REIT shall not issue any additional Subsidiary REIT Common Shares or Subsidiary REIT Preferred Shares, unless (1) the Subsidiary REIT contributes to the Partnership the net proceeds from the issuance of such Subsidiary REIT Common Shares or Subsidiary REIT Preferred Shares; and (2) the General Partner causes the Partnership to issue to the Subsidiary REIT either Common Units or Preferred Units having designations, preferences and other rights, all such that the economic interests are substantially similar to those of the Subsidiary REIT Common Shares or Subsidiary REIT Preferred Shares.

(c) Except as otherwise provided herein, from and after the date hereof, the Parent REIT shall not issue any additional Parent REIT Preferred Shares, unless (1) the Parent REIT contributes to the Partnership the net proceeds from the issuance of such Parent REIT Preferred Shares; and (2) the General Partner causes the Partnership to issue to the Parent REIT Preferred Units having designations, preferences and other rights, all such that the economic interests are substantially similar to those of the Parent REIT Preferred Shares.

(d) The General Partner shall not accept contributions from or issue Common Units to the Subsidiary REIT for proceeds resulting from the issuance of Subsidiary REIT Common Shares to a Feeder Partnership unless and until such Feeder Partnership has become a party to the Umbrella Agreement and complied with its obligations thereunder.

2.4 Regency Required Investment.

(a) The Regency Partner agrees, on behalf of itself and its Affiliates, that it will at all times own Regency Interests such that the Regency Investment Percentage shall be greater than or equal to twenty percent (20%) (the "Regency Required Investment"). Subject to the Exclusivity Agreement, the Regency Partner and its Affiliates may satisfy the Regency Required Investment requirement by conveying a Property to the Partnership in exchange for Common Units for all or a portion of the contribution value determined pursuant to the Exclusivity Agreement or by buying units in the Fund Partnership, Common Units, or units in the Feeder Partnerships for cash or property. If, upon any issuance of Fund Limited Partner Units, the Regency Investment Percentage is not equal to or greater than the Regency Required Investment, then as of the date of such issuance of Fund Limited Partner Units the Regency Partner or an Affiliate will acquire, at a price per Common Unit equal to the Net Asset Value Per Unit as of such date (provided that prior to the end of the Initial Investment Period, Units shall be issued at a price per Unit equal to the greater of (i) $1,000 or (ii) the Net Asset Value Per Unit as of such date), a number of units in the Fund Partnership, Common Units or units in the Feeder Partnerships sufficient to cause the Regency Investment Percentage to equal or exceed the Regency Required Investment.

(b) The General Partner is authorized to issue Units to the Regency Partner, an Affiliate of the Regency Partner or the Subsidiary REIT at a price per Unit equal to the Net Asset Value Per Unit as of such date (provided that prior to the end of the Initial Investment Period,

Units shall be issued at a price per Unit equal to the greater of (i) $1,000 or (ii) the Net Asset Value Per Unit as of such date) in connection with a purchase by the Regency Partner or an Affiliate of the Regency Partner of Common Units, units in the Feeder Partnerships or units in the Fund Partnership pursuant to this Section 2.4 (which in the case of units purchased in the Fund Partnership or a Feeder Partnership, in turn, will result in the Subsidiary REIT contributing the proceeds of such issuances to the Partnership pursuant to the terms of the applicable Fund Governing Documents), whether during or after the Initial Offering Period.

2.5 Other Matters.

(a) Except as otherwise provided in this Agreement, no Partner shall demand or receive a return of any Capital Contributions made by such Partner. No Partner shall have the right to receive property other than cash from the Partnership.

(b) No Partner shall receive any interest, salary, or drawing with respect to its Capital Contribution or its Capital Account or for services rendered on behalf of the Partnership or otherwise in its capacity as a Partner of the Partnership, except as otherwise provided in this Agreement.

(c) Except for its obligations to make contributions to the Partnership, and other payments, as expressly provided for herein, no Limited Partner shall otherwise be liable to the Partnership for the repayment, satisfaction or discharge of the Partnership's debts, liabilities and obligations. Except to the extent required by the Act, no Limited Partner shall be personally liable to any third party for any debt, liability or other obligation of the Partnership.

SECTION 3
ALLOCATION OF PROFITS AND LOSSES

3.1 Allocation of Profits and Losses.

(a) In General. After giving effect to the allocations set forth in Sections 3.2 and 3.3 hereof, Profits or Losses for any Fiscal Period shall be allocated to the Partners holding Common Units in proportion to their Percentage Interests.

(b) Limitation on Losses. Notwithstanding Section 3.2(a), to the extent Losses allocated to a Limited Partner under Section 3.2(a) would cause such Limited Partner to have an Adjusted Capital Account deficit as of the end of the Fiscal Period to which such Losses relate, such Losses shall not be allocated to such Partner and instead shall be allocated to the General Partner.

3.2 Special Allocations. Notwithstanding any provisions of Section 3.1, the following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. If there is a net decrease in "partnership minimum gain" (as that term is defined in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations) during any year, each Partner shall, to the extent required by Section 1.704-2(f) of

the Regulations, be specially allocated items of Partnership income and gain for such year (and, to the extent required by Section 1.704-2(j)(2)(iii) of the Regulations, subsequent years) in an amount equal to that Partner's share of the net decrease in Partnership minimum gain. Allocations pursuant to the previous sentence shall be made in accordance with Section 1.704-2(f)(6) of the Regulations. This Section 3.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Partner Minimum Gain Chargeback. If there is a net decrease in "partner nonrecourse debt minimum gain" (as that term is defined in Sections 1.704-2(i)(2) and (3) of the Regulations) during any year, each Partner who has a share of that partner nonrecourse debt minimum gain as of the beginning of the Fiscal Year shall, to the extent required by Section 1.704-2(i)(4) of the Regulations, be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) equal to that Partner's share of the net decrease in partner nonrecourse debt minimum gain. Allocations pursuant to the previous sentence shall be made in accordance with Section 1.704-2(i)(4) of the Regulations. This Section 3.2(b) is intended to comply with the requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Partner unexpectedly receives any adjustments, allocations, or distributions described in 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) of the Regulations, items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account deficit of such Partner as quickly as possible, provided that an allocation pursuant to this Section 3.2(c) shall be made only if and to the extent that such Partner would have an Adjusted Capital Account deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.2(c) were not in the Agreement.

(d) Nonrecourse Deductions. "Nonrecourse deductions" (as that term is defined in Section 1.704-2(1) and (c) of the Regulations) for any year or other period shall be specially allocated to the Partners holding Common Units in proportion to their Percentage Interests.

(e) Partner Nonrecourse Deductions. "Partner nonrecourse deductions" (as that term is defined in Section 1.704-2(i) of the Regulations) for any Fiscal Period shall be specially allocated to the Partner who bears the economic risk of loss with respect to the "partner nonrecourse debt" (as that term is defined in Section 1.704-2(b)(4) of the Regulations) to which such partner nonrecourse deductions are attributable, in accordance with Regulations Section 1.704-2(i)(1).

(f) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) 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 Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the

adjustment decreases such basis) and such gain or loss shall be specially allocated to the 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) Allocation of Gains and Losses Attributable to Revaluations. If the Gross Asset Value of any Partnership asset is adjusted pursuant to part (ii) of the definition of Gross Asset Value, the amount of such adjustment shall be specially allocated to the Partners holding Common Units in proportion to their Percentage Interests; *provided however*, that any adjustments in connection with a distribution to the Regency Partner under Section 12.4 shall be allocated in accordance with Section 3.7.

(h) Preferred Unit Allocation. For each Fiscal Period, each of the Parent REIT and the Subsidiary REIT shall be allocated items of gross income or gain equal to the sum of (i) the aggregate distributions received by such entity with respect to such Fiscal Period pursuant to Sections 4.2(a) and (b) (including distributions received by such entity pursuant to such subsections by reason of Section 12.2(a)(ii) hereof) and (ii) any payments to such entity in respect of the redemption of one or more Preferred Units pursuant to clause (b), (c), or (d) of Section 9.3.

3.3 Curative Allocations. The allocations set forth in Section 3.1(c), 3.2(a), 3.2(b), 3.2(c), 3.2(d), 3.2(e), and 3.2(f) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations that are made be offset either with other Regulatory Allocations or with special allocations pursuant to this Section 3.3. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the General Partner shall make such offsetting special allocations in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of the Agreement and all Partnership items were allocated pursuant to Sections 3.1, 3.2(g), and 3.2(h) and 3.7. In exercising its discretion under this Section 3.3, the General Partner shall take into account future Regulatory Allocations under Sections 3.2(a) and 3.2(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.2(d) and 3.2(e).

3.4 Tax Allocations.

(a) Generally. Subject to Section 3.4, items of income, gain, loss, deduction and credit to be allocated for income tax purposes (collectively, "Tax Items") shall be allocated among the Partners on the same basis as their respective book items.

(b) Allocations Respecting Section 704(c) and Revaluations. Notwithstanding Section 3.4, Tax Items with respect to Property that is subject to Code Section 704(c) and/or Regulation Section 1.704-1(b)(2)(iv)(f) shall be allocated in accordance with said Code section and/or Regulation Section 1.704-1(b)(4)(i), as the case may be, using the traditional method under Regulations Section 1.704-3(b).

3.5 Other Allocation Rules.

(a) The Partnership shall use the "interim closing of the books" method to determine each Partner's share of the Partnership's Profits, Losses, and any other items upon any change in the Partners' interests in the Partnership (whether by reason of a sale, redemption, or otherwise), except as otherwise required by Section 706.

(b) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), the Partners' interests in Partnership profits are in proportion to their Percentage Interests.

(c) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the General Partner shall endeavor to treat distributions as having been made from the proceeds of a "nonrecourse liability" (as that term is defined in Section 1.704-2(b)(3) of the Regulations) or a "partner nonrecourse debt" (as that term is defined in Section 1.704-2(b)(4) of the Regulations) only to the extent that such distributions would cause or increase an Adjusted Capital Account deficit for any Limited Partner.

3.6 Capital Accounts. The Partnership shall establish and maintain throughout the term of the Partnership for each Partner a separate Capital Account in accordance with Treasury Regulations 1.704-1(b).

3.7 Allocations in Year of Liquidation. Notwithstanding any other provision of this Section 3, in the year in which the Partnership makes liquidating distributions pursuant to Section 12.2, items of gross income, gain, loss and deduction shall be allocated among the Partners in a manner that will cause the Capital Account balance of each such Partner to be equal to, or to approximate as closely as possible, the aggregate net distributions that each such Partner is entitled to receive pursuant to Section 12.2(a)(ii) and (iii), provided, however, that any adjustments to the Gross Asset Value of the Partnership's assets pursuant to part (ii) of the definition of Gross Asset Value in connection with a distribution to the Regency Partner under Section 12.4 shall be allocated to the Partners in a manner that causes the Partners' Capital Accounts to be equal to, or to approximate as closely as possible, the amounts they would be entitled to receive under Section 12.2(a)(ii) and (iii) if the Partnership, instead of making the distribution to the Regency Partner provided for in Section 12.4, distributed an amount equal to the Liquidation Value (as determined pursuant to Section 12.4) to the Partners in liquidation of their interests in the Partnership.

SECTION 4
DISTRIBUTIONS

4.1 Cash Distributions. Cash Flow will be distributed quarterly:

(a) First, to the Parent REIT and the Subsidiary REIT in proportion to and to the extent of their Preferred Return Account balances;

(b) Second, to the Parent REIT and the Subsidiary REIT in proportion to and to the extent of their Preferred REIT Maintenance Account balances; and

(c) Third, to the Partners in proportion to their respective Common Units.

4.2 Reinvestment.

(a) The General Partner may elect to implement a distribution reinvestment plan at any time after the expiration of the Initial Investment Period. If the General Partner elects to do so, it shall implement a distribution reinvestment plan for the Partnership as set forth in the Umbrella Agreement (the "Plan"). The Subsidiary REIT shall automatically reinvest all Reinvestment Proceeds (as defined in the Umbrella Agreement) in the Partnership, as required by the Umbrella Agreement, and the General Partner shall issue Common Units to the Subsidiary REIT in exchange for such Reinvestment Proceeds. All such issuances of Common Units in accordance with the Plan shall be made pursuant to Section 2.3 and otherwise on the same terms and conditions as are set forth for reinvestment of distributions in the limited partnership agreements of the Participating Partnerships.

(b) In the event that the General Partner implements the Plan, any Partner other than the Subsidiary REIT may, in its sole discretion, elect in writing to automatically reinvest all or a potion of the amounts distributed to such Partner pursuant to Section 4.1 in Common Units, which reinvestment shall be made on the same terms and conditions as the Reinvestment Proceeds are reinvested pursuant to Section 4.2(a).

4.3 Withholding. Each Partner hereby authorizes the Partnership to withhold from, or pay on behalf of or with respect to, such 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 Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Sections 1441, 1442, 1445, or 1446 of the Code. Any amount paid on behalf of or with respect to a Partner shall constitute a recourse loan by the Partnership to such Partner, which loan shall be repaid by such Partner within fifteen (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 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 Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Partner.

SECTION 5
MANAGEMENT

5.1 Rights and Powers of the General Partner. Subject to the express provisions of this Agreement and the other Fund Governing Documents (including provisions requiring approval of the Advisory Council, the Limited Partners or the Fund Limited Partners over certain

matters), (i) the General Partner in its sole discretion shall have full, complete and exclusive right, power and authority to exercise all the powers of the Partnership and to do all things necessary to effectuate the purposes of the Partnership as set forth in Section 1.3, (ii) the General Partner shall exercise on behalf of the Partnership complete discretionary authority for the management and the conduct of the affairs of the Partnership, and (iii) the General Partner, in its sole discretion, shall have full, complete and exclusive right, power and authority in the management and control of the Partnership's business (including causing property management agreements and other agreements for property-related services to be entered into with respect to the Properties and other assets of the Partnership). Without limiting the generality of the foregoing, it is understood and agreed that the General Partner may enter into letters of intent, purchase agreements and other commitments relating to the acquisition or sale of Properties and other assets of the Partnership.

5.2 Actions Requiring the Consent of the Fund Limited Partners. Notwithstanding Section 5.1 hereof, the General Partner may take any action which by the express terms of this Agreement requires the approval of the Fund Limited Partners, including the actions described in Section 8.1, Section 9.1 and Section 12.2(a) if and only if the General Partner receives the approval of the Fund Limited Partners in accordance with the provisions of the Umbrella Agreement.

5.3 Advisory Council.

(a) The General Partner will promptly establish an advisory council (the "Advisory Council") consisting of no less than two (2) members and no more than seven (7) members; provided, however, that the Advisory Council may have up to nine (9) members at any time after the Participating Partnerships have accepted aggregate capital contributions from the Fund Limited Partners in excess of $1.5 billion. The Advisory Council will be established for the benefit of the Fund. The members of the Advisory Council shall be selected by the General Partner from representatives made available by the Fund Limited Partners, but none of such members may be Affiliates or employees of Regency or any of its Affiliates. After the initial appointment of the Advisory Council, each member shall serve for an initial term of one year, with automatic successive one-year renewal terms unless such member withdraws or is removed by the General Partner. Any subsequent vacancy on the Advisory Council shall be filled by the General Partner in the same manner that it used to select the initial members. A member of the Advisory Council has no fiduciary duty to the Partnership, any Fund Entity, any Partner or any Fund Limited Partner, and may vote in his/her own interest or in the interest of any Fund Limited Partner which may or may not be aligned with the interests of other Fund Limited Partners. The members of the Advisory Council will serve without compensation, but will be reimbursed by the Partnership for certain reasonable travel and other expenses incurred in connection with their role on the Advisory Council.

(b) The General Partner will consult with the Advisory Council about the Partnership's performance, guidelines for conflicts of interest, and the process of administering the Valuation Policy and making determinations of Net Asset Value. Other than as expressly described in Section 5.4 and Section 5.5, the Advisory Council's role will be advisory only.

(c) The Advisory Council shall meet on such regular schedule as the Advisory Council establishes. In addition to such scheduled meetings, upon ten (10) Business Days' notice, the General Partner may call a meeting of the Advisory Council. The General Partner shall prepare and distribute an agenda for each meeting of the Advisory Council prior to such meeting. Members of the Advisory Council may participate in meetings by conference telephones or similar equipment. The General Partner shall have the right to attend the meetings of the Advisory Council but shall not vote on any matters considered by the Advisory Council. In addition to the members of the Advisory Council appointed pursuant to Section 5.3(a), the General Partner shall also have the right to appoint, from representatives made available by Fund Limited Partners, one or more non-voting members of the Advisory Council who shall have the right to notice of, and to attend, the meetings of the Advisory Council but shall not vote on any matters considered by the Advisory Council. Notwithstanding anything to the contrary set forth herein, attendance at a meeting by a member of the Advisory Council shall be deemed a waiver by such Advisory Council member of any failure to provide notice of such meeting to such member under this Section 5.3(c).

5.4 Actions Requiring the Prior Unanimous Approval of the Advisory Council. The General Partner shall not, without the unanimous consent of the members of the Advisory Council, cause the Partnership to take any of the following actions or enter into any transaction or series of transactions which would have the effect of such actions, unless conditioned upon obtaining such approval of the Advisory Council:

(a) Make any material changes to the Investment Strategy;

(b) Amend the Exclusivity Agreement (including, without limitation, changing the criteria for a community shopping center to be a Qualifying Center or changing the Portfolio Test, in each case as set forth in the Exclusivity Agreement, or amending the form of Contribution Agreement attached as an exhibit to the Exclusivity Agreement); or

(c) Change the Allocation Policy (other than a modification necessary as a result of changes in law that is made in accordance with Section 5.11).

5.5 Actions Requiring the Prior Approval of a Majority of the Advisory Council. The General Partner shall not, without the consent of a majority of the members of the Advisory Council with each member voting once, cause the Partnership to take any of the following actions or enter into any transaction or series of transactions which would have the effect of such actions, unless conditioned upon obtaining such approval of the Advisory Council:

(a) Acquire any Acquisition Opportunity;

(b) Acquire any Development Asset that:

(i) is not a Qualifying Center;

(ii) would be less than 100% directly or indirectly owned by the Partnership; or

(iii) would have closing and financing costs in excess of the Closing Costs Cap;

(c) Acquire any Development Assets at a time when the Portfolio Test is not satisfied or would not be satisfied following the acquisition;

(d) Change the Leverage Policy or cause or permit the Partnership to incur any indebtedness inconsistent with the Leverage Policy;

(e) Change the Valuation Policy;

(f) Cause or permit the Partnership to enter into a transaction with Regency or any of its Affiliates, except for the acquisition of Development Assets pursuant to the Exclusivity Agreement, the Regency Partner's acquisition of Properties as an In-Kind Distribution pursuant to Section 12.4, or as permitted pursuant to Section 5.14;

(g) Cause the Partnership to issue any Common Units to any Person for a price less than the Net Asset Value Per Unit at the time of the issuance or to purchase any Common Units from a Partner at a price greater than Net Asset Value Per Unit;

(h) Cause the Partnership to issue equity or debt securities with rights or powers senior to the Common Units (other than the Preferred Units in accordance with Section 2.1(b) or ordinary course indebtedness consistent with the Leverage Policy);

(i) Select an Independent Valuation Firm for purposes of an In-Kind Distribution pursuant to Section 12.4(b);

(j) Select one or more Independent Valuation Firms for purposes of the Valuation Policy; or

(k) Cause the Partnership to redeem Common Units or, following the Initial Investment Period, issue Common Units without complying with the procedures set forth in Section 5.15.

Upon the request of the General Partner, the Advisory Council may be requested to approve or disapprove, solely on behalf of the Partnership, any other matter. In connection with any request by the General Partner for approval by the Advisory Council pursuant to Section 5.4 and this Section 5.5, the General Partner shall provide the Advisory Council with a reasonably detailed description of the matter and whether the matter involves a potential or actual conflict of interest, along with such additional materials as the Advisory Council may reasonably request and which are reasonably available to the General Partner without incurring material additional costs.

5.6 Expenses.

(a) Except as provided below, the Partnership shall pay directly or shall reimburse any Person that paid any Organizational and Offering Expenses or Operating Expenses on behalf of the Fund. Notwithstanding the foregoing, the Partnership shall not be required to pay Organizational and Offering Expenses in excess of One Million Five Hundred Thousand Dollars ($1,500,000) during the Initial Offering Period.

(b) Organizational and Offering Expenses incurred in connection with any closing after the Initial Offering Period shall be borne by the Fund Limited Partners admitted at such Subsequent Closing, except in the following circumstances, in which case such Organizational and Offering Expenses shall be paid as described in Section 5.6(a): (i) Fund Limited Partner Units issued pursuant to the Plan or (ii) Fund Limited Partner Units issued to Regency and its Affiliates.

(c) Except for fees payable to Regency and its Affiliates as described in Section 5.14, which fees may include all or a portion of the salaries and other compensation payable to certain employees of Regency and such Affiliates performing services under such arrangements, the General Partner and its Affiliates shall not be reimbursed by the Partnership for the following internal operating expenses of Regency and its Affiliates: (i) employee compensation, including salaries, wages, payroll taxes and the cost of employee benefit plans; (ii) rent, telephone, utilities, office furniture, equipment and machinery (including computers), supplies and other office expenses; (iii) insurance premiums for fidelity bond coverage applicable to certain of the General Partner's officers, employees and agents; and (iv) miscellaneous administrative expenses incurred in supervising, monitoring and inspecting real property and other investments of the Partnership or relating to the General Partner's performance of its obligations under this Agreement. Pursuant to lease agreements or property management agreements, Regency and its Affiliates may recover certain fees or expense reimbursements in respect of on-site services provided to a particular Property from the tenants of any such of Property (*e.g.*, on-site engineering, security or leasing services), and, notwithstanding any other provision of this Agreement, the Partnership shall not reimburse Regency or its Affiliates for any such amounts recovered from tenants.

5.7 Execution of Documents. Subject to the express provisions of this Agreement and the other Fund Governing Documents (including provisions requiring approval of the Advisory Council, the Limited Partners or the Fund Limited Partners over certain matters), the General Partner is authorized to execute, deliver and perform agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners to the fullest extent permitted under the Act or other applicable law, rule or regulation. The General Partner and each duly authorized officer of the General Partner may act for and in the name of the General Partner under this Agreement. In dealing with the General Partner acting for or on behalf of the Partnership, no Person shall be required to inquire into, and Persons dealing with the Partnership are entitled to rely conclusively on, the right, power and authority of the General Partner to bind the Partnership.

5.8 No Duty to Individual Partners. Except as set forth in Section 10.1, 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. The General Partner and the Partnership shall have no liability to a Limited Partner 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 taken pursuant to its authority under this Agreement unless such action (or inaction) is taken in violation of an obligation that the General Partner may have to a Limited Partner pursuant to a side letter with such Limited Partner.

5.9 Exclusivity Agreement. As of the date hereof, Regency and the Partnership have entered into an exclusivity agreement (including the form of property contribution agreement attached thereto, the “Exclusivity Agreement”) attached hereto as Exhibit B, pursuant to which Regency and its Affiliates will contribute Investment Properties or offer Acquisition Opportunities (as defined in the Exclusivity Agreement) to the Partnership, and the Partnership will accept the contribution of such Investment Properties, subject to the terms and conditions set forth in the Exclusivity Agreement.

5.10 One Portfolio Policy. Regency intends to implement, and shall have the right to implement, a policy which is intended to allow Regency to operate all Properties under its direct or indirect control on an ownership-blind basis (the “One Portfolio Policy”) regardless of whether a property is owned by Regency or an Affiliate of Regency, a joint venture between Regency or an Affiliate of Regency and a third party (including the Partnership), or an institutional investor advised by the Regency or an Affiliate (all such properties, the “Regency Portfolio”). Regency intends that all Partnership Properties be part of the Regency Portfolio and be subject to the One Portfolio Policy. The One Portfolio Policy may provide for placing properties under an umbrella insurance policy, negotiating master property management agreements, implementing a consistent signage program, participating in incremental income and e-business programs and platforms, and making portfolio-wide leasing decisions. It is understood that such One Portfolio Policy may result in benefits or burdens with respect to individual Properties. Regency shall implement the One Portfolio Policy subject to the terms of this Agreement, including Section 5.14 in connection with any services Regency or any of its Affiliates are retained to perform in accordance with the One Portfolio Policy. Regency’s One Portfolio Policy may be modified from time to time in the discretion of Regency.

5.11 Allocation Policy. In allocating Acquisition Opportunities among the Partnership and other entities in which Regency and its Affiliates have an ownership interest, Regency shall follow the allocation policy attached to this Agreement as Exhibit C (the “Allocation Policy”). Regency may modify its overall allocation policies from time to time in its discretion, after consulting with the Advisory Council and providing prior written notice to the Fund Limited Partners, where modifications are necessary as a result of changes in law. Any other change to the Allocation Policy shall require approval by the Advisory Council pursuant to Section 5.4.

5.12 Leverage. The General Partner is authorized to cause the Partnership and its Subsidiaries to enter into financing arrangements in accordance with the leverage policy attached hereto as Exhibit D (the “Leverage Policy”). The General Partner may not cause or permit the Partnership to incur any indebtedness inconsistent with the Leverage Policy unless such indebtedness is approved by the Advisory Council pursuant to Section 5.5(d). In addition, any change to the Leverage Policy shall require the approval of the Advisory Council pursuant to Section 5.5(d). Notwithstanding the foregoing, prior to June 30, 2007, the General Partner is authorized to cause the Partnership and its Subsidiaries to enter into the Initial Financing (as defined in the Private Placement Memorandum) and to cause the Partnership and its Subsidiaries to accept the contribution of assets subject to the Initial Financing. Prior to June, 2007 Regency and its Affiliates will not use the Initial Financing other than for properties to be contributed to the Fund or Properties owned by the Fund.

5.13 Valuation Policy. The General Partner shall cause the Partnership's Properties to be valued pursuant to the valuation policy attached hereto as Exhibit E (the "Valuation Policy"), such that each of the Properties will be appraised annually.

5.14 Use of Affiliates. Subject to approval of a majority of the members of the Advisory Council of the amount of the fees charged, the General Partner may retain Regency or one or more Affiliates of Regency to perform services for the Partnership and its Subsidiaries in lieu of hiring unaffiliated third parties to perform such services, including without limitation legal, tax, debt placement, property insurance, property management, and leasing and construction management services, on terms no less favorable to the Partnership than those available from unaffiliated third parties with comparable experience for a comparable level of quality and service ("Market Rates"). Prior to each calendar year, the General Partner will submit to the Advisory Council for approval a schedule of fees proposed to be charged by Regency and its Affiliates for any such services that will be provided, together with evidence indicating that on a portfolio-wide basis (except in the case of leasing commissions, which will be on a market-by-market basis) such fees are no greater than Market Rates. The Advisory Council shall approve or disapprove such fees, provided that the Advisory Council shall not withhold approval with respect to any fee that is no greater than the Market Rate for such fee. Any change to the fees so approved shall be effective as of the beginning of such following calendar year, and any agreement pursuant to which Regency or any of its Affiliates provides services to a Fund Entity shall provide that it shall be amended automatically to reflect any such change in the fees charged pursuant to this Section 5.14. The initial schedule of fees to be charged and services to be provided by Regency or an Affiliate, which shall be in effect for the 2007 calendar year without any further approval, is attached hereto as Exhibit F. Any disposition fee payable to Regency or an Affiliate of Regency with respect to the sale of a Property, shall require Advisory Council approval prior to the time of the disposition of such Property.

5.15 Reappraisal of Properties.

(a) The General Partner will provide the Advisory Council notice at least 90 days prior to any redemption of Common Units or, following the Initial Investment Period, any issuance of Common Units, unless a shorter notice period is approved by the Advisory Council.

(b) Within fifteen (15) Business Days after receipt of such notice, the Advisory Council will provide the General Partner with written notice of any Property or Properties for which it believes in its good faith judgment that the fair market value of such Property is at least ten percent (10%) greater than or less than the most recent appraised value and with a request for a new Summary Appraisal Report for each such Property.

(c) If the Advisory Council requests a revised appraisal for any Property or Properties, the General Partner shall obtain a new Summary Appraisal Report for each such Property and shall provide copies of such revised appraisals and a statement of the estimated Net Asset Value Per OP Unit as of the date of the redemption or issuance of Common Units referenced in its notice to the Advisory Council pursuant to Section 5.15(a) at least five (5) Business Days prior to such redemption or issuance of Common Units.

SECTION 6
PARTNERS

6.1 Admission; Rights and Powers. Upon (i) the making of a Capital Contribution to the Partnership by a Person and acceptance of such Capital Contribution by the Partnership, and (ii) receipt by the Partnership of an executed counterpart of this Agreement from such Person, such Person shall become a Partner of the Partnership. The Limited Partners shall have the right to approve or disapprove only the matters expressly set forth in this Agreement. The Limited Partners shall not have any right to remove the General Partner. No Partner except the General Partner shall have any other right or power to take part in the management or control of the Partnership or its business and affairs or any right or power to act for or bind the Partnership in any way. No Limited Partner and no member of the Advisory Council, in its capacity as a Limited Partner or member of the Advisory Council owes a fiduciary duty to the General Partner or any other Fund Entity, Partner or Fund Limited Partner, and such Limited Partner or member of the Advisory Council may act in its own self-interest or, in the case of a member of the Advisory Council, in the interest of the Fund Limited Partner that appointed him or her.

6.2 No Withdrawal or Dissolution. No Partner shall at any time withdraw from the Partnership under the Act or otherwise, except pursuant to a Transfer permitted under Section 9.1 or a redemption pursuant to Section 9.2 or unless the General Partner otherwise provides prior written consent to such withdrawal. No Partner shall have the right to have the Partnership dissolved or to have its contribution to the capital of the Partnership returned except as provided in this Agreement. The Partners shall take no action to dissolve the Partnership except as expressly contemplated by this Agreement. Each Partner covenants not to apply to any court for a decree of dissolution of the Partnership, under the Act or otherwise. The dissolution or bankruptcy of a Limited Partner, or any other event that causes a Partner to cease to be a Limited Partner of the Partnership shall not, in and of itself, dissolve or terminate the Partnership.

6.3 Consent. Each of the Limited Partners hereby consents to the exercise by the General Partner of all the rights and powers conferred on the General Partner by this Agreement.

6.4 No Dissenters' Rights. No Partner shall have any of the rights to dissent as set forth in the Act or otherwise.

SECTION 7
BOOKS AND RECORDS

7.1 Books and Records. The Partnership shall maintain, at its principal place of business (or such other place as the General Partner may designate), the books and records required to be maintained by the Act and shall be available upon reasonable notice for inspection

by the Partners at reasonable hours during any Business Day. A Partner may, subject to reasonable standards as may be established from time to time by the General Partner, obtain from the General Partner, from time to time upon reasonable demand for any purpose reasonably related to such Partner's interest in the Partnership, such information (including that specified in Section 17-305 of the Act) regarding the affairs of the Partnership as is just and reasonable. All financial records shall be maintained, and all financial reports required hereby shall be presented, in U.S. dollars.

7.2 Tax Matters.

(a) Tax Returns. Information required for Partners to prepare their federal, state, and local income tax returns will be delivered to each Partner after the end of each taxable year of the Partnership. Every reasonable effort will be made to furnish such information within 90 days after the end of each taxable year. The Partnership shall file its tax returns as a partnership for federal, state and local income and other tax purposes.

(b) Tax Matters Partner. The General Partner is hereby designated as the tax matters partner within the meaning of Section 6231(a)(7) of the Code ("Tax Matters Partner"). In such capacity, the General Partner shall have all of the rights, authority and power, and shall be subject to all of the obligations, of a tax matters partner to the extent provided in the Code and the Treasury Regulations. Consistent with the requirements of the Code and the Treasury Regulations, the General Partner shall take commercially reasonable measures to inform the other Partners of any material decision or actions the General Partner takes as the Tax Matters Partner.

(c) State and Local Tax Law. If any state or local tax law provides for a tax matters partner or Person having similar rights, powers, authority or obligations, the General Partner shall also serve in such capacity. In all other cases, the General Partner shall represent the Partnership in all tax matters to the extent allowed by law and to the maximum extent not prohibited by law.

(d) Expenses of the Tax Matters Partner. Expenses incurred by the General Partner as the Tax Matters Partner or in a similar capacity as set forth in this Section 7.2(d) shall be borne by the Partnership as Operating Expenses. Such expenses shall include, without limitation, fees of attorneys and other tax professionals, accountants, appraisers and experts, filing fees and reasonable out of pocket costs.

(e) Effect of Certain Decisions by Tax Matters Partner. Any decisions made by the Tax Matters Partner, including, without limitation, whether or not to settle or contest any tax matter, whether or not to extend the period of limitations for the assessment or collection of any tax and the choice of forum for such contest shall be made in the Tax Matters Partner's sole and absolute discretion.

(f) Tax Elections. The General Partner shall have the exclusive right to make any determination whether the Partnership shall make available elections for federal, state or local income tax purposes, including an election pursuant to Section 754 of the Code relating to certain adjustments to the basis of the Partnership's assets.

SECTION 8
AMENDMENTS

8.1 Amendments Generally. Except as otherwise provided in this Section 8, and notwithstanding any contrary provision of the Act, any amendments to this Agreement shall be proposed by the General Partner and adopted with the approval of the Fund Limited Partners; provided, however, that no amendment of this Agreement shall:

(a) without the approval of all the Fund Limited Partners, amend this Section 8.1; or

(b) without the approval of the affected Fund Limited Partners, adversely and disproportionately affect the manner in which any Partner's share of the Partnership's distributions, income, gains or losses is calculated or adversely affect the liability of any Fund Limited Partner.

8.2 Amendment by General Partner. Notwithstanding the provisions of Section 8.1, this Agreement may be amended by the General Partner, by executing an instrument of amendment and giving each Fund Limited Partner notice thereof, without the consent of any of the Fund Limited Partners, (i) to effect changes of a ministerial nature that do not materially and adversely affect the rights, duties or obligations of any Partner; (ii) to give effect to the admission of Partners in accordance with the terms hereof; (iii) to conform the terms of this Agreement with any regulations issued under Code Section 704, provided that, in the opinion of counsel to the Partnership, such amendment does not materially and adversely affect the rights or interests of any of the Partners; (iv) with respect to the Partnership's status as a partnership (and not as an association taxable as a corporation) for federal tax purposes (x) to comply with the requirements of the Regulations, or (y) to ensure the continuation of partnership status; provided, however, that, in the opinion of counsel of the Partnership, such amendment does not materially and adversely affect the rights or interests of any of the Partners; (v) to enter into side letters with Limited Partners, to the extent that they do not materially and adversely affect the economic interests of other Partners under this Agreement; and (vi) to change the name of the Partnership; provided, however, that no amendment shall be adopted pursuant to this sentence unless the adoption thereof (1) is, in the General Partner's reasonable determination, for the benefit of or not adverse to the interests of the Partners; (2) is consistent with the other provisions hereof; (3) does not affect the allocation and distribution provisions of Section 3 and Section 4 hereof (except to the extent necessary to conform the terms of this Agreement with any regulations issued under Code Sections 704) other than any effect that may result from the admission of a new Partner in accordance with the terms hereof; (4) does not alter the purpose of the Partnership; and (5) does not adversely affect the limited liability of the Limited Partners or the status of the Partnership as a partnership for federal income tax purposes.

SECTION 9
TRANSFERS; REDEMPTIONS

9.1 Transfer of Interests in the Partnership.

(a) The Limited Partner may Transfer its interest in the Partnership to an Affiliate of the Limited Partner without the approval of the Fund Limited Partners, so long as such Transfer includes a Transfer to such Affiliate of all of the Limited Partner's interest in the Partnership and all of the Regency Interests. Other than Transfers to an Affiliate, no Limited Partner shall Transfer all or any of its Units or its interest in the Partnership (or any economic interest therein), and no Transfer other than to an Affiliate shall be registered by the Partnership without the approval of the Fund Limited Partners.

(b) Subject Section 9.1(c), upon any Transfer in accordance with the provisions of Section 9.1(a), the transferee Limited Partner, subject to the approval of the Fund Limited Partners (if required by Section 9.1(a)), shall become a limited partner of the Partnership under the Act and shall become vested with the powers and rights of the transferor Limited Partner, and shall be liable for all obligations and responsible for all duties of the Limited Partner, once such transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement.

(c) It is a condition to any Transfer otherwise permitted hereunder that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred interest in the Partnership and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Limited Partner are assumed by a successor corporation or other Person by operation of law) shall relieve the transferor Limited Partner of its obligations under this Agreement without the approval of the Fund Limited Partners.

(d) The General Partner shall not transfer all or any of its Units or its interest in the Partnership (or any economic interest therein).

9.2 Redemptions of Common Units.

(a) Subject to the provisions of this Section 9.2, each Partner may elect quarterly to notify the Partnership of its desire to have the Partnership redeem some or all of its Common Units (the "Redemption Right") by providing the General Partner with a notice of that it is exercising its Redemption Right with respect to a number of Common Units to be set forth in such notice (the "OP Redemption Notice"). An OP Redemption Notice will be irrevocable by a Partner upon receipt by the General Partner and will be first effective as of the calendar quarter end on or most nearly following the 90th day after the date of delivery of the OP Redemption Notice to the General Partner (the "OP Redemption Notice Effective Date") and shall remain effective until the earlier of (i) the date on which all of the Common Units subject thereto have been redeemed, or (ii) the occurrence of a Liquidating Event.

(b) As a condition to admitting any Fund Limited Partner, the applicable Fund General Partner may agree to limit the number of Fund Limited Partner Units which may be held by such Fund Limited Partner in proportion to the total number of Fund Limited Partner Units outstanding in order to satisfy legal regulations, tax or other investment limitations of such Fund Limited Partner (an "Ownership Restricted Partner"). If after admitting an Ownership Restricted Partner, any Fund Limited Partner sends a redemption notice with respect to the Participating Partnership in which such Fund Limited Partner is a limited partner and the redemption of Fund Limited Partner Units pursuant to such redemption notice would cause any Ownership Restricted Partner to be in violation of an ownership restriction, such Ownership Restricted Partner shall be automatically deemed to have submitted to the Participating Partnership in which such Ownership Restricted Partner is a partner a redemption notice deemed sent on the same day as the notice that would cause the Ownership Restricted Partner to violate its ownership restriction was sent for the smallest number of Fund Limited Partner Units necessary to prevent such Ownership Restricted Partner from violating its ownership restriction after the redemption of all other outstanding redemption notices from Fund Limited Partners.

(c) The Partners agree that any redemption notice received or deemed to be received by the Subsidiary REIT in accordance with the Subsidiary REIT Charter will also be deemed to be an OP Redemption Notice. The Partners further acknowledge and agree that, as a result of the redemption provisions contained in the respective Governing Documents of the Participating Partnerships, the Parent REIT and the Subsidiary REIT, any redemption notice delivered by a Fund Limited Partner to a Participating Partnership automatically will also be deemed to result in a redemption notice being delivered to the Subsidiary REIT. Accordingly, the Partners agree that any redemption notice delivered by a Fund Limited Partner to the respective Participating Partnership in which it is a limited partner shall be deemed to result in an OP Redemption Notice from the Subsidiary REIT being received by the General Partner on the date such underlying redemption notice was delivered to the Fund General Partner of the applicable Participating Partnership and to be for a number of Common Units equivalent to the interests in the Participating Partnership subject to such notice.

(d) Notwithstanding the foregoing, a Fund Limited Partner shall not have the right to send a redemption notice to the Participating Partnership in which it is a partner until the later to occur of: (i) the second anniversary of the Initial Closing or (ii) such time as the Fund Limited Partner in question has contributed the full amount of its Fund Capital Commitment to the Participating Partnership in which it is a limited partner (or such Fund Capital Commitment has expired because the Initial Investment Period has ended).

(e) The Regency Partner (or any Affiliate of the Regency Partner that owns Common Units) shall not have a Redemption Right unless the Regency Investment Percentage is equal to or greater than the Regency Required Investment, in which case the Regency Partner (or any Affiliate of the Regency Partner that owns Common Units) shall have the right to have Common Units or units in the Fund Partnership or a Feeder Partnership redeemed until the Regency Investment Percentage is equal to the Regency Required Investment, provided that any accompanying redemption from the Subsidiary REIT does not jeopardize the Subsidiary REIT's status as a REIT. Subject to the preceding sentence, to the extent that the Regency Investment Percentage exceeds the Regency Required Investment during the Initial Investment Period, the

General Partner shall have the right to use Capital Contributions received by the Partnership from the Subsidiary REIT in response to a Capital Call Notice to redeem the Regency Partner or an Affiliate during the Initial Investment Period, to the extent of such excess.

(f) Subject to the Regency Partner's rights pursuant to Section 12.4, upon the occurrence of a Liquidating Event, the Redemption Right of all Partners shall terminate and all outstanding OP Redemption Notices shall terminate and be of no further force or effect.

(g) To the extent of the availability of Cash Flow and Capital Contributions (provided that such availability shall be determined by the General Partner in its sole discretion, and that such determination may take into account Operating Expenses, debt payments, applicable restrictions under debt instruments, investments to which the Partnership is directly or indirectly committed, anticipated strategic acquisitions to maintain the value of the Partnership's portfolio or capital expenditures and reserves) as of the end of any calendar quarter, the General Partner shall cause the Partnership to make payments to redeem Common Units (in whole or by means of one or more partial payments) which are the subject of an effective OP Redemption Notice. Notwithstanding the General Partner's discretion to determine the availability of Cash Flow and Capital Contributions with which to make redemptions set forth in the preceding sentence, if any election to redeem Common Units pursuant to an effective OP Redemption Notice has been outstanding for more than one hundred eighty (180) days following the OP Redemption Notice Effective Date, the General Partner shall cause the Partnership to take the actions described in Section 9.2(j) to satisfy outstanding redemption requests. In any calendar quarter in which the General Partner determines that there is insufficient Cash Flow to redeem all Common Units subject to outstanding effective OP Redemption Notices, redemptions shall be made from all requesting Partners pro rata based on the number of Common Units subject to outstanding effective OP Redemption Notices (without regard to the date of the OP Redemption Notices, other than for purposes of determining the effectiveness thereof). The General Partner shall make the determination as to the availability of Cash Flow for redemptions for each calendar quarter in which there are effective outstanding OP Redemption Notices as of the end of such calendar quarter, and the redemption of a Common Unit will be deemed effective as of the end of the calendar quarter as of which the General Partner determines pursuant to the preceding sentence that sufficient Cash Flow or Capital Contributions are available for its redemption (such calendar quarter end, the "Redemption Date" for such Common Unit). With respect to any Common Units subject to outstanding effective OP Redemption Notices that the Partnership does not redeem due to insufficient Cash Flow or Capital Contributions for the calendar quarter specified in such OP Redemption Notice, such Common Units will remain subject to the applicable OP Redemption Notice, and such OP Redemption Notice will remain outstanding and effective until the Partnership has redeemed such Common Units, or, if earlier, the occurrence of a Liquidating Event.

(h) The redemption price per Common Unit to be redeemed from any Partner shall be equal to (i) the Net Asset Value Per Unit of the Partnership calculated as of the applicable Redemption Date, less (ii) the amount of any distribution made after the applicable Redemption Date with respect to such Common Unit pursuant to Section 4.1 with respect to the calendar quarter in which the Redemption Date occurs. After the Partnership has made the final payment towards the redemption price on redeemed Common Units held by a Partner, such

Partner shall not be treated as a Partner with respect to such Common Units. For purposes of Section 3 and Section 4, a Partner that has Common Units redeemed pursuant to this Section 9.2 shall be deemed to have had such Common Units redeemed as of the applicable Redemption Date. Such Partner will not be allocated Profits, Losses or any other Partnership items with respect to such Common Units attributable to the period beginning after such Redemption Date. With respect to such Common Units, such Partner shall not be entitled to receive distributions under Section 4.1 with respect to calendar quarters beginning after such Redemption Date, but such Partner shall be entitled to receive any distribution paid with respect to the calendar quarter in which the Redemption Date occurs that is paid after the Redemption Date.

(i) The Partnership shall make payments to redeem Common Units as soon as practicable following the applicable Redemption Date for such Common Units and in any event within fifteen (15) Business Days following the determination of Net Asset Value Per Unit as of such Redemption Date. In connection with any redemptions hereunder, the redeeming Partners shall execute such documents and agreements as the General Partner shall reasonably request.

(j) Subject to the next sentence, in no event will the Partnership be obligated to sell or finance, or cause to be sold or financed, Partnership assets in order to satisfy any requests for redemption; provided, however, that the General Partner may, in its sole discretion, cause Partnership assets to be sold or financed in order to satisfy redemption requests. If as of the 180th day following the OP Redemption Notice Effective Date relating to a redemption request set forth in an OP Redemption Notice the Partnership has not fully satisfied the redemption request, the General Partner will use commercially reasonable efforts to sell, finance or refinance properties or otherwise borrow funds in order to achieve the liquidity needed to redeem all Common Units subject to then outstanding effective OP Redemption Notices, and thereafter, the General Partner will continue to use commercially reasonable efforts until all such redemption requests have been satisfied. In no event, however, will the Partnership be required: (i) to sell more than ten percent (10%) of the Partnership’s gross asset value (as determined at the end of the one hundred eighty (180) days following the OP Redemption Notice Effective Date) within any four consecutive quarters; (ii) to take any action that would compromise the integrity of the Partnership’s portfolio, including incurring borrowings not in compliance with the Partnership’s Leverage Policy, taking into account relevant factors, such as the portfolio’s diversity by market and retail segment, geography and tenant credit; (iii) to sell any asset under extraordinary, unfavorable market conditions; or (iv) to sell any asset within four (4) years of the acquisition of such asset by the Partnership or if such sale might reasonably be expected to risk the Parent REIT or Subsidiary REIT’s status as a REIT or result in the Parent REIT or Subsidiary REIT engaging in any “prohibited transaction” for U.S. federal income tax purposes. The foregoing provisions of this Section 9.2(j) shall not be construed as to provide any superior, preferential or prior right to the redemption of Common Units by Partners whose redemption requests have not been satisfied as of the 180th day following the Redemption Notice Effective Date related thereto.

(k) Notwithstanding the foregoing, no redemption will be made by the Partnership if as a result thereof the Parent REIT or Subsidiary REIT would cease to qualify as a REIT.

9.3 Redemptions of Preferred Units. In the event that the Parent REIT or the Subsidiary REIT elects to redeem any or all of the Parent REIT Preferred Shares or Subsidiary REIT Preferred Shares in such entity, respectively, the Partnership shall redeem a number of Preferred Units held by the Parent REIT or the Subsidiary REIT, as applicable, equal to the number of Parent REIT Preferred Shares or Subsidiary REIT Preferred Shares redeemed by such entity. Each Preferred Unit shall be redeemed for an amount of cash equal to the sum of (a) $1,000, plus (b) the per Preferred Unit Redemption Premium due as of such date, plus (c) a fraction, the numerator of which is the balance outstanding in such entity's Preferred Return Account as of the date of the redemption, and the denominator of which is the number of Preferred Units held by such entity immediately prior to the redemption, plus (d) in the case of a redemption of all of the Preferred Units of the Parent REIT or the Subsidiary REIT, the outstanding balance in such entity's Preferred REIT Maintenance Account. The redemption shall occur on the same date that the Parent REIT or the Subsidiary REIT, as applicable, redeems the Parent REIT Preferred Shares or Subsidiary REIT Preferred Shares (the "Preferred Redemption Date"). After a Preferred Redemption Date, the Parent REIT or Subsidiary REIT, as applicable, shall no longer be entitled to distributions with respect to the Preferred Units redeemed, and the return thereon will cease to accrue.

SECTION 10
PRESERVATION OF REIT STATUS

The Partners acknowledge that (i) each of the Subsidiary REIT and the Parent REIT intends to qualify at all times as a REIT and (ii) the ability of the Subsidiary REIT and the Parent REIT to qualify as REITs will depend upon the nature of the Partnership's operations. Accordingly, notwithstanding anything to the contrary contained herein, the General Partner shall cause the Partnership to be operated at all times in a manner that will enable the Subsidiary REIT and the Parent REIT to satisfy all of the REIT rules of the Code and avoid the imposition of any federal income or excise tax liability. The Partnership shall avoid taking any action that would result in the Subsidiary REIT or the Parent REIT ceasing to satisfy any of the REIT rules of the Code or would result in the imposition of any federal income or excise tax liability on the Subsidiary REIT or the Parent REIT. The Partners further acknowledge that the Subsidiary REIT and the Parent REIT shall be entitled to receive information regarding the Capital Account balances of the Partners, the Partnership's items of income, gain, deduction and loss, and such other information regarding the operations of the Partnership and its Subsidiaries as is necessary to permit each of the Subsidiary REIT and the Parent REIT to properly report and allocate to its respective shareholders its allocable share of the Partnership's items of income, gain, deduction and loss in compliance with its organizational documents and the REIT rules of the Code. The Partners acknowledge that the Subsidiary REIT and the Parent REIT are intended to be third party beneficiaries of this Section 10.

SECTION 11
DUTIES; LIABILITY; INDEMNIFICATION

11.1 Duties of the General Partner. The General Partner shall act, and shall cause Regency or any of its Affiliates that perform services on behalf of the Partnership to act, in good faith in the best interests of the Partnership and with the care an ordinarily prudent institutional real estate advisor or service provider, as applicable, in a like position would exercise under similar circumstances, and the General Partner shall not take any action or fail to take any action or cause or permit Regency or any such Affiliate of Regency to take any action or fail to take any action, which action or failure to act would constitute Disabling Conduct.

11.2 Other Activities. Each Partner, including each of the General Partner, the Limited Partners and each Affiliate of each Partner may, subject to the terms of this Agreement, the other Governing Documents and the establishment and existence of the Partnership, engage in whatever activities such Person may choose, whether such activities are competitive or comparable with the activities of the Partnership or otherwise.

11.3 Limitation of Liability. To the maximum extent permitted under the Act in effect from time to time, none of (A) the General Partner, or any of its Affiliates or any director, officer, shareholder, partner, member, employee, trustee, representative or agent of the General Partner or any of its Affiliates; (B) the Parent REIT, the Subsidiary REIT, the Fund Partnership, the Feeder Partnerships or any of their respective Affiliates or any director, officer, shareholder, partner, member, employee, trustee, representative or agent of the Parent REIT, the Subsidiary REIT, the Fund Partnership, the Feeder Partnerships or any of such Affiliates, including the Fund General Partners, or (C) any member of the Advisory Council (each, an "Exculpated Person" and collectively, the "Exculpated Persons") shall be liable to the Partnership or to any Partner for (i) any act or omission performed or failed to be performed by such Exculpated Person, or for any losses, claims, costs, damages, or liabilities arising from any such act or omission, except in the case of Persons listed in Clauses (A) and (B) above to the extent such loss, claim, cost damage or liability results from (a) a breach of the duty expressly imposed on the General Partner by Section 11.1 hereof, if applicable, or other material breach of this Agreement, (b) gross negligence, intentional misconduct or a knowing violation of law by such Exculpated Person, or (c) any transaction for which the such Exculpated Person received a benefit in violation or breach of any provision of this Agreement (all items in (a) through (c), collectively, "Disabling Conduct"), (ii) any tax liability imposed on the Partnership, unless, in the case of Persons listed in Clauses (A) and (B) above, such tax liability results from Disabling Conduct, or (iii) any losses due to the fraud, willful misconduct or gross negligence of any agents of the Partnership, as long as such persons are selected and monitored in a manner consistent with the duty set forth in Section 11.1. Without limiting the generality of the foregoing, each Exculpated Person shall, in the performance of his, her or its duties, be fully protected in relying in good faith upon the records of the Fund and upon information, opinions, reports or statements presented to such Person by any of the Fund General Partners or by any other Person as to matters such Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Fund, any of the Fund General Partners or their respective Affiliates. Any termination of this Agreement or amendment to this Section 11.3 shall not adversely affect any right or protection of an Exculpated Person existing at the time of such termination or amendment.

11.4 Indemnification. To the fullest extent permitted by law:

(a) The Partnership (and any receiver, liquidator, or trustee of, or successor to, the Partnership) shall indemnify and hold harmless each Exculpated Person from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, proceedings, investigations (internal or otherwise), costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, all costs and expenses of defense, appeal, and settlement of any and all suits, actions and proceedings involving such Exculpated Person and all costs of investigation (internal or otherwise) in connection therewith) that may be imposed on, incurred by, or asserted against such Exculpated Person in any way relating to or arising out of, or in connection with, or alleged to relate to or arise out of, or in connection with any action or inaction on the part of such Exculpated Person that relates in any way to the Fund or the business or assets thereof; provided, however, that the indemnification obligations in this Section 11.4(a) shall not apply to the portion of any liability, loss, obligation, damage, penalty, cost, expense or disbursement that results from (i) Disabling Conduct (except in the case of members of the Advisory Council, who shall be indemnified regardless of Disabling Conduct) or (ii) any suit, claim or proceeding brought by or on behalf of any Fund Entity against any Exculpated Person (other than a member of the Advisory Council), unless and until it is finally judicially determined (not subject to appeal) that such Exculpated Person is not liable to any such Fund Entity with respect to such suit, claim or proceeding or upon the dismissal or withdrawal of such suit, claim or proceeding.

(b) The Partnership shall pay expenses as they are incurred by any Exculpated Person in connection with any action, claim, or proceeding that the Exculpated Person asserts in good faith to be subject to the indemnification obligations set forth herein, upon receipt of an undertaking from the Exculpated Person to repay all amounts so paid by the Partnership to the extent that it is finally judicially determined (not subject to appeal) that the Exculpated Person is not entitled to be indemnified therefor under the terms hereof.

(c) If a claim for indemnification or payment of expenses hereunder is not paid in full within ten days after a written claim therefor has been received by the Partnership, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Partnership shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under this Agreement.

(d) If for any reason (other than the Disabling Conduct of such Exculpated Person other than an Advisory Council Member) the indemnification set forth in Section 11.4(a) is unavailable to such Exculpated Person, or is insufficient to hold such Exculpated Person harmless, in respect of any losses, claims, costs, damages or liabilities referred to in Section 11.4(a), then the Partnership shall contribute to the amount paid or payable by such Exculpated Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Fund on the one hand and such Exculpated Person on the other hand, but also the relative fault of the Fund and such Exculpated Person, as well as any relevant equitable considerations.

(e) The reimbursement, indemnity and contribution obligations of the Partnership under this Section 11.4 shall be in addition to any liability which the Partnership may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Partnership and each Exculpated Person. Any termination of this Agreement or amendment to this Section 11.4 shall not adversely affect any right or protection of an Exculpated Person existing at the time of such termination or amendment.

(f) The indemnification to be provided by the Partnership hereunder shall be paid only from the assets of the Partnership.

(g) The General Partner shall have power, on behalf of and at the expense of the Partnership, to purchase and maintain insurance on behalf of the Exculpated Persons against any liability asserted against or incurred by them in any such capacity or arising out of any such Exculpated Person's status as the General Partner, the Parent REIT, the Subsidiary REIT, the Fund Partnership, the Feeder Partnerships, the Fund General Partners, any of their respective Affiliates, any member of the Advisory Council or a director, officer, shareholder, partner, member or employee, trustee, representative or agent of any of them, whether or not the Partnership would have the power to indemnify the such Exculpated Person against such liability under the provisions of this Agreement.

SECTION 12
DISSOLUTION AND WINDING UP

12.1 Liquidating Events. The Partnership shall not be dissolved by the admission of additional limited partners, by the admission of a successor General Partner in accordance with the terms of this Agreement or by the Incapacity of any Limited Partner. Upon the withdrawal of the General Partner, any remaining General Partner and any successor General Partner shall continue the business of the Partnership as provided herein. The Partnership shall dissolve, and its affairs shall be wound up, only upon the first to occur of any of the following (each a "Liquidating Event"):

(a) an election made by the General Partner to dissolve the Partnership;

(b) the removal of any Fund General Partner upon a For Cause Termination Event;

(c) the removal of any Fund General Partner without a For Cause Termination Event;

(d) the withdrawal of the General Partner from the Partnership or the dissolution of the General Partner other than in connection with a Transfer permitted under Section 9.1;

(e) the sale or disposition of all or substantially all of the Properties and other assets of the Partnership; or

(f) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act.

12.2 Winding Up.

(a) Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, satisfying the claims of its creditors, and distributing its remaining assets to the Partners. In connection with the liquidation or winding up of the Partnership, the General Partner may, among other things, cause a sale of all or substantially all of the assets of the Partnership to a third party, without any approval of the Limited Partners. During the period commencing on the date on which a Liquidating Event occurs and ending on the date on which the assets of the Partnership are distributed pursuant to this Section 12.2(a), Profits and Losses and other items of Partnership income, gain, loss, or deduction shall continue to be allocated in the manner provided in Section 3 hereof. 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, if the General Partner has withdrawn or otherwise been removed from the Partnership, any Person (the "Liquidating Trustee") designated with the approval of the Fund Limited Partners shall be responsible for overseeing the winding up and dissolution of the Partnership. The General Partner or the Liquidating Trustee, as the case may be, shall conduct such winding up over such period of time as the General Partner or the Liquidating Trustee determines to be in the best interests of the Partners. The assets of the Partnership shall be liquidated by the General Partner or the Liquidating Trustee, as the case may be, and the proceeds thereof shall be applied and distributed in the following order:

(i) First, to creditors, including Partners who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Partnership (whether by payment or by making of reasonable provision for payment) other than liabilities for distribution to Partners on account of their respective interests in the Partnership;

(ii) Second, to the holders of Preferred Units, in the amount of (i) $1,000 multiplied by the number of Preferred Units outstanding at the time of the Liquidating Event, plus (ii) if the Liquidating Event occurs before the Redemption Premium right expires, the per Unit Redemption Premium in effect on the date of the Liquidating Event (items (i) and (ii), the "Liquidation Preference"); and

(iii) The balance, if any, to the Partners as provided in Section 4.1. The Regency Partner may be entitled to receive the distribution owed to some or all of its Common Units through an in-kind distribution in accordance with Section 12.4.

(b) The General Partner or the Liquidating Trustee, in its sole discretion, may elect not to pay the holders of Preferred Units the sums due pursuant to Section 12.2(a)(ii) immediately upon a Liquidation Event but instead choose to first distribute such amounts as may be due to the holders of the Common Units hereunder. If the General Partner or the Liquidating Trustee elects to exercise this option pursuant to this section, the General Partner or the Liquidating Trustee shall first establish a reserve in an amount equal to not less than 200% of all amounts owed to the holders of the Preferred Units pursuant to this Agreement. In addition, in the event that the Partnership elects to establish a reserve for payment of the Liquidation Preference, the Preferred Units shall remain outstanding until the holders thereof are paid the full Liquidation Preference, which payment shall be made no later than immediately prior to the Partnership making its final liquidating distribution on the Common Units. In the event that the Redemption Premium in effect on the payment date is less than the Redemption Premium on the date that the Liquidation Preference was set apart for payment, the Partnership may make a corresponding reduction to the funds set apart for payment of the Liquidation Preference.

12.3 Right of First Refusal Upon Removal Without Cause. Notwithstanding the provisions of Section 12.2 hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, upon the occurrence of a Liquidating Event pursuant to Section 12.1(c), the Regency Partner shall have a right of first refusal to acquire any Property owned by the Partnership or a Subsidiary (the "Right of First Refusal"). If, at any time after the occurrence of a Liquidating Event pursuant to Section 12.1(c), the General Partner or Liquidating Trustee shall receive a bona fide offer (an "Offer") from any person or entity for the purchase of any Property, and if the General Partner or Liquidating Trustee desires to accept such Offer, then the General Partner or Liquidating Trustee shall submit written notice of such fact to the Regency Partner, setting forth all of the terms and conditions of such Offer, including copies of all written offers and agreements relating to the Offer (the "ROFR Notice"). The Right of First Refusal shall be exercisable at any time within thirty (30) days from the date of the Regency Partner's receipt of the ROFR Notice (the "Exercise Period"), to purchase the Property described in the Offer (the "Subject Property"), upon the same terms and conditions as set forth in the Offer. If the Regency Partner elects to exercise the Right of First Refusal, then it shall, prior to the end of the Exercise Period, submit written notice of such exercise to the General Partner or Liquidating Trustee, and the purchase of the Subject Property shall be closed on or before the date specified for closing in the Offer. If the Regency Partner shall not exercise such Right of First Refusal within the Exercise Period, then the General Partner or Liquidating Trustee shall be free to sell the Subject Property upon substantially the same terms and conditions as those set forth in the ROFR Notice, including the date specified for closing in the Offer. If the transaction contemplated by the Offer does not close in accordance with such Offer (or otherwise on terms not materially less favorable to the Partnership than the terms stated in the Offer) on or before the date specified for closing in the Offer, then the Right of First Refusal shall be restored and the Right of First Refusal shall apply with respect to any future sale of the Subject Property, and the General Partner or Liquidating Trustee shall not thereafter sell the Subject Property to any person or entity without again complying with the requirements of the Right of First Refusal.

12.4 Distribution In-Kind Upon Removal Without Cause.

(a) Notwithstanding the provisions of Section 12.2 hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, upon the occurrence of a Liquidating Event pursuant to Section 12.1(c), the Regency Partner may, in its discretion, elect to redeem all or a portion of its Common Units and any units in other Fund entities which comprise the Regency Interest (the "In-Kind Redemption Units") and receive the redemption price payable with respect to such In-Kind Redemption Units (calculated in accordance with this Section 12.4(a)) in the form of an in-kind distribution of Properties. The amount that the Regency Partner elects to receive pursuant to this Section 12.4 shall be referred to as the "In-Kind Distribution." To the extent that the Regency Partner elects to redeem units in a Participating Partnership as part of the In-Kind Distribution, the holder of such units shall be deemed to have sent a redemption notice to such Participating Partnership, with instructions that rather than redeeming the units for cash, the units should be redeemed through the In-Kind Redemption provisions of the Partnership. The aggregate redemption price payable to the Regency Partner with respect to the In-Kind Redemption Units (the "In-Kind Redemption Price") shall be equal to the number of In-Kind Redemption Units multiplied by the Net Asset Value Per Unit as of the date of redemption (calculated in accordance with Section 12.4(b)). The redemption of the In-Kind Redemption Units will be deemed effective as of the completion of the In-Kind Distribution and shall occur to the extent reasonably possible prior to any sale of the Partnership's assets not distributed to the Regency Partner as part of the In-Kind Distribution.

(b) Upon the Regency Partner's election to receive an In-Kind Distribution pursuant to Section 12.4(a), the Regency Partner and the Advisory Council shall jointly select an Independent Valuation Firm to conduct an appraisal of the Partnership's Properties and the Advisory Council shall select an independent consultant (the "In-Kind Distribution Consultant") to advise it and make Property selections on behalf of the Limited Partners (other than Regency). A copy of all appraisals shall be provided to the Fund Limited Partners, the In-Kind Distribution Consultant and the Partnership's independent accountants. The Regency Partner will then determine the Established Net Value of each Property, subject to the approval of the Independent Valuation Firm. The Established Net Value of all of the Properties held by the Partnership plus (A) (i) the value of the Partnership's Temporary Investments and (ii) the carrying value of all other assets of the Partnership and minus (B) the In-Kind Distribution Costs (or estimated In-Kind Distribution Costs, to the extent that such costs have not been finally ascertained) collectively shall be the "Liquidation Value." The Regency Partner will then determine the In-Kind Redemption Price; provided, however, that for purposes of such calculations (including, without limitation, for purposes of determining the Net Asset Value Per Unit), the "Net Asset Value" shall be equal to the Liquidation Value. The Regency Partner shall promptly provide copies of all such determinations by the Regency Partner and approvals of the Independent Valuation Firm to the Advisory Council, the In-Kind Distribution Consultant and the Partnership's independent accountants. For purposes of calculating the Established Net Value of any Property and the Liquidation Value, the Independent Valuation Firm shall determine whether assets and liabilities created by new Statement of Financial Accounting Standards or changes to existing Statement of Financial Accounting Standards are appropriately included in the assets and liabilities of the Partnership.

(c) Within 30 days after the determination of the Established Net Value of each Property and the Liquidation Value, the Regency Partner and the In-Kind Distribution Consultant shall meet at the Partnership's offices in Jacksonville, Florida, or at any other location mutually acceptable to the Regency Partner and the In-Kind Distribution Consultant, for the purpose of determining which Properties will be distributed to the Regency Partner as its In-Kind Distribution. At such meeting, the Regency Partner and the In-Kind Distribution Consultant shall alternately select, with the party making the first selection determined at random, individual Properties that are to be distributed to the Regency Partner or retained and sold by the Partnership, with the In-Kind Distribution Consultant making three selections for each one selection made by the Regency Partner. Each party will select Properties by drawing names of Properties using a random selection method mutually agreed upon by the Regency Partner and the In Kind Distribution Consultant. The parties shall continue to select Properties in this manner until such time as the Regency Partner has selected Properties (the "Designated Properties") with aggregate Established Net Values not to exceed 110% of the In-Kind Distribution. In the event that the aggregate Established Net Values of the Designated Properties exceed the amount of the In-Kind Distribution, the Regency Partner shall make a cash contribution to the Partnership upon the closing of the transfer of the Designated Properties equal to such excess in restoration of the negative balance in its Capital Account that would otherwise result. All costs of the In-Kind Distribution Consultant, the Independent Appraiser and the Appraisals (the "In-Kind Distribution Costs") shall be paid by the Partnership.

(d) In connection with the process for determining the Established Net Value of each Property described in Section 12.4(b), the Regency Partner shall provide to the Advisory Council and the Independent Valuation Firm such information as is customarily required by commercial appraisers of properties similar to each Property, including, without limitation, operating statements showing operating revenues and expenses with respect to such Property, and shall also provide the Independent Valuation Firm and the Advisory Council with such additional materials as the Independent Valuation Firm may request and which is reasonably available to the Regency Partner without incurring material additional costs.

(e) Within thirty (30) days after the completion of the selection of the Designated Properties described in Section 12.4(c), the Designated Properties shall be distributed to the Regency Partner. The Designated Properties shall be conveyed by a special warranty deed or other customary deed in the locale of the Designated Property, bill of sale, assignment of leases and any other customary instruments of conveyance. Prorations shall be handled in a manner similar to arms' length transactions between third parties in the jurisdiction in which the property is located.

12.5 Negative Capital Accounts. Except as provided in Section 12.4(c), no Partner with a deficit balance in its Capital Account shall have any 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.

12.6 Technical Termination. Notwithstanding any other provision of this Section 12, in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, such liquidation shall not

cause a dissolution of the Partnership for purposes of the Act and the Partnership's assets shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up.

12.7 Rights of Partners. Each Partner shall look solely to the assets of the Partnership for the return of its Capital Contribution. Except as otherwise provided in this Agreement, no Partner shall have priority over any other Partner as to the return of its Capital Contribution, distributions, or allocations.

12.8 Notice of Dissolution. Upon the dissolution and the completion of winding up of the Partnership, the General Partner (or, in the event there is no General Partner, any Liquidating Trustee designated pursuant to Section 12.2(a) hereof) shall promptly execute and cause to be filed a certificate of termination in accordance with the Act and appropriate instruments under the laws of any other states or jurisdictions in which the Partnership has engaged in business.

SECTION 13
MISCELLANEOUS

13.1 Notices. Any notice, payment, demand, or communication required or permitted to be given pursuant to any provision of this Agreement shall be in writing and shall be (i) delivered personally, (ii) sent by postage prepaid, registered mail (airmail internationally), (iii) transmitted by telecopy, (iv) transmitted by electronic mail, or (v) delivered by nationally recognized overnight courier, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Partners:

(a) If to the Partnership, to the Partnership at the address of the Partnership's principal place of business set forth in Section 1.4 hereof;

(b) If to the General Partner, to the address of the principal place of business of the Partnership set forth in Section 1.4 hereof; and

(c) If to a Limited Partner, to the address set forth opposite such Limited Partner's name on Exhibit A hereto.

Any such notice, payment, demand, or communication shall be deemed to be delivered, given, and received for all purposes hereof (v) on the date of receipt if delivered personally or by courier, (w) five (5) days after posting if transmitted by mail, (x) the date of transmission if transmitted by telecopy, provided that the Person to whom the telecopy was sent acknowledges that such telecopy was received by such Person in legible form, or that such Person responds to the telecopy without indicating that any part of it was received in illegible form, whichever shall first occur, (y) the date of transmission if transmitted by electronic mail, provided that sender receives a receipt indicating that the electronic mail message was received, or (z) the next Business Day, if delivered by nationally recognized overnight courier.

13.2 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Partners and their respective successors, transferees, and assigns.

13.3 Construction. Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Partner.

13.4 Time. Time is of the essence with respect to this Agreement.

13.5 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

13.6 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

13.7 Incorporation by Reference. Every exhibit referred to herein is hereby incorporated in this Agreement by reference.

13.8 Further Action. Each Partner, upon the request of the General Partner, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

13.9 Governing Law. The laws of the State of Delaware shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Partners.

13.10 Waiver of Action for Partition. Each of the Partners irrevocably waives any right that it may have to maintain any action for partition with respect to any of the Partnership's assets.

13.11 Counterpart Execution. This Agreement may be executed in any number of counterparts, and each Partner may execute a separate Partner Signature Page, with the same effect as if all of the Partners had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

13.12 General Partner's Discretion. Whenever in this Agreement the General Partner is permitted or required to make a decision, it may do so in its sole and absolute discretion.

13.13 Counsel. Each Limited Partner hereby acknowledges and agrees that King & Spalding LLP and any other law firm retained by the General Partner in connection with the organization of the Partnership, or any dispute between the General Partner, on one hand, and any Limited Partner, on the other, is acting as counsel to the General Partner and as such, except as otherwise provided by law, does not represent or owe any duty to such Limited Partner or to the Limited Partners as a group.

13.14 Entire Agreement. This Agreement (including all exhibits and schedules hereto), together with any side letter agreement entered into concurrently by any Participating Partnership and any Fund Limited Partner and the Fund Governing Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior understandings or agreements, oral or written, among the parties.

13.15 Confidentiality.

(a) Except as may be required by law or valid subpoena or other lawful process, the failure to comply with which would subject the respective Limited Partner to damages or judicial or administrative censure or contempt (or as may be required in connection with an examination or audit of a Limited Partner by any governmental agencies having regulatory jurisdiction over a Limited Partner), each Limited Partner shall maintain in strict confidence, and shall not disclose to any Person (other than the General Partner, or another Limited Partner, or its or their respective advisors, each of whom shall be bound by this Section 13.15), any and all material, nonpublic information concerning the operations, business, or affairs of the Partnership, the Parent REIT, the Subsidiary REIT, the Fund Partnership, the Feeder Partnerships, any Affiliate of the foregoing Persons or any Fund Limited Partner ("Confidential Information"). Each Limited Partner that is subject by law to requirements of public access and disclosure and/or regulatory review shall nonetheless endeavor by all legally permissive means reasonably available to it (other than the obligation to engage in legal proceedings) to maintain the confidentiality of all Confidential Information. If any Limited Partner is compelled by law, regulation, subpoena, legal process or other demand to which such Limited Partner believes it is legally obligated to comply, to disclose any Confidential Information, such Limited Partner shall use its best efforts to give prompt notice of such fact to the General Partner so that the General Partner may, if it desires, seek a protective order or other governmental or judicial relief to prevent disclosure of such information.

(b) To the extent that the Freedom of Information Act, 5 U.S.C. § 552 ("FOIA"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement would potentially cause a Limited Partner or any of its Affiliates to disclose Confidential Information, such Limited Partner hereby agrees that, in addition to compliance with the notice requirements set forth in Section 13.1, such Limited Partner shall take commercially reasonable steps to oppose and prevent the requested disclosure unless (i) the General Partner does not object in writing to such disclosure within 10 days after such notice or (ii) such disclosure does not include (A) any information relating to individual Properties or (B) copies of this Agreement and related documents.

(c) Any obligation of a Limited Partner pursuant to this Section 13.15 may be waived by the General Partner in its sole discretion.

13.16 Third Party Beneficiaries. The Fund Limited Partners shall be third party beneficiaries of this Agreement. Other than the Fund Limited Partners and as specifically set forth in Section 11.3 and Section 11.4 hereof, this Agreement is exclusively for the benefit of the parties hereto and their successors and permitted assigns and this Agreement shall not be deemed to confer upon or give to any other third party any remedy, claim, liability, reimbursement, cause of action or other right.

13.17 Jurisdiction; Waiver of Jury Trial.

(a) Each party hereto hereby irrevocably (i) submits to the exclusive jurisdiction of the Delaware Court of Chancery or other state or federal court in the State of Delaware, in any action or proceeding arising out of or relating to this Agreement, the relations between the parties and any matter, action or transaction described in this Agreement, whether in contract, tort or otherwise, (ii) agrees that such courts shall have exclusive jurisdiction over such actions or proceedings, (iii) waives the defense that Delaware is an inconvenient forum to the maintenance and continuation of such action or proceeding, (iv) consents to the service of any and all process in any such action or proceeding by the mailing of copies (postage prepaid, registered mail (airmail internationally)) of such process to them at their addresses specified in Section 13.1 and (v) agrees that a final and non-appealable judgment rendered by a court of competent jurisdiction in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. In the event that an action or proceeding is initiated in one of the courts referenced above and is pending, the parties agree, for the convenience of the parties and subject to any limitations on subject matter jurisdiction of the court, to initiate any counterclaims or related actions in the same proceeding (as opposed to a separate proceeding in any of the other courts specified above).

(b) EACH PARTY HERETO, FOR ITSELF AND ON BEHALF OF ITS AFFILIATES, HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, LAWSUIT OR PROCEEDING RELATING TO ANY DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION DESCRIBED IN THIS AGREEMENT, WHETHER IN CONTRACT OR IN TORT, OR DISPUTE BETWEEN THE PARTIES (INCLUDING DISPUTES WHICH ALSO INVOLVE OTHER PERSONS).

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AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT OF

RRP OPERATING, LP

GENERAL PARTNER SIGNATURE PAGE

The undersigned hereby executes, enters into and agrees to be bound by the Amended and Restated Limited Partnership Agreement of RRP Operating, LP, dated February 16, 2007.

RRP SUBSIDIARY REIT, LP

By: Regency Retail GP, LLC, its general partner

By: Regency Centers, L.P., its sole member

By: Regency Centers Corporation, its general partner

By: /s/ Michael J. Mas
Name: Michael J. Mas
Title: Vice President – Joint Ventures
Date: February 16, 2007

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT OF

RRP OPERATING, LP

LIMITED PARTNER SIGNATURE PAGE

The undersigned hereby executes, enters into and agrees to be bound by the Amended and Restated Limited Partnership Agreement of RRP Operating, LP, dated February 16, 2007.

REGENCY RETAIL GP, LLC

By: Regency Centers, L.P., its sole member

By: Regency Centers Corporation, its general partner

By: /s/ Michael J. Mas
Name: Michael J. Mas
Title: Vice President – Joint Ventures
Date: February 16, 2007

Exhibit A

Partners, Common Units and Preferred Units

Name and Address of Partner	Common Units
Regency Retail GP, LLC One Independent Drive Suite 114 Jacksonville, Florida 32202-5019	1
RRP Subsidiary REIT, LP One Independent Drive Suite 114 Jacksonville, Florida 32202-5019	31,269

The Parent REIT and Subsidiary REIT will each hold 125 Preferred Units, and will each make a Capital Contribution of $125,000 to the Partnership in connection with the issuance of such Preferred Units.

Exhibit B

Exclusivity Agreement

[to be attached]

Exhibit C

Allocation Policy

In order to minimize the potential for conflicts of interest in the allocation of acquisition opportunities among entities in which Regency has an economic interest, Regency has established certain operating policies, including a rotation system for the allocation of acquisition opportunities. In the event that Regency or any of its Affiliates has an opportunity to acquire a community shopping center that would qualify as an Acquisition Opportunity (whether the seller is Regency, a Regency-managed joint venture or an unaffiliated third party) for the Fund and would also satisfy the investment criteria of other investment vehicles with capital available to invest, Regency will offer every other non-grocery anchored Acquisition Opportunity to the Fund and every fourth grocery-anchored Acquisition Opportunity to the Fund. In the event that the community shopping center in question would qualify as an Acquisition Opportunity for the Fund but would not also satisfy the investment criteria of any other investment vehicle with capital available to invest, Regency will offer the community shopping center to the Fund and such offer will not be considered an allocation under the general rotation system. Exceptions to the general rotation system will be made in the following circumstances: (i) a transaction necessary to satisfy Code Section 1031 exchange requirements; (ii) a tax deferred asset contribution in which a property owner contributes property to the Regency Centers, L.P. in exchange for limited partnership units in Regency Centers, L.P.; and (iii) situations in which Regency or any of its affiliates is issuing equity or other securities or in which legal, regulatory, tax or other impediments cannot be eliminated or substantially mitigated on a commercially reasonable basis without imposition of material additional costs on Regency, the Fund or other investment vehicles, including an acquisition by Regency of a portfolio of properties or an entity that holds interests in a portfolio of properties where there are such impediments to severing the portfolio or otherwise transferring individual properties (including impediments to allocating relative valuation and risks within the portfolio) or where the Fund does not have sufficient capital to acquire the entire portfolio or entity.

Exhibit D

Fund Leverage Policy

The Fund may acquire a Property subject to existing financing or may incur secured or unsecured indebtedness at the Property level, Property-owning entity level, Partnership level or the Subsidiary REIT level (including the potential establishment of a credit facility) (such debt collectively, the "Fund Indebtedness") if the General Partner believes it is appropriate, so long as it complies with this Leverage Policy. The Fund may not incur Fund Indebtedness that would cause the aggregate principal amount of the Fund Indebtedness to exceed, immediately after such incurrence of debt, 60% of the Gross Asset Value of the Fund's Properties, without obtaining the consent of the Advisory Council pursuant to Section 5.5(d). For example, if immediately after an incurrence of Fund Indebtedness, the Fund has assets with a Gross Asset Value of $400 million, the Fund Indebtedness, including the new borrowing, could not exceed $240 million unless the Advisory Council consented to the transaction pursuant to Section 5.5(d). For the purpose of calculating the aggregate principal amount of the Fund Indebtedness and the Gross Asset Value of the Fund's Properties, Fund Indebtedness and Fund Properties held through subsidiaries and joint ventures will be determined by reference to the Fund's share of those items under the relevant venture agreements.

Notwithstanding the foregoing, the Fund may incur Fund Indebtedness that causes the aggregate principal amount of the Fund Indebtedness to exceed 60% of the Gross Asset Value of the Fund's Properties immediately after the incurrence of such new Fund Indebtedness without obtaining the consent of the Advisory Council pursuant to Section 5.5(d) if: (i) the transaction that causes the aggregate principal amount of the Fund Indebtedness to exceed 60% of the Gross Asset Value of the Fund's Properties immediately after the incurrence of such Fund Indebtedness is a refinancing of the principal amount of any existing Fund Indebtedness (together with refinancing transaction costs and, to the extent required by the lender as a condition to obtaining such refinancing, anticipated tenant improvements, lease commissions and other project related costs to be funded from such refinancing) or (ii) the Fund Indebtedness does not exceed 60% of the Gross Asset Value of the Fund's Properties for more than two consecutive calendar quarters and during such time the Fund Indebtedness at no time exceeds 65% of the Gross Asset Value of the Fund's Properties.

In addition to the foregoing, Fund Indebtedness must meet the following criteria:

1. No Fund Indebtedness may be incurred if, at the time of incurrence, such incurrence would cause more than 20% of the outstanding Fund Indebtedness to have a floating or adjustable interest rate (including the newly incurred Fund Indebtedness). If floating rate Fund Indebtedness has been hedged to effectively have a fixed rate, it shall not be considered to have a floating or adjustable interest rate for purposes of calculating this item 1 for the period the hedge is in effect.
2. No Fund Indebtedness may be participating or otherwise entitle the provider of the Fund Indebtedness to any share of or interest based upon the amount of revenue or cash flow, property value or appreciation or other measure of performance of all or any part of the Fund's assets.

3. No Fund Indebtedness may (a) be cross-collateralized other than within a Permitted Pool (as defined below), or otherwise (b) be structured such that a Property is collateral for a loan that is greater than a Permitted Pool. A “Permitted Pool” shall mean a loan of up to $250 million in principal amount.

4. No Fund Indebtedness may be cross-defaulted with any other Fund Indebtedness other than within a Permitted Pool.

5. No Fund Indebtedness may be recourse to the Fund Partnership, the Parent REIT, the Subsidiary REIT or any Feeder Partnership (except for (i) indebtedness with a term of not more than one year and (ii) such limited non-recourse “carve-outs” which may be required by an institutional lender and which do not impose recourse liability as to materially different matters or to a materially greater extent than such provisions for non-recourse carve-outs which are commonly required by institutional lenders in connection with similar financings at the time the subject Fund Indebtedness is put in place).

6. No Fund Indebtedness may be recourse to any Fund Limited Partner other than the Regency Partner.

7. After the date that is three (3) years from the date that any Fund Indebtedness is incurred, the subject Fund Indebtedness must permit (a) substitution of at least a portion of the underlying collateral (without cost or fee other than that which is commonly charged by institutional lenders in connection with similar financings at the time the subject Fund Indebtedness is put in place), subject to requirements as to the quality and value of the replacement collateral as are commonly required by institutional lenders in connection with similar financings at the time the subject Fund Indebtedness is put in place, or (b) defeasance or prepayment of all or a portion of such Fund Indebtedness and the release of the underlying collateral without premium or penalty other than customary defeasance expenses or yield maintenance and release premiums (i.e., a premium equivalent to a percentage of the remaining loan value). Whether Fund Indebtedness meets the criteria set forth in this item 7 shall be determined by the General Partner in its reasonable discretion.

8. All Fund Indebtedness must permit the Fund Limited Partners to exercise rights afforded under the Fund Governing Documents to remove any of the Fund General Partners without triggering mandatory prepayment of the Fund Indebtedness, subject to the reasonable consent of the lenders to any replacement general partner.

9. Neither Regency nor any of its Affiliates has any obligation to extend Fund Indebtedness to the Fund or to guarantee Fund Indebtedness incurred by the Fund. In the event that Regency or any of its Affiliates offers to extend Fund Indebtedness to the Fund, the incurrence of such Fund Indebtedness will be subject to the approval of the Advisory Council under Section 5.5(d) of this Agreement. Regency and its Affiliates may from time to time guarantee Fund Indebtedness or contribute assets with Fund Indebtedness in place (so long as such Fund Indebtedness is at or below market rates) at no incremental cost or expense to the Fund.

10. The restrictions and requirements set forth in items 1-9 above shall not apply to any promissory note issued to an ERISA Partner in connection with any permitted redemption or an ERISA Partner pursuant to the Fund Governing Documents.

Exhibit E

Valuation Policy

Each of the Fund's Properties will be appraised or subject to an appraisal update annually by a nationally-recognized Member Appraisal Institute ("MAI") appraisal firm approved by the Advisory Council as more particularly described herein (an "Independent Valuation Firm"). The appraisals and updates will be signed by an MAI appraiser and staggered on a quarterly basis throughout the year (allowing approximately 25% of the Fund's portfolio to be appraised or updated each calendar quarter, such that each Property will be appraised annually). Any appraisals required under any Fund Governing Document or the Exclusivity Agreement will be a Full Narrative Appraisal (as defined below) and prepared by an Independent Valuation Firm and signed by an MAI appraiser.

To the extent that a Property was not appraised via a Full Narrative Appraisal in connection with its initial acquisition by the Fund, each such Property will receive a Full Narrative Appraisal during the first calendar quarter following its acquisition by the Fund. Each Property will join the annual valuation cycle within 12 months following its acquisition date. After a Property has received a Full Narrative Appraisal and has joined the annual valuation cycle, the appraised value of such Property will be updated annually via a Summary Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice ("USPAP") based on the income capitalization approach (including both the direct capitalization and discounted cash flow approaches) and sales comparison approach (and including a reconciliation between the two (2) approaches) and otherwise substantially similar in format and content to the sample appraisal attached hereto as Exhibit E-1. For purposes of the foregoing, a "Full Narrative Appraisal" shall appraise the value of a Property based on the income capitalization approach (including both the direct capitalization and discounted cash flow approaches), the sales comparison approach and the cost approach (and including a reconciliation between the three (3) approaches) and otherwise substantially similar in format and content to the sample appraisal attached hereto as Exhibit E-2. The Fund General Partners will use the appraised values and updated annual valuation (or any more recent update required pursuant to Section 5.15) for purposes of determining Gross Asset Value and Net Asset Value.

Qualifications of the Appraiser

Subject to the approval of the Advisory Council, the General Partner shall appoint one or more Independent Valuation Firms to conduct the appraisals. With respect to the appraisal of any particular Property, the General Partner may select among the Independent Valuation Firms using criteria including, but not limited to, the geographic location of the Property and the availability of any particular Independent Valuation Firm. The appraiser must be (a) an MAI appraiser employed by one of the Independent Valuation Firms and (b) suitably qualified to carry out such appraisals and at least one of the signatories to the valuation must have at least five (5) years appropriate experience. The appraiser must be authorized under the law of the state where the appraisal takes place to practice as an appraiser. The appraiser may have no pecuniary or

other potential conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the value of the property. The appraiser will keep all non-public confidential information relating to an engagement with the Fund and the underlying transaction strictly confidential subject to requirements of law and rules of the Appraisal Institute. The appraiser's report will confirm that the appraiser meets the above qualifications.

Appraisal Compliance

Each appraisal should be carried out in accordance with the guidelines and recommendations set forth in the USPAP and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Inspection and Documentation

The valuation shall take into consideration the information provided from an inspection of the Property being valued as well as a review of (i) a schedule of current tenancies and operating expenses, (ii) a capital expenditure report, (iii) all leases, (iv) the property management and leasing agreement actually in place for the Property and the fees charged pursuant to such agreements (including agreements with Affiliates of Regency pursuant to Section 5.14) and (v) any other relevant information pertaining to the Property.

Exhibit E-1

Sample Summary Appraisal Report

Exhibit E-2

Sample Full Narrative Appraisal

Exhibit F

Initial Schedule of Fees and Services

Property Management	Regency Realty Group, Inc. will receive an annual property management fee equal to 3.75% of gross property receipts pursuant to the Property Management Agreement between the Partnership and Regency Realty Group, Inc. Gross receipts is defined as all revenues except (1) security deposit payments (unless forfeited for rental payments) and all interest earned on such deposits; (2) prepaid rents (until such rents are earned); (3) real estate taxes; (4) insurance proceeds (unless such proceeds are deemed to cover loss of rents); (5) proceeds from legal settlements above and beyond what would typically be considered gross receipts and (6) proceeds from any sale or financing of a Property.
Construction Management	Regency Realty Group, Inc. will receive a construction management fee on tenant improvements and other capital improvements to existing structures pursuant to the Property Management Agreement between the Partnership and Regency Realty Group, Inc. The construction management fee will be equal to the sum of 5% of total project costs, including hard and soft costs but excluding land costs and financing fees.
Debt Placement Fees	Regency will receive debt placement fees of:

Length	Fee
10+ year debt	50 bps
7-10 year debt	45 bps
5-7 year debt	40 bps
3-5 year debt	35 bps
0-3 year debt	None

The debt placement fee shall be reduced by the amount of any fee paid to a correspondent or broker.

Legal Fee	Regency will be reimbursed for legal services provided to the Fund in lieu of retaining a third party to provide such services. Regency paralegals bill at $100 per hour. Regency attorneys bill at $150 per hour. These hourly rates are for non-standard documents. Standard documents (defined as using Regency’s form) are billed at a flat rate of $750 per document.

Tax Fee

Regency will be reimbursed for tax related services provided to the Fund in lieu of retaining a third party to provide such services. The fee is a cost sharing arrangement based on Regency's "all in" cost multiplied by the actual time spent. Tax services are billed at hourly rates ranging from $25 to $150 per hour, depending on the level of the Regency employee involved.

Leasing Commissions

Regency Centers, L.P. will receive leasing commissions pursuant to the Leasing Agreement between the Partnership and Regency Centers, L.P..

The schedule of leasing commissions is set forth below:

Commissions for New Leases:

Market:	Tenant <5,000 sf Years 1-5	Tenant <5,000 sf Rest of term	Tenant 5,000 sf to < 10,000 sf Years 1-5	Tenant 5,000 sf to < 10,000 sf Rest of term	Tenant 10,000 sf to < 20,000 sf Years 1-5	Tenant 10,000 sf to < 20,000 sf Rest of term	Tenant 20,000 sf and greater
Atlanta	6%	3%	5%	2.5%	4%	2%	$ 3.00 psf
Bay Area	6%	3%	5%	2.5%	4%	2%	$ 4.00 psf
California	6%	3%	5%	2.5%	4%	2%	$ 4.00 psf
Carolina	6%	3%	5%	2.5%	4%	2%	$ 3.00 psf
Mid-Atlantic	6%	3%	5%	2.5%	4%	2%	$ 4.00 psf
Midwest	6%	3%	5%	2.5%	4%	2%	$ 3.00 psf
North Florida	6%	3%	6%	3%	5%	2.5%	$ 4.00 psf
Northeast	6%	3%	5%	2.5%	4%	2%	$ 4.00 psf
Pacific Northwest	7.5%	3.75%	6.5%	3.25%	5.5%	2.75%	$ 4.00 psf
Rocky Mountain	7%*	3.5%*	6%*	3%*	5%*	2.5%*	$ 3.00 psf
Southern California	6%	3%	5%	2.5%	4%	2%	$ 4.00 psf

* Rocky Mountain commissions marked * are capped at $5.00 psf

(With respect to new leases, if Leasing Agent is the sole broker the rates shall be reduced by 1% or $1.00 per square foot, as applicable, with the entire commission payable to Leasing Agent.)

Commissions for Renewals:

Market:	Tenant <5,000 sf Years 1-5	Tenant <5,000 sf Rest of term	Tenant 5,000 sf to < 10,000 sf Years 1-5	Tenant 5,000 sf to < 10,000 sf Rest of term	Tenant 10,000 sf to < 20,000 sf Years 1-5	Tenant 10,000 sf to < 20,000 sf Rest of term	Tenant 20,000 sf and greater
Atlanta	3%	1.5%	1.5%	1.25%	2%	1%	$ 1.50 psf
Bay Area	3%	1.5%	1.5%	1.25%	2%	1%	$ 2.00 psf
California	2%	1%	2%	1%	1%	.5%	$ 2.00 psf
Carolina	3%	1.5%	1.5%	1.25%	2%	1%	$ 1.50 psf
Mid-Atlantic	3%	1.5%	1.5%	1.25%	2%	1%	$ 2.00 psf
Midwest	3%	1.5%	1.5%	1.25%	2%	1%	$ 1.50 psf
North Florida	3%	1.5%	1.5%	1.25%	2%	1%	$ 2.00 psf
Northeast	3%	1.5%	1.5%	1.25%	2%	1%	$ 2.00 psf
Pacific Northwest	5%	2.5%	4%	2%	3%	1.5%	$ 2.00 psf
Rocky Mountain	3%*	1.5%*	2%*	1%*	1%*	0.5%*	$ 1.50 psf
Southern California	2%	1%	2%	1%	1%	0.5%	$ 2.00 psf

* Rocky Mountain commissions marked * are capped at $3.00 psf

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Martin E. Stein, Jr.**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** (“registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2007

/s/ Martin E. Stein, Jr.

Martin E. Stein, Jr.
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Bruce M. Johnson**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** (“registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2007

/s/ Bruce M. Johnson

Bruce M. Johnson
Chief Financial Officer

Exhibit 31.3

Certification of Chief Operating Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, **Mary Lou Fiala**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of **Regency Centers Corporation** (“registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2007

/s/ Mary Lou Fiala
Mary Lou Fiala
Chief Operating Officer

Exhibit 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Chairman and Chief Executive Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **March 31, 2007** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2007

/s/ Martin E, Stein, Jr.

Martin E. Stein, Jr.
Chief Executive Officer

Exhibit 32.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Managing Director and Chief Financial Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **March 31, 2007** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2007

/s/ Bruce M. Johnson

Bruce M. Johnson
Chief Financial Officer

Exhibit 32.3

Written Statement of the Chief Operating Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned President and Chief Operating Officer of **Regency Centers Corporation** (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended **March 31, 2007** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2007

/s/ Mary Lou Fiala

Mary Lou Fiala
Chief Operating Officer